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Application Proof of

SILICON INTELLIGENCE

Nanjing Silicon Intelligence Technology Group Co., Ltd.
南京硅基智能科技集團股份有限公司

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

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SILICON INTELLIGENCE

Nanjing Silicon Intelligence Technology Group Co., Ltd.
南京硅基智能科技集團股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB1.00 per H Share**
Stock Code	**:**	**[REDACTED]**

Joint Sponsors, [REDACTED],
[REDACTED], [REDACTED] and [REDACTED]

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Applicants for **[REDACTED]** may be required to pay, on application (subject to application channels), the maximum **[REDACTED]** of HK$**[REDACTED]** for each **[REDACTED]** together with brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the **[REDACTED]** as finally determined is less than HK$**[REDACTED]**.

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The obligations of the **[REDACTED]** under the **[REDACTED]** are subject to termination by the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) if certain grounds for termination arise prior to 8:00 a.m. on the **[REDACTED]**. Such grounds are set out in "**[REDACTED]**" in this document.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this document, including the risk factors set out in "Risk Factors."

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempted from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in reliance on Regulation S. No [REDACTED] of the [REDACTED] will be made in the United States.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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We have issued this document solely in connection with the **[REDACTED]** *and the* **[REDACTED]**, *and it does not constitute an offer to sell or a solicitation of an offer to buy any security other than the* **[REDACTED]** **[REDACTED]** *by this document pursuant to the* **[REDACTED]**. *This document may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. We have taken no action to permit a* **[REDACTED]** *of the* **[REDACTED]** *in any jurisdiction other than Hong Kong, and we have taken no action to permit the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the* **[REDACTED]** *and* **[REDACTED]** *of the* **[REDACTED]** *in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.*

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SUMMARY

This summary is an overview of the information contained in this document and does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the **[REDACTED]**.

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

OVERVIEW

Who We Are

We are the largest digital human agent provider in China, providing GJ AI workforces to enterprises across multiple industry verticals. We ranked first among all digital human agent providers in China in terms of revenue generated from provision of digital human agent solutions in 2024, holding a market share of 32.2% in the digital human agent industry in China, according to CIC, demonstrating our market leadership. Among the global digital human agent providers, we secured the second position in terms of revenue generated from provision of digital human agent solutions in 2024, according to the same source.

We regard digital human agents[1] as a new form of workforce. We define such workforces as "GJ AI workforces[2]," while distinguishing them from "carbon-based" human workforces[3]. Inspired by the concept of "silicon-based workforces[4]," our Company's name, "Silicon Intelligence" reflects this foundational vision. Since our establishment in 2017, we have evolved our business model to achieve comprehensive coverage, from foundational general GJ AI workforces to advanced high-value GJ AI workforces. We provide customers across industries with integrated GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent, as well as the GJ Autopilot AIGC Agent.

What We Achieved

Inspired by the broadly validated, step-by-step development paradigm from L1 to L5 in the autonomous driving industry, we proposed a corresponding L1 to L5 development roadmap for the digital human agent industry in China. This roadmap is designed to upgrade content production from a human-led to an AI-driven model, propelling the transition from AI Copilot[5] to AI Autopilot[6]. Similar to the concept of embodied intelligence in robotics, we create digital human agents in the AI field through voice cloning, visual cloning, and mind cloning.

As a pioneer in the digital human agent industry in China, we introduced GJ AI workforce solutions in 2017, driving the advancement of digital human agents and shaping market trends. According to CIC, most leading digital human agent providers in China tapped into this field only in or after 2018. Digital human agents have evolved through five distinct levels, from L1 to L5, with growing automation. This journey begins with simple displays and interactions to full automation and self-iteration, progressively forming digital workforces capable of handling sophisticated tasks across

1 Digital human agents represent human-like virtual beings with cognitive, conversational, and content-generation capabilities, through the integration of computer graphics, artificial intelligence, and multimodal interaction technologies.

2 GJ AI workforces represent a new form of workforces that utilize AI-driven digital human agent technologies to perform tasks traditionally handled by "carbon-based" human workforces.

3 "Carbon-based" human workforces represent the traditional, biological workforces of people performing physical and intellectual tasks in the real world.

4 Silicon-based workforces represent AI-driven digital human agents performing automated, interactive, and analytical tasks.

5 AI Copilot represents an interactive AI system that empowers human productivity by providing real-time suggestions and automation within a collaborative workflow.

6 AI Autopilot represents a self-directed AI system that executes end-to-end content production independently.

professions and dramatically freeing up human creativity and management efficiency. See "Industry Overview — Digital Human Agent Industry — Digital Human Agents Are Evolving Toward Higher Autonomy" for more details.

The diagram below highlights our operational and financial achievements:

We are the **LARGEST** digital human agent provider in China and the **SECOND LARGEST** digital human agent provider **globally** [(1)]

PIONEER in successfully achieving commercialization in the digital human agent market in China

PIONEER in unlocking IP value for digital human agents in China; Empowering **AI-driven content production** across diverse scenarios and professions

Evolution of GJ AI workforce solutions from **AI Copilot** to **AI Autopilot**; A shift from **AI-tool** services to **outcome-based** solution, from monthly salaries to shared benefits

Offered over **100,000** digital human agents to customers across multiple industries, such as telecommunication, financial, healthcare, education and public service industries [(2)]

161 registered patents in total; **152** registered invention patents [(2)], with a strategic focus on digital human agents. Patent portfolio entrenches our competitive strengths and demonstrates our first-mover advantage

[(1)] For the year ended December 31, 2024.
[(2)] As of the Latest Practicable Date.

Our Business Model

Our multimodal solution portfolio unlocks the application value and commercial potential of GJ AI workforces. This robust capability of GJ AI workforce solutions is built upon our substantial AI expertise and sophisticated algorithms and models. See "Business — Our Business Model."

During the Track Record Period, we generated revenue from provision of comprehensive and synergistic GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent and GJ Autopilot AIGC Agent. We mainly serve key account customers through localized customized project deployment. Besides, we also offer GJ AI workforce solutions in a productized mode to other enterprise customers. In August 2025, we tapped into the GJ Autopilot AIGC field, demonstrating the evolution of our GJ AI workforce solutions from AI Copilot to Autopilot, and a shift from AI-tool services to outcome-based solutions. We leverage IPs to strengthen our brand influence and further unlock the commercial value of GJ AI workforce solutions. We have successfully developed Dasima (大司馬) IP series, such as GJ Dasima (硅基大司馬), Technology Dasima (科技大司馬), Dasima Technology Chat (大司馬聊科技), Dasima Technology Analysis (大司馬談科技) and Dasima Technology Talk (大司馬說科技), amassing over 11 million followers online, as of the Latest Practicable Date.

GJ AI Workforce Solutions

Driven by our core philosophy that "every challenge presents an opportunity, and technology provides the solution (問題是機會，科技是答案)," we deliver a matrix of GJ AI workforce solutions.

In 2017, we developed and launched GJ AI Real-time Voice Agents. We deliver AI real-time voice services to enterprises through GJ AI Real-time Voice Agent Platform (硅基智能語音平台). This system allows for the configuration of customized dialing strategies and interactive conversation scripts, designed to meet specific business objectives and scenario characteristics. Furthermore, the system also supports automated dialing tasks to facilitate efficient customer outreach and optimize productivity by handling routine outbound calls.

We introduced GJ AI Video Generation Agents through an AI-powered automated video production system, GJ AI Video Generation Agent Platform (硅基數字人視頻平台). Our GJ AI Video Generation Agents serve a wide range of sectors, including education, media, healthcare, finance, and

public services. Specifically, we offer digital human models for voice-over video production and premium cloning services for custom digital human twins and voices. Customers can efficiently synthesize videos by simply providing text or voice input, enabling scalable and high-quality video synthesis.

We launched GJ AI Live Streaming Agent to provide customers with GJ virtual hosts that can be configured with customized live streaming scripts, streaming strategies, and virtual scene settings to achieve automated broadcasting across multiple platforms. Designed for diverse applications, from e-commerce, local lifestyle services and private domain marketing to agricultural promotion, this solution empowers businesses to run professional, cross-border live streaming. GJ AI Live Streaming Agents support 24/7 continuous live streaming operations while delivering high stability, a premium visual presentation, multilingual support, and intelligent interactions. These features significantly reduce enterprise broadcasting costs while maintaining professional live streaming quality.

Launched in June 2022, our GJ AI Real-time Video Agents enable real-time personalized interactions. Underpinned by multimodal interaction technology, automatic speech recognition technology, text-to-speech technology, LLMs and DUIX ONE, the latter of which was launched in November 2024, GJ AI Real-time Video Agents address the real-time interaction demands from multiple industries. GJ AI Real-time Video Agents deliver a comprehensive simulation of human appearance, behavior, and cognition.

In August 2025, we tapped into the field of Autopilot AIGC. This demonstrates the evolution of our GJ AI workforce solutions from AI Copilot model, where interactive AI system empowers human productivity by providing real-time suggestions and automation within a collaborative workflow, to AI Autopilot model, where self-directed AI system executes end-to-end content production independently. By inputting the summary of novels or scripts, our GJ Autopilot AIGC Agents enable fully automated synthesis of complete video content, including characters, scenes, dialogues, voice-overs, subtitles, sound effects and visual effects. Through this text-driven process, the system autonomously completes copywriting, character selection, text-to-speech conversion and video synthesis to deliver finished videos. This end-to-end AI-driven mode ensures high-quality content production while dramatically increasing production efficiency and reducing operational costs for enterprises across short drama, short video and advertising industries. While advancing GJ Autopilot AIGC, we leverage the established value of renowned IPs to promote the attractiveness and influence of our GJ AI workforce solutions. See "Business — GJ AI Workforce Solutions — Our Offerings."

The following table sets forth our key operating metrics for the years indicated. See "Business — Key Operating Data" for details regarding the calculation and reasons for the fluctuation of the above operating data.

	Year ended/As of December 31,		
	2023	**2024**	**2025**
Total revenue *(RMB'000)*	530,806	655,438	788,818
Number of new customers	890	461	254
Average customer acquisition cost *(RMB'000)*	123	184	222
Number of customers	1,009	680	431
Average revenue per customer *(RMB'000)*	526	964	1,830
Average contract value *(RMB'000)*	92	449	1,230
Number of projects	260	381	305
Average project value *(RMB'000)*	1,872	1,669	2,595
Net dollar retention rate *(%)*	254.4	115.6	82.2

The following table sets forth breakdowns of our revenue by type of deployment, type of digital human agent, and industry vertical of customers for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Total revenue	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**
By type of deployment						
Localized deployment	485,363	91.4	629,445	96.0	778,235	98.7
Cloud-based deployment	45,443	8.6	25,993	4.0	10,583	1.3
By type of digital human agent						
Native digital human agent	530,623	100.0	655,430	100.0	787,813	99.9
IP digital human agent	183	0.0	8	0.0	1,005	0.1
By industry vertical of customers						
Communications	251,150	47.3	440,117	67.1	546,657	69.3
Internet technology	238,193	44.9	195,825	29.9	197,384	25.0
Finance	16,784	3.2	8,156	1.2	21,501	2.7
Others[(1)]	24,679	4.6	11,340	1.7	23,276	3.0

Note:

(1) Mainly representing manufacturing, retail, education, and healthcare industries.

Our Sales Network

We have established a broad sales network for sales of GJ AI workforce solutions, consisting of direct sales and distributors. The following table sets forth a breakdown of our revenue by type of sales channel for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Direct sales	509,987	96.1	640,570	97.7	782,246	99.2
Distributors	20,819	3.9	14,868	2.3	6,572	0.8
Total revenue	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our continuous development and leading position in the digital human agent industry in China: (i) the pioneer of China's digital human agent industry, delivering a diversified portfolio of GJ AI workforce solutions and securing the first-mover advantage with a future-ready business mode; (ii) embracing industry-leading and closed-loop technologies underpinned by scaled and systematic intellectual property rights; (iii) achieving first-to-market scale commercialization and sustaining commercial leadership and market dominance; (iv) strategically adopting a dual-track strategy by offering GJ AI workforce solutions flexibly tailored to the scale and demands of enterprises across various industry verticals; and (v) visionary founder and outstanding R&D talent with superior industry experience and insights. For details, see "Business — Competitive Strengths."

BUSINESS STRATEGIES

Our mission is to emerge as the global leader in the digital human agent industry (成為全球數字人智能體領域的領導者). We exist to drive customer success. We deploy AI-powered digital human agents to amplify our customers' capabilities, building the foundation for mutual growth through long-term partnerships (以客戶成功為中心，運用AI數字人智能體賦能客戶，致力於陪伴客戶共同成長). We intend to implement the following strategies in pursuit of our vision: (i) continuously investing

in R&D to enhance our multimodal technological capabilities while integrating industry-specific insights from leading enterprises across industries to build a robust competitive moat; (ii) accelerating worldwide business exploration and developing internationally competitive AI solutions under our global expansion strategy; (iii) constructing a fortified IP ecosystem to power the next growth engine for AI-driven cultural industries; and (iv) expanding strategic partnerships and pursuing targeted investments and acquisitions to complete our AI industrial layout. For details, see "Business — Business Strategies."

OUR SUPPLIERS AND CUSTOMERS

Our suppliers primarily consist of providers of computing power, cloud services and hardware products. For the years ended December 31, 2023, 2024 and 2025, our purchase amount from the five largest suppliers in each year during the Track Record Period accounted for 30.4%, 19.7% and 24.4% of our total purchases for the same years, respectively. For the years ended December 31, 2023, 2024 and 2025, our purchase amount from the largest supplier in each year during the Track Record Period accounted for 14.5%, 5.4% and 6.6% of our total purchases for the same years, respectively. All of our five largest suppliers in each year during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period. See "Business — Our Suppliers" for further details.

Our customers consist of enterprises in a wide array of industries, primarily including healthcare, education, legal services, finance, culture, entertainment and elderly care, etc. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from the five largest customers in each year during the Track Record Period accounted for 57.7%, 78.9% and 57.4% of our total revenue for the same years, respectively. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from the largest customer in each year during the Track Record Period accounted for 36.8%, 64.4% and 41.3% of our total revenue for the same years, respectively. All of our five largest customers in each year during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers in each year during the Track Record Period. See "Business — Our Customers" for further details.

Overlapping Customers and Suppliers

During the Track Record Period, certain of our five largest customers in each year of the Track Record Period also acted as our suppliers, or vice versa. Negotiations of the terms of our sales to and purchases from this overlapping customer and supplier were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. See ''Business — Our Customers — Overlapping Customers and Suppliers" for more details.

Our Relationship with Customer A

Customer A was our largest customer in each year during the Track Record Period. Revenue generated from Customer A amounted to RMB195.1 million, RMB422.2 million and RMB325.5 million, representing 36.8%, 64.4% and 41.3% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. Founded in 2004, Customer A is a leading telecom operator with a registered share capital of RMB53.2 billion, headquartered in Beijing. Customer A procures our GJ AI workforce solutions, integrates them into Customer A's own solutions, and subsequently sells the final solutions to its customers. During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship with Customer A and there was no material interruption or dispute in respect of our cooperation with Customer A. See "Business — Our Customers — Our Relationship with Customer A" for more details.

PRICING

There are no prescribed mandatory pricing mechanisms set by regulatory authorities on our solutions hence we are entitled to set the prices of our services at our own discretion. Prices of our GJ AI workforce solutions vary significantly, depending on the type of offerings, as well as industries, scales and business complexity of enterprise customers. According to CIC, the pricing of our solutions is generally consistent with the industry norm of digital human agent industry in China.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to invest in our **[REDACTED]**. Some of the major risks that we face include: (i) if we are unable to upgrade and enhance our solutions, our business, financial condition and results of operations could be materially and adversely affected; (ii) if we fail to attract new customers and/or retain existing customers, our business, financial condition and results of operation will suffer; (iii) we may fail to successfully compete against our potential competitors, which may reduce demand for our solutions, resulting in loss of market share and reduced operating margins; (iv) we had recorded net losses, net operating cash outflow, net current liabilities and net deficit in the past, and our operating results may fluctuate in the future; (v) the size of the digital human agent industry and the demand for our solutions may not be as large as we anticipate due to a variety of factors, which could materially and adversely affect our business, results of operations, financial condition and prospects; and (vi) we have been and will continue investing in R&D, which may adversely affect our profitability and operating cash flow in the short term and may not generate the results we expect to achieve.

THE SINGLE LARGEST SHAREHOLDER GROUP

As of the Latest Practicable Date, Mr. Sima was entitled to exercise the voting rights attaching to (i) approximately 26.54% of the total issued share capital of our Company held by himself, and (ii) approximately 10.28% of the total issued share capital of our Company held by Jiaxing Silicon Language, our share incentive platform with Nanjing Silicon Life, a company owned as to 99.00% by himself, being its general partner. See "History, Development and Corporate Structure — **[REDACTED]** Share Option Plan" for details. Therefore, as of the Latest Practicable Date Mr. Sima and his controlled entities, being Nanjing Silicon Life and Jiaxing Silicon Language constituted the controlling shareholders of our Company as defined under Rule 1.01 of the Listing Rules.

Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Sima directly and indirectly through his controlled entities, will together be entitled to exercise the voting rights attaching to approximately **[REDACTED]**% of our enlarged total issued share capital. Therefore, Mr. Sima, Nanjing Silicon Life and Jiaxing Silicon Language will cease to be our controlling shareholders but will remain as the Single Largest Shareholder Group immediately upon completion of the **[REDACTED]**.

[REDACTED] INVESTMENTS

To support the development and operation of our business and general working capital of our Group, we have received eight rounds of **[REDACTED]** Investments since our establishment. See "History, Development and Corporate Structure — **[REDACTED]** Investments" for details.

[REDACTED] SHARE OPTION PLAN

To attract and retain outstanding talents and incentivize their contribution to our Group, our Company adopted the **[REDACTED]** Share Option Plan on July 1, 2018, which was supplemented on May 16, 2019, December 25, 2024 and October, 20, 2025. As of the Latest Practicable Date, options to subscribe for an aggregate of 1,489,951 underlying Shares directly held by Jiaxing Silicon Language had been granted to a total of 67 eligible participants, among which, options for 273,678 underlying Shares representing approximately **[REDACTED]**% of our total issued share capital immediately

following completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) granted to a total of 59 eligible participants remained outstanding and not exercised. Options for the rest 266,088 underlying Shares directly held by Jiaxing Silicon Language had not been granted and may be granted prior to **[REDACTED]**. As all underlying Shares subject to the **[REDACTED]** Share Option Plan have already been issued to Jiaxing Silicon Language, our share incentive platform, the exercise of the outstanding options will not have any dilution effect on the shareholdings of the Company upon **[REDACTED]**. No further options under the **[REDACTED]** Share Option Plan will be granted after the **[REDACTED]**. See "Appendix VI — Statutory and General Information — D. **[REDACTED]** Share Option Plan" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document.

Summary of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Revenue	**530,806**	**655,438**	**788,818**
Cost of sales	(287,645)	(430,359)	(516,747)
Gross profit	**243,161**	**225,079**	**272,071**
Other income	15,976	10,846	2,554
Other net gain/(loss)	38	(678)	717
Selling and marketing expenses	(110,263)	(82,570)	(55,235)
Administrative and other operating expenses	(47,967)	(41,211)	(55,634)
Research and development expenses	(129,569)	(150,129)	(163,342)
Impairment loss on trade and other receivables and contract assets	(11,750)	(21,170)	(27,595)
Loss from operations	**(40,374)**	**(59,833)**	**(26,464)**
Finance income	4,606	2,239	857
Finance costs	(435)	(240)	(144)
Share of loss of associates	(1,104)	(27)	(164)
Accretion of redemption liabilities	(58,660)	(53,838)	—
Loss before taxation	**(95,967)**	**(111,699)**	**(25,915)**
Income tax	60	—	—
Loss for the year	**(95,907)**	**(111,699)**	**(25,915)**

Non-IFRS Measure

We provide adjusted net profit or loss as a non-IFRS measure, which is not required by, or presented in accordance with, the IFRS Accounting Standards. However, our presentation of adjusted net profit or loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The application of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards. See "Financial Information — Non-IFRS Measure."

See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income" and "Financial Information — Year to Year Comparison of Results of Operations" for detailed discussions of our revenue, gross profit and gross profit margin.

Our net loss increased in 2024, mainly due to (i) decreased gross profit arising from our proactive downward price adjustment for certain earlier version products as a result of our product iteration initiatives and more favorable discount terms we offered for our productized GJ AI workforce solutions

to support our business expansion in the lower-tier market; and (ii) higher research and development expenses aligning with our increased R&D activities relating to GJ AI workforce solutions. Our net loss narrowed in 2025, primarily attributable to (i) our revenue growth driven by our optimized product model, improved operational efficiency and deepened partnerships with key account customers; and (ii) lower selling and marketing expenses arising from our enhanced cost-effectiveness and strategic shift towards meticulous operations.

Summary of Key Items of Consolidated Statements of Financial Position

The following table sets forth statements of our financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		RMB'000	
Total non-current assets	22,740	21,111	15,514
Total current assets	494,162	486,592	675,267
Total current liabilities	1,077,278	190,673	197,542
Net current (liabilities)/assets	(583,116)	295,919	477,725
Total assets less current liabilities	(560,376)	317,030	493,239
Total non-current liabilities	482	1,271	1,961
(Net deficit)/total equity	(560,858)	315,759	491,278

We turned around from net deficit position as of December 31, 2023 to total equity position as of December 31, 2024, primarily attributable to the termination of redemption liabilities of RMB966.8 million arising from the unconditional termination of our redemption obligations to our **[REDACTED]** Investors. Our total equity increased to RMB491.3 million as of December 31, 2025, primarily attributable to issue of ordinary shares of RMB180.5 million and equity settled share-based payments of RMB21.4 million. For details of our financial position, see "Financial Information — Discussion of Certain Key Items from Consolidated Statements of Financial Position." For details of our net current assets or liabilities, see "Financial Information — Net Current Assets/Liabilities."

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the years indicated.

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Operating (loss)/profit before changes in working capital	(7,870)	(6,368)	30,727
Changes in working capital	(42,998)	(75,848)	(153,114)
Cash used in operations	(50,868)	(82,216)	(122,387)
Tax refunded	60	—	—
Net cash used in operating activities	(50,808)	(82,216)	(122,387)
Net cash generated from/(used in) investing activities	106,117	(1,114)	532
Net cash (used in)/generated from financing activities	(6,243)	(3,939)	171,248
Net increase/(decrease) in cash and cash equivalents	49,066	(87,269)	49,393
Cash and cash equivalents at the beginning of the year	207,041	256,107	168,838
Effect of foreign exchange rate changes	—	—	(475)
Cash and cash equivalents at the end of the year	**256,107**	**168,838**	**217,756**

We recorded net cash used in operating activities of RMB50.8 million, RMB82.2 million and RMB122.4 million in 2023, 2024 and 2025, respectively. Our net cash outflow position was generally in line with our profit or loss before tax position, adjustments for accretion of redemption liabilities, equity-settled share-based payment expenses and impairment loss on trade and other receivables and contract assets, and changes in working capital items that negatively affected our operating cash flows, which primarily include the increases in inventories, trade receivables, contract assets, prepayments, deposits and other receivables and restricted bank deposits, and the decreases in trade payables, other payables and accruals, deferred income and contract liabilities. The fluctuations in our net cash used in operating activities during the Track Record Period were generally in line with the fluctuations in our profit or loss before tax. See "Financial Information — Liquidity and Capital Resources — Cash Flows" for details regarding our cash flows.

Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates or for the years indicated. See "Financial Information — Key Financial Ratios" for details regarding the calculation and reasons for the fluctuation of the ratios.

	Year ended December 31,		
	2023	2024	2025
		%	
Profitability ratios			
Gross profit margin	45.8	34.3	34.5
Net loss margin	(18.1)	(17.0)	(3.3)
Adjusted net (loss)/profit margin (non-IFRS measure)	(5.5)	(5.4)	1.8

	As of December 31,		
	2023	2024	2025
Liquidity ratio			
Current ratio	0.5	2.6	3.4
Capital adequacy ratio			
Gearing ratio	N/A	<0.1	<0.1

MARKET OPPORTUNITY AND COMPETITION

According to CIC, we operate in the highly competitive and rapidly evolving digital human agent market. The market size of the global digital human agent market in terms of revenue generated by digital human agent providers, has grown from RMB1.3 billion in 2021 to RMB4.1 billion in 2024, at a CAGR of 44.7%. The market size is expected to reach RMB47.0 billion in 2030, at a CAGR of 50.4% from 2024 to 2030. The market size of the digital human agent market in China in terms of revenue increased at a CAGR of 55.8% from RMB0.5 billion in 2021 to RMB2.0 billion in 2024, and is projected to further increase to RMB15.5 billion in 2030, at a CAGR of 40.3% from 2024 to 2030. According to CIC, we ranked first among all market players in the digital human agent industry in China in terms of revenue generated from digital human agents in 2024. Among the global digital human agent providers, we secured second position in terms of revenue generated from provision of digital human agent solutions in 2024. We primarily compete with our competitors on the following key aspects: (i) the reliability, effectiveness and efficiency of solutions; (ii) the brand recognition and brand influence; (iii) pricing; (iv) the capabilities of cost management and cost control; (v) the capabilities of incorporating cutting-edge technologies to the solution offerings; and (vi) the scale of sales network and collaborations with distributors and channel partners. We capitalize on future industry growth by leveraging our established market leadership, and deep industry expertise cultivated through years of operational experience. See "Industry Overview" for a more detailed discussion regarding the industry where we operate and the competitive landscape of such industry.

RELEVANT ACTIVITIES WITH INTERNATIONAL SANCTIONS EXPOSURE

The major U.S. export control regimes is governed by the Export Administration Regulations (the "**EAR**"), 15 CFR Parts 730-774, which is administered by the Bureau of Industry and Security, U.S. Department of Commerce (the "**BIS**"). BIS regulates the export, re-export and transfer (in-country) of items (including commodities, software or technology of a commercial and/or dual use nature, collectively "**item**") "subject to the EAR." The item subject to the EAR includes (i) all items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one foreign country to another, (ii) all U.S. origin items wherever located, (iii) foreign-made items that exceed de minimis amount of U.S.-origin content, (iv) certain foreign-produced "direct products" of specified technology and software, or certain foreign-produced products of a complete plant or any major component of a plant that is a "direct product" of specified technology or software.

For large customers, our solutions are deployed on their private cloud-based infrastructure located in China. For other customers, we procure limited public-cloud capacity from domestic providers. Our major supplier of both cloud services ("**Supplier A**") and its affiliates, is on the BIS Entity List. However, Supplier A confirmed that their services provided to us: (i) were not manufactured or produced in the United States; (ii) were not transited through the U.S.; (iii) did not incorporate U.S.-origin components; and (iv) were not "direct products" of certain controlled U.S.-origin software or technology. We utilize cloud services procured from Supplier A to host our servers and deliver services to our customers, primarily the small- and medium-sized enterprises. We purchased certain commercial grade hardware and embedded/related software from an independent Chinese supplier ("**Supplier Y**") only during the period from February 2022 and March 2023, which included U.S. GPUs (the "**GPU Model A, B & C**"). As such, GPU Model A, B & C were purchased exclusively within China and used only for our own internal computing power. In particular, we utilize the commercial grade hardware and embedded/related software from Supplier Y for our own internal computing power. We were not the direct exporter for said GPUs. Further, said GPUs were not resold, re-exported or directly incorporated into customer deliverables. GPU Model A, by the manufacturer's record, is shown to be non-controlled. GPU Model B, by the manufacturer's record and as applied to the BIS ECCN effective date, is shown to be non-restrictive at the time of export. GPU Model C, by the manufacturer's record, is shown to be exported within the manufacturer's permit period. Taking the above into account, the risk of a material adverse impact on our operations is low.

As advised by our Sanctions Legal Advisors, there is no apparent or material U.S. economic sanctions risks in that: (i) we are not an SDN listed entity; (ii) we have no ownership, management or investment connected to the U.S.; (iii) we have no transactions related to Sanctioned Countries; and (iv) our limited, indirect U.S. nexus, arising from domestic cloud service providers' internal use of cleared U.S.-origin components (as confirmed by said providers), does not constitute a violation of U.S. economic sanctions. Further, we have no applicable non-U.S. global risk relating to economic sanctions in that we have no entities and/or transactions or other applicable footprint to the non-U.S. Relevant Jurisdiction. In relation to the main criteria of U.S. export control, although our products and/or services have some relations to U.S. export control as mentioned above, there is no showing of direct violation of the export control elements. Therefore, our Sanctions Legal Advisors are of the view that there is no apparent or material U.S. export control risk. Further, we have no other applicable Relevant Jurisdiction export risk since the minimal exports (limited to product testing) did not violate EU export regulations.

See "Business — Relevant Activities with International Sanctions Exposure" for further details.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by the government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigation. During the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in relation to our business in all material

respects and we were not imposed any material administrative penalties. We did not experience any material or systemic non-compliance incidents, which, taken as a whole, are likely to have a material and adverse effect on our business, financial condition or results of operations.

OUR BUSINESS SUSTAINABILITY

Industry Background and Historical Performance

We operate in the highly competitive and evolving digital human agent market in China. Instead of short-term financial returns or non-persistent net operating cash inflow, we strategically focus on R&D and introducing our solutions to enterprises, laying a solid foundation for the sustainable and long-term development of our business. According to CIC, AI companies that have reached net profit or are nearing profitability typically incur significant upfront investments, and it typically takes at least 10 years for them to make a profit.

Our net loss during the Track Record Period was mainly caused by (i) significant upfront costs and investments, including substantial cost of sales, constant R&D investments, substantial marketing investments and administrative and other operating investments; and (ii) new initiatives still unfolding as we just tapped into the Autopilot field and started to generate revenue from GJ Autopilot AIGC Agent in August 2025. We had a net operating cash outflow throughout the Track Record Period primarily due to our proactive approach to improving technological strengths, fulfilment capacity and customer acquisition, which resulted in large amounts of project fulfillment costs, cloud service fees and employee benefit expenses. We recorded net current liabilities and net deficit as of December 31, 2023, primarily due to our redemption liabilities classified as current liabilities.

Measures for Revenue Growth

- ***Enriching Solution Offerings and Elevating Value Propositions.*** We are dedicated to constantly improving GJ AI workforce solutions through technological advancements and system upgrades, addressing the diversified demands from enterprises of different scales. Underpinned by keen industry observations and AI technologies, we are strategically advancing towards AI Autopilot to capitalize on emerging opportunities in industry. Our key technological breakthroughs are manifested across three primary dimensions: (i) embedded intelligent decision-making; (ii) end-to-end automated production lines; and (iii) data-driven self-evolving development. By introducing our digital human twins and collaborating with renowned IPs, we significantly enhance the value proposition and market acceptance of solutions, driving gross profit margin and creating a new paradigm for intelligent content generation.

- ***Attracting New Customers.*** Apart from further penetration into the domestic markets, we also seek to explore the global market and enhance presence overseas, introducing GJ AI workforce solutions to customers in diversified scenarios and industries across different countries and regions. Building on mature project deployment experience and customer relationships with key account customers in various industries, we have been strategically standardizing and productizing solution offerings to address the underserved needs of SMBs in a cost-efficient manner. Compiling project case studies from vertical industries enables us to form highly reusable industry-specific solutions with predictable solution deployment outcomes for efficient customer acquisition.

- ***Retaining Existing Customers.*** Our net dollar retention rate for each year during the Track Record Period reached over 80%, which indicates high repurchase underpinned by customer satisfaction and trust. We are committed to deepening market penetration and expanding market share in the domestic market, utilizing well-established presence and trust among enterprises across industries. We will continue to deliver customized and customer-centric services to key account customers, while strengthening service experience for other customers, and increasing customer loyalty. We expect to further develop ecosystem partnerships through establishing and deepening collaborations with service providers, cloud platforms and large-scale integrators along the industry chain.

Measures for Managing Cost and Improving Operational Efficiency

- ***Elevating R&D Efficiency***. Through ongoing model optimization and enhanced engine capabilities, we witnessed improvement in R&D efficiency and high utilization of development resources. Architectural optimization of DUIX ONE enables the distributed deployment of certain computing tasks to users' end devices for execution, elevating the utilization efficiency of cloud resources. While our R&D team scale and the number of ongoing R&D projects remained relatively stable, our research and development expenses as a percentage of revenue decreased from 22.9% in 2024 to 20.7% in 2025, demonstrating the enhanced cost-effectiveness of R&D activities.

- ***Improving Operational and Administrative Efficiency***. During the Track Record Period, we pursued higher general and administrative cost-effectiveness by optimizing organizational structure and slimming down administrative or managerial staff who do not directly contribute to business growth, while maintaining adequate employees to support business growth. We will continue refining internal management and reducing waste, eliminating redundancies and improving focus, and reviewing and analyzing business performance based on the visualized indicators on a regular basis.

- ***Enhancing Selling and Marketing Efficiency***. To improve selling and marketing efficiency, we have been increasing the market access of offerings with streamlined in-house sales force. We utilize strategic collaborations with cloud service providers and integrators to improve the resilience of supply chain and efficiently improve offerings' exposure to various industry verticals. Moreover, as we cherish existing customer relationships and maximize the potential value of flagship projects, we seek to benefit from the word-of-mouth introduction and influence of customers on cost-efficiency, quality as well as the actual service experience of our solutions. The cost-efficient customer referrals improve selling and marketing efficiency while controlling expenses.

Our Directors are of the view that our Group can turn around the loss-making position and maintain sustainable business growth, considering that (i) the prospects of the global digital human agent market and industries where our enterprise customers operate; (ii) our demonstrated track record in controlling our costs, driving gross profit margin and efficiency improvement; and (iii) our future business strategies for sustainable growth and the abovementioned measures for revenue growth and operational efficiency enhancement.

For further details, see "Business – Our Business Sustainability."

RECENT DEVELOPMENTS

Recent Business and Financial Performance

Subsequent to December 31, 2025, we further dedicated efforts to exploring the GJ Autopilot AIGC field, demonstrating the evolution of our GJ AI workforce solutions from AI Copilot to Autopilot, and a shift from AI-tool services to outcome-based solutions. Meanwhile, we are exploring the integration of AI solutions with IP value. By introducing our digital human twin and collaborating with renowned IPs, we have been enhancing the value proposition and market acceptance of our solutions. In the first four month of 2026, our gross profit increased, compared to the same period in 2025. From the first four months in 2025 to the same period in 2026, the number of our projects increased from 83 to 125. As of the Latest Practicable Date, our GJ AI workforce solutions fully automatically authored numerous videos, including 40,198 videos measured by count, plus additional 63,375 minutes of videos measured by duration, while our in-house cultivated Dasima IP series have amassed over 11 million followers online.

We recorded net loss for the year ended December 31, 2025 and we expect to record net loss for the year ending December 31, 2026, primarily due to: (i) additional research and development expenses as we continue to advance technology upgrades and model training; (ii) increasing selling and marketing expenses as we promote our GJ AI workforce solutions, particularly the GJ Autopilot AIGC Agent, and expand the scale of sales network and collaborations with distributors and channel partners; (iii) our constant investment in the overseas markets exploration; and (iv) non-recurring **[REDACTED]** expenses in relation to this **[REDACTED]**.

Recent Regulatory Development

On March 20, 2026, the MIIT and nine other relevant authorities jointly promulgated the *Measures for Ethical Review and Services of Artificial Intelligence Technologies (for Trial Implementation)* (《人工智能科技倫理審查與服務辦法(試行)》) (the "**AI Ethical Review Measures**"), which came into effect on the same day. Key AI activities, which include, among others, the R&D of algorithm models, applications and systems with public opinion/social mobilization capability and social consciousness-guiding capability, and R&D of automated decision-making systems with a high degree of autonomy for scenarios with safety or personal health risks, are subject to additional expert review. On April 10, 2026, the CAC and four other relevant authorities jointly promulgated the *Interim Measures for the Administration of Anthropomorphic Interactive Services Based on Artificial Intelligence* (《人工智能擬人化互動服務管理暫行辦法》) (the "**AI Anthropomorphic Interaction Measures**"), which will come into force on July 15, 2026. The AI Anthropomorphic Interaction Measures apply to AI-powered services provided to the public in the PRC that simulate natural person's personality traits, patterns of thinking and communication styles and provide continuous emotional interaction, including emotional care, companionship and support, and define the core compliance obligations for relevant entities, covering content governance, minor protection, algorithm management, data security and other key aspects. Pursuant to the AI Anthropomorphic Interaction Measures, entities providing anthropomorphic interactive services powered by AI shall establish internal compliance management systems, and shall also conduct security assessments in accordance with the circumstances specified in the AI Anthropomorphic Interaction Measures, and shall submit the assessment reports to the cyberspace administration department at the provincial level where they are located.

No Material Adverse Change

Our Directors confirm that, up to the date of this document, (i) there had been no material adverse change in our business, the industry where we operate, or market or regulatory environment to which we are subject; (ii) there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document; or (iii) there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
[REDACTED] of our Shares[(1)]	HK$**[REDACTED]**	HK$**[REDACTED]**
Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company per Share[(2)]	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of the **[REDACTED]** is based on **[REDACTED]** Shares/H Shares expected to be in issue immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares (assuming the **[REDACTED]** is not exercised).

(2) See "Appendix II — Unaudited Pro Forma Financial Information" for details of the assumptions and calculation methods.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the **[REDACTED]** for the **[REDACTED]** of, and permission to **[REDACTED]** in, our H Shares to be converted from Unlisted Shares and issued pursuant to the **[REDACTED]** (including the H Shares which may be issued pursuant to the exercise of the **[REDACTED]**), on the basis that, among other things, we satisfy the **[REDACTED]**/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, being RMB788.8 million (equivalent to approximately HK$902.5 million), which is over HK$500 million, and (ii) our expected **[REDACTED]** at the time of **[REDACTED]**, which, based on the low-end of the indicative **[REDACTED]** range, exceeds HK$4.0 billion.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses primarily include **[REDACTED]** and professional fees paid or payable to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**. The estimated total **[REDACTED]** expenses (based on the mid-point of our indicative **[REDACTED]** range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) (including (i) **[REDACTED]**, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all **[REDACTED]** of approximately HK$**[REDACTED]**; and (ii) non-**[REDACTED]** related expenses of approximately HK$**[REDACTED]**, which consist of (a) fees and expenses of legal advisors and accountants of approximately HK$**[REDACTED]**; and (b) sponsors fee and other fees and expenses of approximately HK$**[REDACTED]**), representing **[REDACTED]**% of the **[REDACTED]** (based on the mid-point of our indicative **[REDACTED]** range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**.

During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) were recognized as administrative and other operating expenses in the consolidated statements of profit or loss and other comprehensive income and RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as a deduction to equity directly upon the **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as administrative and other operating expenses in the consolidated statements of profit or loss and other comprehensive income and approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as a deduction in equity directly upon the **[REDACTED]**.

DIVIDENDS AND DIVIDEND POLICY

We do not currently have a fixed dividend policy nor pre-determined dividend payout ratio. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position. During the Track Record Period, we did not declare or pay any dividend. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutional documents and the relevant laws. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year. See "Financial Information — Dividends and Dividend Policy."

USE OF [REDACTED]

We estimate the **[REDACTED]** of the **[REDACTED]** which we will receive, assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-end of the **[REDACTED]** range stated in this document), will be approximately HK$**[REDACTED]**, after deducting the estimated **[REDACTED]** and other fees and expenses payable by us in connection with the **[REDACTED]** and assuming the **[REDACTED]** is not exercised. We intend to use the **[REDACTED]** of the **[REDACTED]** for the following purposes: (i) approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used for continually strengthening our R&D capabilities through (a) procuring hardware products, such as servers and data storage devices, and cloud computing services, in order to strengthen our AI technological capabilities; (b) hiring new R&D employees, who will be responsible for further strengthening our technological capabilities; and (c) expanding our external R&D collaborations; (ii) approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used for marketing and promotion through (a) global business exploration; and (b) recruiting new sales and marketing employees; (iii) approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used for global acquisitions and ecosystem partnerships, mainly targeting companies along the AI industry chain capable of creating synergies with our business operations; and (iv) approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used for working capital and other general corporate purposes. See "Future Plans and Use of **[REDACTED]**."

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in "Glossary."

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, the text of which is set out in Appendix I to this document
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association"	the articles of association of our Company conditionally adopted by our Shareholders on October 27, 2025 with effect from the **[REDACTED]**, as amended from time to time, a summary of which is set out in Appendix V to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	our board of Directors
"business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday, or public holiday in Hong Kong
"CAC"	Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
	[REDACTED]
"China" or "PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China" and the "PRC" do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"China Reform"	China Reform Fund and Xingye Guangzhou
"China Reform Fund"	China Reform Central Enterprises Operating (Guangzhou) Investment Fund (Limited Partnership)* (國新央企運營(廣州)投資基金(有限合夥)), a limited partnership established in the PRC on April 13, 2017 and one of our **[REDACTED]** Investors
"CIC" or "China Insights Consultancy"	China Insights Consultancy Limited (灼識企業管理諮詢(上海)有限公司), an independent market research and consulting company
"CIC Report"	an independent market research report commissioned by us and prepared by CIC for the purpose of this document
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"CMB"	China Merchants Bank Co., Ltd. (招商銀行股份有限公司) (stock code: 600036.SH and 3968.HK), a company established in the PRC with limited liability on March 31, 1987 and the ultimate controller of the CMB Funds

"CMB Funds"	CMB Modern Industry Fund, CMB Telecom Fund, CMB Yongxiang Fund and CMB Yongji Fund
"CMB Modern Industry Fund"	Jiangsu Zhaoyin Modern Industry Equity Investment Fund Phase I (Limited Partnership)* (江蘇招銀現代產業股權投資基金一期(有限合夥)), a limited partnership established in the PRC on April 13, 2017 and one of our **[REDACTED]** Investors
"CMB Telecom Fund"	Shenzhen Zhaoyin Dianxin New Trends Equity Investment Fund Partnership (Limited Partnership)* (深圳招銀電信新趨勢股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on April 14, 2017 and one of our **[REDACTED]** Investors
"CMB Yongji Fund"	Shenzhen Zhaoyin Yongji Growth Equity Investment Fund Partnership (Limited Partnership)* (深圳市招銀永吉成長股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on October 19, 2017 and one of our **[REDACTED]** Investors
"CMB Yongxiang Fund"	Chongqing Zhaoyin Yongxiang Equity Investment Fund Partnership (Limited Partnership)* (重慶市招銀永祥股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on November 6, 2019 and one of our **[REDACTED]** Investors
"Companies (Winding up and Miscellaneous Provisions) Ordinance"	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Company Law" or "PRC Company Law"	Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Company," "our Company" or "the Company"	Nanjing Silicon Intelligence Technology Group Co., Ltd. (南京硅基智能科技集團股份有限公司), formerly known as Nanjing Silicon Intelligence Technology Co., Ltd. (南京硅基智能科技有限公司), a limited liability company established in the PRC on August 8, 2017 and converted into a joint stock company with limited liability on February 18, 2025
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Conversion of Unlisted Shares into H Shares"	the conversion of **[REDACTED]** Unlisted Shares into H Shares on a one-for-one basis upon the completion of the **[REDACTED]**
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSDCC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)

[REDACTED]

"Director(s)"	director(s) of our Company
"EAR"	the Export Administration Regulations, a set of U.S. regulations administered by the BIS that control certain exports, re-exports, transfer of dual-use items, or other activities subject to the EAR in 15 C.F.R. Parts 730–774
"EIT"	enterprise income tax in the PRC
"EIT Law"	Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法), as amended, supplemented or otherwise modified from time to time
"Entity List"	a BIS list of certain entities subject to specific license requirements for the export, re-export, or transfer of items subject to the EAR. License review policy is entry-specific, while many listed entities are subject to a presumption of denial
"EU"	European Union

[REDACTED]

"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

"Goodhope"	Hangzhou Goodhope Yuehang Investment Partnership (Limited Partnership)* (杭州好望角越航投資合夥企業(有限合夥)) a limited partnership established in the PRC on December 25, 2014 and one of our Shareholders
"Group," "our Group," "our," "we" or "us"	our Company and our subsidiaries at the relevant time
"Guangzhou SASAC"	State-Owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (廣州市人民政府國有資產監督管理委員會)
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)

[REDACTED]

"H Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each of which an application has been made for **[REDACTED]** and permission to **[REDACTED]** on the Stock Exchange
"Hejun Capital"	Suzhou Heyi Equity Investment Partnership (Limited Partnership)* (蘇州和益投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 12, 2013 and one of our Shareholders

[REDACTED]

"Hong Kong dollars" or "HK dollars" or "HK$" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

[REDACTED]

"HongShan Zhisheng"	Ningbo Meishan Bonded Port HongShan Zhisheng Equity Investment Partnership (Limited Partnership)* (寧波梅山保稅港區紅杉智盛股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 9, 2017 and one of our **[REDACTED]** Investors
"IFRS Accounting Standards"	IFRS Accounting Standards as issued by the International Accounting Standards Board
"IIT"	individual income tax in the PRC
"Independent Third Party(ies)"	a person or entity which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules

[REDACTED]

"International Sanctions"	rules and regulations related to economic sanctions and export controls administered by the Relevant Jurisdictions

[REDACTED]

"Jiaxing Culture"	Jiaxing Silicon Language Culture Technology Co., Ltd.* (嘉興硅語文化科技有限公司), a company established in the PRC with limited liability on December 12, 2025, and one of our subsidiaries

"Jiaxing High-tech"	Jiaxing High-tech Zone Industrial Fund Investment Co., Ltd.* (嘉興高新區產業基金投資有限公司), a company established in the PRC with limited liability on October 24, 2024 and one of our **[REDACTED]** Investors
"Jiaxing Silicon"	Jiaxing Silicon Based Intelligent Technology Co., Ltd.* (嘉興硅基智能科技有限公司), a company established in the PRC with limited liability on April 18, 2025 and one of our subsidiaries
"Jiaxing Silicon Language"	Jiaxing Silicon Language Investment Partnership (Limited Partnership)* (嘉興硅語投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 8, 2018, our share incentive platform and a member of the Single Largest Shareholder Group

[REDACTED]

"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the **[REDACTED]**"
"Latest Practicable Date"	May 13, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
"Linzhi Tencent"	Linzhi Tencent Investment Management Co., Ltd.* (林芝騰訊投資管理有限公司), a company established in the PRC with limited liability on October 26, 2015 and one of our **[REDACTED]** Investors

[REDACTED]

"Listing Committee"	the listing committee of the Stock Exchange

[REDACTED]

"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Mianyang Silicon"	Mianyang Silicon Intelligent Technology Co., Ltd.* (綿陽硅基智能科技有限公司), a company established in the PRC with limited liability on August 12, 2020 and one of our subsidiaries
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Sima"	Mr. Sima Huapeng (司馬華鵬), our executive Director, chairman of the Board, chief executive officer and a member of the Single Largest Shareholder Group
"Nanjing Mengma"	Nanjing Mengma Intelligent Technology Co., Ltd.* (南京夢馬智能科技有限公司), a company established in the PRC with limited liability on August 22, 2018 and one of our subsidiaries
"Nanjing Silicon Belief"	Nanjing Silicon Belief Intelligent Technology Co., Ltd.* (南京硅信智能科技有限公司), a company established in the PRC with limited liability on July 27, 2018 and one of our subsidiaries
"Nanjing Silicon Dream"	Nanjing Silicon Dream Intelligent Technology Co., Ltd.* (南京硅夢智能科技有限公司), a company established in the PRC with limited liability on August 13, 2018 and one of our subsidiaries
"Nanjing Silicon Language"	Nanjing Silicon Language Intelligent Technology Co., Ltd.* (南京硅語智能科技有限公司), a company established in the PRC with limited liability on December 18, 2020 and one of our subsidiaries
"Nanjing Silicon Life"	Nanjing Silicon Life Intelligent Technology Co., Ltd.* (南京硅壽智能科技有限公司), a company established in the PRC with limited liability on May 10, 2018 and the general partner of Jiaxing Silicon Language, our share incentive platform
"Nanjing Wanruyi"	Nanjing Wanruyi Network Technology Co., Ltd.* (南京琬如藝網絡科技有限公司), a company established in the PRC with limited liability on August 4, 2017 and a former subsidiary of our Company
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"Oceanpine Capital"	Jiaxing Oceanpine Jianian Equity Investment Partnership (Limited Partnership)* (嘉興海松佳年股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 9, 2020 and one of our **[REDACTED]** Investors

[REDACTED]

[REDACTED]

"Overseas Listing Trial Measures"	Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and effective on March 31, 2023
"PBOC"	People's Bank of China (中國人民銀行)
"Pengpai Capital"	Ningbo Pengpai Panshi Equity Investment Partnership (Limited Partnership)* (寧波澎湃磐石股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 25, 2016 and one of our **[REDACTED]** Investors
"People's Congress"	the PRC's legislative apparatus, including the National People's Congress and all the local people's congresses (including provincial, municipal, and other regional or local people's congresses) as the context may require, or any of them
"PRC GAAP"	Accounting Standards for Business Enterprises (《企業會計準則》) issued by the Ministry of Finance of the PRC, as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisors"	CM Law Firm, our legal advisors as to the PRC laws
"PRC Legal Advisors relating to Data Compliance"	CM Law Firm, our legal advisors as to PRC law relating to data compliance
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"**[REDACTED]** Investments"	the **[REDACTED]** investments in our Company undertaken by various investors, details of which are set out in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"**[REDACTED]** Investors"	the investors as set out in "History, Development and Corporate Structure — **[REDACTED]** Investments — Information about the **[REDACTED]** Investors"
"**[REDACTED]** Share Option Plan"	the share option plan adopted by our Company on July 1, 2018 and supplemented on May 16, 2019, December 25, 2024 and October 20, 2025, the principal terms of which are summarized in "Appendix VI — Statutory and General Information — D. **[REDACTED]** Share Option Plan"

[REDACTED]

"Primary Sanctioned Activity"	any activity in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by an entity, which is incorporated or located in a Relevant Jurisdiction (if applicable) or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation
"Puxin Capital"	Shanghai Yiyun Investment Management Partnership (Limited Partnership)* (上海熠雲投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on October 13, 2014 and one of our **[REDACTED]** Investors
"Regulation S"	Regulation S under the U.S. Securities Act
"Relevant Jurisdiction"	any jurisdiction that is relevant to the Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets of certain countries, governments, persons or entities targeted by such law or regulation. For the purpose of this document, the Relevant Jurisdictions include United States, European Union, United Nations, the United Kingdom, the UK Overseas Territories and Australia
"Remuneration Committee"	the remuneration committee of the Board
"RMB" or "Renminbi"	the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (國家外匯管理局)
"SAMR"	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"Sanctioned Activity"	Primary Sanctioned Activity and Secondary Sanctionable Activity
"Sanctioned Country"	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction

"Sanctioned Target"	any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
"Sanctions Legal Advisor"	Arthur Chiu, our legal advisor as to the international sanctions and export control with respect to the **[REDACTED]**
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會)
"SCNPC"	Standing Committee of the National People's Congress, the permanent body of the National People's Congress of the PRC (中華人民共和國全國人民代表大會常務委員會)
"SDN"	Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control (OFAC)
"Secondary Sanctionable Activity"	certain activity by an entity that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though such an entity is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
"Series A Investment"	the series A investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"Series A+ Investment"	the series A+ investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"Series A++ Investment"	the series A++ investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"Series B Investment"	the series B investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"Series B+ Investment"	the series B+ investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"Series C Investment"	the series C investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"Series D Investment"	the series D investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"
"Series Pre-A Investment"	the series pre-A investment in our Company as described in "History, Development and Corporate Structure — **[REDACTED]** Investments"

"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"SGD"	Singapore dollars, the lawful currency of Singapore
"Shanghai Silicon Life"	Shanghai Silicon Life Intelligent Technology Co., Ltd.* (上海硅壽智能科技有限公司), a company established in the PRC with limited liability on August 10, 2015 and one of our subsidiaries
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising the Unlisted Shares and the H Shares
"Shareholder(s)"	holder(s) of our Shares
"Shenzhen Gongying"	Shenzhen Zhaoyin Gongying Equity Investment Partnership (Limited Partnership)* (深圳市招銀共贏股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 20, 2015 and one of our **[REDACTED]** Investors
"Shenzhen Silicon"	Shenzhen Silicon Intelligent Technology Co., Ltd.* (深圳硅姬智能科技有限公司), a company established in the PRC with limited liability on June 8, 2022 and one of our subsidiaries
"Silicon HK"	Silicon Intelligent Technology Limited* (硅基智能科技有限公司), a company incorporated in Hong Kong with limited liability on July 18, 2025 and one of our subsidiaries
"Silicon Kunshan"	Silicon (Kunshan) Intelligent Technology Co., Ltd.* (硅基(昆山)智能科技有限公司), a company established in the PRC with limited liability on June 8, 2023 and one of our subsidiaries
"Silicon Singapore"	SILICON-BASED INTELLIGENT TECHNOLOGY PTE. LTD., a private company incorporated in Singapore with limited liability on November 20, 2024 and one of our subsidiaries
"Single Largest Shareholder Group"	Mr. Sima, Nanjing Silicon Life and Jiaxing Silicon Language
"SOE(s)"	State-owned enterprise(s)
	[REDACTED]
"STA"	State Taxation Administration of the PRC (國家税務總局)
	[REDACTED]
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules

"Suqian Silicon"	Suqian Silicon Intelligent Technology Co., Ltd.* (宿遷硅基智能科技有限公司), a company established in the PRC with limited liability on May 20, 2020 and one of our subsidiaries
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Tencent Cloud"	Tencent Cloud Computing (Beijing) Co., Ltd. (騰訊雲計算(北京)有限責任公司), a company established in the PRC with limited liability on October 21, 2010, an associate of Linzhi Tencent and a connected person of our Company
"Tencent Computer"	Shenzhen Tencent Computer Systems Company Limited (深圳市騰訊計算機系統有限公司), a company established in the PRC with limited liability on November 11, 1998, an associate of Linzhi Tencent and a connected person of our Company
"Track Record Period"	the financial years ended December 31, 2023, 2024 and 2025
"U.S. dollars," "USD" or "US$"	United States dollars, the lawful currency of the United States
"U.S." or "United States"	the United States of America, its territories, possessions, and all areas subject to its jurisdiction
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
	[REDACTED]
"Unlisted Shares"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares not currently listed or traded on any stock exchange
"Unverified List"	a BIS list of foreign persons whose bona fides BIS has been unable to verify in connection with end-use checks relating to items subject to the EAR
"VAT"	value-added tax
"Xinye Guangzhou"	Xinye (Guangzhou) Equity Investment Partnership (Limited Partnership)* (新業(廣州)股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 11, 2018 and one of our **[REDACTED]** Investors
"Yuxi Silicon"	Silicon (Yuxi) Intelligent Technology Co., Ltd.* (硅基(玉溪)智能科技有限公司), a company established in the PRC with limited liability on December 30, 2025 and one of our subsidiaries
"Zhongcai Qihu"	Gongqingcheng Zhongcai Qihu Phase II Internet Industrial Investment Center (Limited Partnership)* (共青城中財奇虎二期互聯網產業投資中心(有限合夥)), a limited partnership established in the PRC on November 25, 2016 and one of our **[REDACTED]** Investors

DEFINITIONS

"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese names shall prevail.

* *For identification purposes only*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains terms used in this document as they relate to our business. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"AI"	artificial intelligence
"AI Autopilot"	a self-directed AI-driven generation system that executes end-to-end tasks or processes independently
"AI Copilot"	a content production system that provides AI capabilities to support human-led production
"AI solutions"	ready-to-use and automated analytics AI capabilities that can generate accurate and meaningful insights to meet new business trends and customer demands by deploying hardware, software and cloud computing services
"AIGC"	AI-generated content, representing leveraging AI to automate content production and to generate or synthesize personalized content according to keywords or requirements, or AI-empowered content, representing using AI technologies to provide content
"algorithm"	a procedure or formula for solving a problem, based on conducting a sequence of specific actions, especially by a computer
"Android"	a mobile operating system widely used in smartphones and tablets
"API"	application programming interface, a set of defined rules that enable different applications to communicate with each other
"automatic speech recognition" or "ASR"	a technology that uses machine-learning algorithms to convert spoken language to computer-processable inputs, such as keystrokes, binary codes or character sequences
"CAGR"	compound annual growth rate
"carbon neutrality"	net zero carbon emissions, achieved through a transparent process of measuring emissions, reducing those emissions and offsetting residual emissions
"cloud"	a network of remote servers hosted on the internet/intranet and used to store, manage, and process data in place of local servers or personal computers
"cloud-based"	applications, services or resources made available to users on demand via the internet from a cloud computing provider's servers with access to shared pools of configurable resources
"computer vision"	a field of AI that enables computers and systems to derive meaningful information from digital images, videos and other visual inputs and to take actions or make recommendations based on that information
"conversational AI"	a type of AI that simulates human conversation. It is made possible by natural language processing

GLOSSARY OF TECHNICAL TERMS

"COVID-19"	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus-2
"deep learning"	a class of machine learning algorithms that constructs artificial neural networks to mimic the structure and function of the human brain, and progressively extract higher-level features from the raw input
"digital human agent(s)"	human-like virtual beings with cognitive, conversational, and content-generation capabilities
"end-to-end"	the process from users beginning to interact with a machine till the machine has completed the generation of outcomes
"ESG"	environmental, social and governance
"fine-tuning"	an approach to transfer learning in which the weights of a pre-trained model are trained on new data
"GDP"	gross domestic product
"GFA"	gross floor area
"GPU"	graphics processing unit, a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images
"IP"	intellectual property
"IT"	information technology
"knowledge base"	centralized repositories of information designed to store complex structured data and capture the knowledge of human experts to support decision-making
"knowledge graphs"	knowledge bases that use graph-structured data models to store and organize information
"KOC(s)"	key opinion consumer
"KOL(s)"	key opinion leaders, people or organizations who have expert product knowledge and influence in a particular field, who are trusted by relevant interest groups and have significant effects on customer behavior
"LLM(s)"	computerized large language models, an artificial neural network with tens of millions of parameters, trained on large quantities of unlabeled text using self-supervised learning or semi-supervised learning
"machine learning"	the scientific study of algorithms and statistical models that computer systems use to effectively perform specific tasks without being explicitly programmed to do so
"MCN"	multi-channel network, an organization that works with video platforms to offer assistance to a channel owner in areas such as product, programming, funding, cross-promotion, partner management, digital rights management, monetization/sales, and/or audience development, in exchange for a percentage of ad revenue from the channel

GLOSSARY OF TECHNICAL TERMS

"natural language processing" or "NLP"	a process in which systems continuously learn from data during operation, using deep learning models and related techniques to extract increasingly accurate meaning from large-scale, unstructured, and unlabeled text or speech datasets
"R&D"	research and development
"red ocean"	a mature market space characterized by exceptionally fierce competition
"retrieval-augmented generation"	an advanced artificial intelligence framework designed to enhance the quality, accuracy, and timeliness of content generated by large language models
"SMB(s)"	micro-, small- and medium-sized businesses
"sq.m."	square meters
"text-to-speech" or "TTS"	a technology that converts written text into natural speech output
"Turing Test"	the renowned method proposed by Turing in 1950 to assess whether a machine possesses human-level intelligence. If a human tester, engaged in text-based conversations with both a machine and another human, cannot consistently distinguish between them, the machine is considered to have passed the Turing Test, demonstrating human-level intelligence
"uncanny valley effect"	a hypothesis concerning human perceptions of non-human entities. When the appearance and movements of robot or computer-generated characters closely resemble those of humans yet fall short of complete realism, it induces in human observers an uncanny, unsettling, or even repulsive emotional response
"virtual reality"	the computer-generated simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements representing our goals, expectation and views of future events, and actual results or outcomes may differ materially from those expressed or implied. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. Forward-looking statements typically can be identified by the use of words such as "will," "would," "estimate," "expect," "anticipate," "plan," "aim," "going forward," "believe," "may," "intend," "ought to," "continue," "project," "should," "seek," "potential" and the negative of these words and other similar expressions. Although we believe that our expectations are reasonable, we can give no assurance that these expectations will prove to have been correct, and actual results may vary materially.

These forward-looking statements include, but are not limited to, statements relating to:

- our business and operating strategies and the various measures we use to implement such strategies;
- our operations and business prospects, including development plans for our existing and new businesses;
- the future competitive environment for the industry which we operate in;
- the regulatory environment as well as the general industry outlook for the industry which we operate in;
- future developments in the industry which we operate in;
- general economic trends in which we operate our business;
- our ability to control costs and expenses;
- our dividend policy;
- capital market developments;
- the actions and developments of our competitors;
- change or volatility in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- all other risks and uncertainties described in the section headed "Risk Factors."

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document reflect our management's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. See "Risk Factors," "Business" and "Financial Information" for more details.

Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from the goals we have expressed or implied in these forward-looking statements. Except as required by applicable laws and regulations, including the Listing Rules, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should not place undue reliance on any forward-looking information. In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

An investment in our H Shares involves various risks. You should carefully consider all the information in this document and in particular the risks and uncertainties described below before making an investment in our H Shares.

The occurrence of any of the following events could materially and adversely affect our business performance, financial condition, results of operations or prospects. If any of these events occur, the **[REDACTED]** *of our H Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisors regarding your prospective investment in the context of your particular circumstances.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we are unable to upgrade and enhance our solutions, our business, financial condition and results of operations could be materially and adversely affected.

The rapid development in AI technologies and digital human agents have attracted significant public attention and gained widespread popularity. As the largest digital human agent provider in China and given the fast pace with which the AI technologies have been and will continue to be developed, we need to stay at the forefront of AI technologies, and meet the ever-evolving needs and preferences of customers. We need to develop expertise across diverse industry sectors, adapt our solutions for different industry verticals, and constantly anticipate the emergence of new technologies and assess their market acceptance. We also need to invest significant resources, including financial resources, in R&D to drive technological advances, so as to maintain market competitiveness of our solutions.

If we fail to respond successfully to technology challenges and customer needs and preferences, our current technologies or solutions may quickly become obsolete or unattractive, and the demand for our solutions may diminish. We will also need to enhance and launch new features and functionalities of our solutions to enhance their utility to customers and adapt to their changing preferences, in order to maintain existing customers and attract new ones. However, given the inherent uncertainties of R&D activities, there can be no guarantee that we will continue to succeed in technological advancement and effectively commercialize them. Consequently, any failure in our R&D activities or commercialization endeavors may materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, we may need to continuously modify and enhance our technologies to keep pace with changes in AI technologies and updates in mainstream devices and IT systems. We may not be successful in either developing these modifications and enhancements or bringing them to market in a timely fashion. Furthermore, uncertainties about the timing and nature of new technologies, or modifications to existing technologies, could increase our research and development expenses. Any failure of upgrading and enhancing our technologies could reduce the demand for our solutions, result in user dissatisfaction and materially and adversely affect our business, financial condition and results of operations.

If we fail to attract new customers and/or retain existing customers, our business, financial condition and results of operation will suffer.

We had 1,009, 680 and 431 customers for the years ended December 31, 2023, 2024 and 2025, respectively. We intend to further grow our business by attracting new customers across various sectors, in particular, key account customers, and by expanding our global footprint. We also expect to continue to maintain business relationships with our existing customers by not only providing the current solutions but also increasing their spending and exploring their evolving needs to cross sell our other solutions. However, most of our customers purchase our solutions on a project basis depending on their needs. Given such practice, there is no assurance that our customers will make repurchases for our solutions frequently or at all. As a result, engaging new customers and retaining our existing customers are critical to our future operating results. Factors that may affect our ability to attract, retain, and cross sell additional solutions to, our customers, as well as increase the spending by our customers include: the demand of our customers for digital human agents; the price, performance, compatibility,

effectiveness, and functionality of our solutions; the availability, price, performance, and functionality of competing solutions; the stability, performance, and security of our technological infrastructure; our ability to develop complementary solutions that are tailored to our customers' needs; our ability to respond to constant changes in market and political conditions; the success of our technological upgrades and solution iteration; our brand awareness and recognition; the quality of our customer support; the financial performance and the overall business environment of our customers; and the overall business environment of the industry.

Furthermore, the quality of data and user feedback are key to the improvement of our multimodal technologies models and solutions. The quality and availability of such information cannot be assured. Our data labels may be out of date, inaccurate or lack credible information, which could materially affect the accuracy and validity of our data analytical capability and solutions, and in turn adversely affect our reputation, business operations and financial performance.

We engage in communications with existing and potential customers regarding our solutions on an ongoing basis. These communications may not result in a commercial agreement. In addition, even if customers choose to purchase our solutions, we cannot guarantee they will remain interested in any new solutions that we launch. For customers who utilize our solutions for a period of time, once the service period expires, they have no obligation to renew agreements with us. Moreover, our customers may negotiate terms that are less advantageous to us when procuring new solutions from us, which may reduce our profitability. Factors that are not within our control may result in a reduction in our revenue or profitability. The loss, reduction in scope, or delay of large or multiple contracts, could materially and adversely affect our business.

We may fail to successfully compete against our potential competitors, which may reduce demand for our solutions, resulting in loss of market share and reduced operating margins.

The digital human agent industry in which we operate is rapidly evolving and highly competitive, driven by technological advancement, shifting customer needs, and constant emergence of new industry standards and practices. We primarily compete with other companies focusing on developing and commercializing AI technologies and digital human agents, as well as system integrators. Other than companies in the AI industry, we also compete with companies in various industries as they may develop their own AI algorithms or acquire AI capabilities from other AI companies for the improvement or enhancement of their solutions. If we fail to compete with them, or if we do not have or in the future gain more financial resources and sophisticated technological capabilities and broader customer base and relationships than our competitors, we may not be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than our competitors.

We may also face competition from new entrants who offer lower prices or new technologies and/or solutions, which could intensify the level of competition in the future. In addition, third parties with greater available resources may acquire our current or potential competitors, consolidate market power and enhance their capabilities through cooperative relationships. Such increases in competition could lead to lower sales, price reductions, reduced margins or loss of market share. Furthermore, we may face greater-than-expected downward pricing pressure arising from potential price competition initiated by certain leading technological companies. Such companies may seek to stimulate demand with a view to increasing their market share. These leading technology companies are capable of devoting significantly more resources to the promotion and sales of their solutions, and possess the ability to launch or sustain substantial price competition. Pricing pressures and intensified competition could lead to a decline in our sales volume and revenue, compression of our profit margins, loss of our competitive market position, or failure to maintain or enhance such position.

The competitiveness of our solutions also depends in part on their interoperability with third-party products and services. As we make our solutions available across a variety of IT systems and devices, we rely on the compatibility of our offerings with mainstream devices and IT systems that are not within our control. Any changes to the technologies utilized in our solutions, to the existing features we depend on, or to IT systems, which would render it difficult for our customers or users to access our solutions, may hinder our ability to maintain or grow our revenues.

We had a concentration of customers during the Track Record Period.

For the years ended December 31, 2023, 2024 and 2025, the percentage of our revenue attributable to our largest customer in each year during the Track Record Period amounted to 36.8%, 64.4% and 41.3%, respectively, while the percentage of our revenue attributable to our five largest customers in each year during the Track Record Period amounted to 57.7%, 78.9% and 57.4%, respectively. Customer A, a leading telecom operator in the PRC, was our largest customer in each year during the Track Record Period. See "Business — Our Customers — Our Relationship with Customer A" for details. We cannot assure you that there will not be any dispute between our major customers and us, or that we will be able to maintain business relationships with our existing customers. As a substantial amount of revenues were generated from a relatively small number of major customers during the Track Record Period, in the event that the existing major customers cease to engage our solutions, and we are unable to find new customers with similar attributable revenue within a reasonable period of time or at all, our business and profitability may be adversely affected. In addition, if any of such customers default or delay on their payment or settlement of our trade and other receivables, our liquidity, financial condition and results of operations may be adversely affected.

We had recorded net losses, net operating cash outflow, net current liabilities and net deficit in the past, and our operating results may fluctuate in the future.

We were in net loss and net operating cash outflow position during the Track Record Period. See "Financial Information — Year to Year Comparison of Results of Operations" and "Financial Information — Liquidity and Capital Resources — Cash Flows" for details. We cannot assure you that we will be profitable in the future. We anticipate that our operating costs and expenses will increase in the foreseeable future as we continue to grow our business, attract users and customers, further enhance and develop our solutions, enhance our technological capabilities and increase our brand recognition. These efforts may prove more costly than we currently anticipate, and we may not succeed in increasing our revenues sufficiently to offset these higher expenses. In addition, project fulfillment costs, as the largest component of our cost of sales, cover the services required to deliver customized digital human solutions and are subject to fluctuations in human capital expenses in the industry. See "Industry Overview — Market Cost Analysis" for details. As a result of the foregoing, our operating results may fluctuate in the future.

We recorded net current liabilities and net deficit as of December 31, 2023, primarily due to our redemption liabilities classified as current liabilities. In November 2024, we entered into a supplemental agreement with our **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were terminated and reclassified to equity. Our future liquidity, payment of trade and other payables and capital expenditure plans will primarily depend on our ability to maintain adequate cash generated from operating activities and adequate external financing. We cannot guarantee that we will not record net current liabilities or a net deficit position in the future, which may limit our working capital for the purpose of operations or capital for our expansion plans and materially and adversely affect our business, results of operations and financial condition.

The size of the digital human agent industry and the demand for our solutions may not be as large as we anticipate due to a variety of factors, which could materially and adversely affect our business, results of operations, financial condition and prospects.

We are pursuing opportunities in rapidly evolving markets characterized by technological advancements and regulatory changes. Accurately predicting the timing and scale of the opportunities for each of our solutions in these markets is challenging. Our success depends on the acceptance and widespread adoption of AI technologies and digital human agents across different sectors. Customer awareness of our solutions and the overall adoption trend for AI technologies play a critical role. However, the demand for AI technologies and digital human agents is uncertain and may fluctuate. We cannot guarantee that potential customers will continue adopting AI technologies and digital human agents at the current pace. Moreover, as AI technologies advance and the commercialization of digital human agents evolves, any potential factors such as declining growth rate in the digital human agent industry, or reductions in pricing and profit margins, could significantly affect our business and growth prospects.

Moreover, market expansion for the digital human agent industry in China depends on several factors, including the increased deployment of digital human agents across various scenarios, the advancement of AI technologies, the growing prevalence of AIGC, and the perceived performance and value associated with such solutions. If digital human agents do not achieve widespread acceptance in China, or if demand weakens by economic downturns, reduced corporate spending, technical challenges, data security or privacy concerns, governmental regulation, competing technologies, solutions or otherwise, our business, growth prospects and results of operations will be materially and adversely affected.

This document also contains estimates and forecasts concerning our industries, including estimates of the market size of our solutions, that are based on industry publications and reports or other publicly available information. These estimates and forecasts involve a number of assumptions and limitations, and are subject to significant uncertainty, which may render the market size smaller than we anticipated. See "— Risks Relating to the **[REDACTED]** — Certain facts, forecasts and statistics contained in this document are derived from various official government sources and may not be complete or up to date."

Any misuse or flaws of AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

AI technologies are at early stages of development and continue to rapidly evolve. AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations in relevant jurisdictions or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights, including privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of AI technologies. Any inappropriate or abusive usage of AI technologies, whether actual or perceived, intended or inadvertent and by us or by third parties, may dissuade prospective customers from adopting AI solutions, impair the general acceptance of AI solutions by the society, attract negative publicity, adversely impact our reputation, violate applicable laws and regulations, or subject us to legal or administrative proceedings. As a result, our solutions may be less appealing to customers, and our business, results of operations, financial conditions and business prospects may be adversely affected.

In addition, flaws or deficiencies in AI technologies could undermine the effectiveness of our solutions. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in AI technologies and the related solutions, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

If our expansion into new verticals or our attempt to develop new solutions is unsuccessful, our business, prospects and growth momentum may be materially and adversely affected.

We integrate our technologies with adaptable scenario-based GJ AI workforce solutions, and merge general AI capabilities deeply into professional roles within vertical industries. Our track record of expanding into new verticals and developing new solutions cannot assure you that we will be able to maintain this momentum in the future. Expanding offering categories into new areas involves new risks and challenges. Our lack of familiarity with new verticals may make it more difficult for us to keep pace with evolving customer demands and preferences. In addition, there may be one or more existing market leaders in any vertical that we decide to expand into. Such companies may be able to compete more effectively than us by leveraging their experience in doing business in that market as well as their deeper industry insight and greater brand recognition among customers. We may be required to develop new customer relationships and distribution capabilities. We will need to comply with new laws and regulations applicable to these businesses. Expansion into any new vertical and development of new solutions may place significant strain on our management and resources and incur substantial R&D and other costs and expenses before generating any revenues, and failure to expand successfully could have a material adverse effect on our business and prospects.

Any failure to offer efficient after-sales services for our customers may harm our relationships with them and, consequently, our business.

As we continue to grow our operations and support our customer base, we need to be able to continue to provide efficient after-sales services that meet our customers' needs at scale. We may not be able to engage, retain or train sufficient qualified support personnel with experience in supporting customers of our solutions. As a result, we may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support or assistance. We may also be unable to modify the future scope and delivery of our support services to compete with changes in the technical services provided by our competitors. If we experience increased customer demand for comprehensive support services, we may face increased costs that may harm our results of operations. In particular, we may expand into countries and regions where the costs of providing support services are higher as a result of more stringent consumer protection regulations and market practices. Any failure to maintain efficient comprehensive support services or a market perception that we do not maintain efficient comprehensive support services for our customers, would harm our business.

If we fail to maintain an experienced sales force, or if our marketing and branding efforts are not successful, our sales and business prospects could be materially and adversely affected.

We consider our dedicated sales force to be the vital connection for developing and maintaining our sales network, executing our sales and marketing strategies and promoting our brand. Nevertheless, we cannot assure you that our sales efforts will always remain effective and competitive, if at all. If our sales force fails to market our solutions in a cost-effective manner, or provide satisfactory services during the sales process, our sales performance may decline, which may materially and adversely impact our business, prospects, results of operations and financial condition. Additionally, we will need to continue to expand and optimize our sales force and efforts in order to grow our customer base and business. Identifying and recruiting qualified sales personnel and training them to be familiar with our solutions requires significant time, expense and attention. Our business may be adversely affected if our efforts to expand and train our sales personnel do not generate a corresponding increase in revenues. In particular, if we are unable to hire, develop and retain talented sales personnel or if new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, we may not be able to realize the expected benefits of this investment or increase our revenues.

We are subject to credit risk related to delay in payment and defaults of customers, which would adversely affect our liquidity and financial condition.

Our trade receivables arose primarily from our solutions provided in the ordinary course of business. We are exposed to credit risks related to delays in payment and defaults of our customers. As of December 31, 2023, 2024 and 2025, the net carrying amount of our trade receivables was RMB146.7 million, RMB232.5 million and RMB281.6 million, respectively, and we recorded impairment of trade receivables of RMB16.5 million, RMB37.6 million and RMB64.7 million as of the same dates, respectively. The turnover days of our trade receivables were 70 days, 106 days and 119 days, respectively, for the years ended December 31, 2023, 2024 and 2025. As our business continues to scale, our trade receivables balance may further grow accordingly, which may increase our risks for uncollectible receivables. We generally do not require collateral or other security from our customers. We may not be able to collect all trade receivables due to various factors that are beyond our control, including adverse operating condition or financial condition of customers, which could cause our customers to delay payments to us, request adjustments to their payment arrangements or default on their payment obligations to us. If our customers delay or default in their payments to us, we may have to make impairment provisions and write-off the relevant receivables, and our liquidity and financial condition would be adversely affected.

Moreover, for the years ended December 31, 2023, 2024 and 2025, our inventory turnover days were 10 days, 24 days and 43 days and our trade payables turnover days were 85 days, 90 days and 77 days, respectively. We are exposed to the risk of cashflow mismatch in view of the longer inventory and trade receivables turnover days together as compared to the trade payables turnover days in 2024 and 2025. Such cashflow mismatch may increase our working capital requirements and liquidity risks from

time to time. Any default or delay in payment by our customers may broaden such cashflow mismatch, which may result in significant cash flow shortfalls in the future and adversely affect our cash position and operating results.

We have been and will continue investing in R&D, which may adversely affect our profitability and operating cash flow in the short term and may not generate the results we expect to achieve.

The industries in which we operate are subject to rapid technological changes and are evolving quickly in terms of technological advancement. To compete successfully, we must maintain successful R&D efforts, upgrade our technologies, and improve or develop new solutions, all ahead of any competitors. We need to invest significant resources, including financial resources, in R&D to achieve technological advancements in order to expand our offerings and make our solutions competitive in the market. However, we cannot guarantee that our R&D efforts will deliver the benefits we anticipate or be recognized as expected. R&D activities are inherently uncertain, and we might encounter practical difficulties in developing, conceptualizing and commercializing our R&D results, and may not be able to obtain and retain sufficient resources including qualified R&D personnel. Even if we succeed in our R&D efforts and generate the results we expect, we may still encounter practical difficulties in commercializing our R&D results. Given the fast pace of development in the markets in which we operate, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. New technologies could render our technologies, our technological infrastructure or solutions that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenue, profitability and market share. Our R&D efforts may not contribute to our future results of operations in the short term, or at all, and such contributions may not meet our expectations or even cover the costs of such R&D efforts, the occurrence of which would materially and adversely affect our business, results of operations, financial condition and competitive position.

Failure to obtain or maintain any of the government grants or preferential tax treatments could adversely affect our business, results of operations, financial condition and prospects.

For the years ended December 31, 2023, 2024 and 2025, the government grants we recognized as other income amounted to RMB13.8 million, RMB10.2 million and RMB2.4 million, respectively, which are generally non-recurring in nature. We also recorded deferred income in relation to unamortized conditional government grants as subsidies for leased properties. In addition, our Company is qualified for lower EIT rates of 15%, instead of the statutory EIT rate of 25%, as a High and New Technology Enterprise (高新技術企業). Continued eligibility to such preferential tax treatments is subject to review and evaluation by the relevant government authorities in China every three years. For more details of the preferential tax treatments, see Note 7 to the Accountants' Report set out in Appendix I to this document.

The PRC government authorities may decide to reduce or cancel such government grants or preferential tax treatment, or require us to repay part or all of the government grants we previously received at any time, which could adversely affect our business, results of operations, financial condition and prospects. As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In addition, we may not be able to successfully or timely obtain government grants or preferential tax treatment that may become available to us in the future, and such failure could adversely affect our business, results of operations and financial condition. Furthermore, in the ordinary course of business, we are subject to complex income tax and other tax regulations, and significant judgment is required in the determination of a provision for income taxes. As such, the PRC tax authorities may challenge our position and may require us to pay taxes, interest on such taxes, and/or penalties in excess of our tax provisions.

If we fail to perform our contractual obligations, our liquidity and financial positions may be materially and adversely affected in the future.

Our contract liabilities mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided. Our contract liabilities were RMB46.5 million, RMB50.2 million and RMB75.6 million as of December 31, 2023, 2024 and 2025, respectively.

If we fail to fulfill our obligations with respect to our contract liabilities, we may not be able to convert such contract liabilities into revenue as expected. Furthermore, if we fail to fulfill our obligations with respect to our contract liabilities, our customers may request not to prepay us in the future. Any of these circumstances could materially and adversely affect our business, results of operations, cash flow and liquidity condition.

If we are unable to manage our inventory risks efficiently, our financial and results of operations may be adversely affected.

Our business expansion requires us to manage our inventory effectively. We had inventories of RMB15.0 million, RMB42.4 million and RMB79.2 million as of December 31, 2023, 2024 and 2025, respectively. Our inventory turnover days were 10 days, 24 days and 43 days in 2023, 2024 and 2025, respectively. Our solutions may quickly become outdated due to fast-changing trends and constant technological advancements. Our inventories may be subject to impairment if their net realizable value falls before we sell them. With the expansion of our business operation and iteration of our solutions, any mismanagement of inventory could lead to write-downs directly impacting our profitability, tied-up capital in slow-moving inventory reducing our liquidity, and higher storage and handling costs pressuring our margins, which may adversely and materially affect our business, results of operations and financial condition.

Negative publicity with respect to us, the digital human agent industry in general, our business partners may materially and adversely affect our business, results of operations and financial performance.

As the largest digital human agent provider in China, we have built a well-recognized industry reputation. As we continue our growth in business scale, broaden the scope of our solutions, and expand into foreign markets, it will be increasingly difficult to maintain the efficiency and quality of our solutions, which may negatively impact our brand and market reputation. Many factors, some of which are beyond our control, may negatively impact our brand image and corporate reputation if not properly managed. These factors include our ability to provide superior solutions to our customers, successfully conduct marketing and promotional activities, manage relationships with and among business partners, respond to complaints and negative publicity, and maintain a positive perception of our company, our competitors and the digital human agent industry in general. Any actual or perceived deterioration of our solution quality, which is based on an array of factors including customer satisfaction, rate of complaints or rate of quality accidents, could subject us to damages such as the loss of key customers. If we are unable to promote our brand image and protect our corporate reputation, we may not be able to maintain and grow our customer base, and our business and growth prospects may be adversely affected.

Incidents that reflect doubt as to the solution quality or ethical issues in the digital human agent industry, including those related to our competitors, have been, and may continue to be, subject to widespread media attention. Such incidents may damage the reputation of not only the parties involved, but also the digital human agent industry as a whole. Even if such parties or incidents have no relation to us, our management, our employees, our suppliers or our other business partners, such negative publicity may indirectly and adversely undermine the confidence of customers and affect our reputation and business operations.

We are subject to the risks in relation to our distributors.

In line with industry practice, we have engaged distributors to expand our sales network. As of December 31, 2023, 2024 and 2025, we engaged 251, 157 and 94 distributors, respectively. In 2023, 2024 and 2025, our revenue generated from sales to distributors amounted to RMB20.8 million, RMB14.9 million and RMB6.6 million, respectively, accounting for 3.9%, 2.3% and 0.8% of our total revenue for the same years, respectively. See "Business — Marketing and Promotion — Our Sales Network" for details. Our success therefore partially depends on the performance of our distributors and our ability to maintain long-term relationships with them. A substantial reduction in the volume of orders placed by distributors, or unexpected cessation of cooperation may materially and adversely affect our business performance. In addition, our requirements on our distributors to comply with

distribution agreements may not guarantee their strict adherence to these agreements or our prompt detection of their non-compliant activities. Any of their failure to fulfill contractual obligations or non-compliance with applicable regulatory requirements could negatively impact our business, leading to potential reputation damage, reduced sales volumes, costly litigation, or additional costs in finding new distributors as replacements due to early termination.

In addition, we cannot assure you whether our distributors can effectively market and sell our solutions successfully or maintain their competitiveness as a result of various factors. If our distributors fail to promote and sell our solutions successfully, we may be subject to the risk of channel stuffing and reduced orders from distributors, and our business, financial condition and results of operations may be materially and adversely affected.

Our business is subject to seasonal fluctuations which could have a material effect on our revenue, cash flow and results of operations.

Our business and results of operations are affected by seasonality, resulting from seasonal fluctuations in customer purchases. Our enterprise customers adhere to an annual cycle for budget planning and implementation. As we typically recognize revenue upon acceptance by the customer, we had higher revenue from our solutions in the second half of the fiscal year, which is in line with the industry norm, according to CIC. See "Business — Seasonality" for details. We expect to continue to experience seasonal fluctuations in our revenue, results of operations and financial condition in the future. As a result, any comparisons of our operating results between different periods within a single financial year, or between different periods in different financial years are not necessarily meaningful and cannot be relied on as indicators of our performance.

Our operations depend on the performance of the internet infrastructure and telecommunications networks in the PRC.

Our business depends on the performance and reliability of the internet infrastructure in the PRC. The reliability and availability of our solutions depend on telecommunications carriers and other third-party providers for communications and storage capacity, including bandwidth and server storage, among other things. If we are unable to enter into or renew agreements with these providers on acceptable terms, or if any of our existing agreements with such providers are terminated as a result of our breach or otherwise, our abilities to provide our solutions to the users could be adversely affected. The failure of telecommunications network operators to provide us with the requisite bandwidth could interfere with the speed and availability of our solutions. Service interruptions prevent users from accessing our solutions, and frequent interruptions could frustrate users and discourage them from continuing utilizing our solutions, which could cause us to lose users and harm our operating results.

We utilize third-party cloud-based infrastructure as a supplement to support certain aspects of our operations. Any disruptions in the operations of such third-party providers, limitations on capacity offerings or interferences with our usage could materially and adversely affect our business, financial condition and results of operations.

Apart from our self-built and self-owned cloud-native architecture to support our solutions, we also utilize the cloud services transmitted by third-party cloud service providers. We do not control, or in some cases have limited control over, the operation of the facilities or technologies from the third-party providers. Due to the nature of our business, our users expect to access our solutions at any time, without interruption or degradation of performance. Any limitation on the capacity of the cloud infrastructure provided by third-party providers could impede our ability to serve existing customers or attract new customers, which could adversely affect our business, financial condition and results of operations.

We may incur significant costs and expenses for deploying alternative cloud-based infrastructure. In the event that our service agreements relating to our third-party cloud infrastructure are terminated, or there is a lapse of service, elimination of services or function that we utilize, interruption of internet service provider connectivity or damage to such facilities, we could experience interruptions in access to our systems. We may also experience significant delays and additional expenses in arranging and

transferring to new facilities or re-architecting our system for deploying an alternative cloud-based infrastructure service provider, which could adversely affect our business, financial condition and results of operations.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency, cyber-based attacks or security breaches, which may materially and adversely affect our reputation, business, financial condition and results of operations.

We rely on information technology networks and systems for electronic communications between our personnel and our users as well as to manage and monitor our daily operations. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, network overload, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. The occurrence of unanticipated problems that affect our information technology networks could result in interruptions in the availability of our solutions. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. Failures in information technology systems, especially those related to product safety and associated data, could potentially affect the ability of users to use cloud-based features of our solutions, hinder our ability to effectively provide our solutions, subject us to regulatory scrutiny, and could cause our loss of users, data assets and trade secrets, disruption to our R&D activities, transaction errors and processing inefficiencies. Furthermore, our technological infrastructure is also vulnerable to damage from fires, floods, earthquakes and other natural disasters, power loss and telecommunication failures. If we do not effectively resolve these issues in a timely manner, our reputation, business, results of operations and financial condition may be materially and adversely affected, and we could experience delays in reporting our financial results.

We rely on a number of key operating data to evaluate the performance of our business. Any real or perceived inaccuracy or incompleteness in such data may negatively affect our reputation and business.

We track certain key operating data, such as number of GJ AI workforces, average customer acquisition cost, average customer value and average project value, with internal tools. Our internal tools have a number of limitations and our methodologies for tracking these data may change over time, which could result in unexpected changes to our data. If the internal tools we use to track these data undercount or overcount performance or contain algorithm or other technical errors, the data we report may not be accurate. In addition, limitations or errors with respect to how we measure data (or the data that we measure) may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating data are not accurate representations of our business, or if we discover material inaccuracies in our data, our reputation may be harmed, and our operating and financial results could be adversely affected.

If we fail to obtain or maintain the requisite licenses, permits, certificates, approvals, registrations or filings required under the regulatory environment applicable to our business in any jurisdiction where we operate, or if it is time-consuming or costly to obtain or maintain such licenses, permits, certificates and approvals, our business, financial condition and results of operations may be materially and adversely affected.

Given the nature of our business involving AIGC, large model and algorithms, we are required to obtain or maintain a number of licenses, permits, certificates, approvals, registrations or filings in connection with our business operations. Some of our licenses, permits, certificates, approvals, registrations or filings are subject to periodic renewal and/or reassessment by the relevant authorities, and the standards of such renewal and/or reassessment may change from time to time. There are also uncertainties regarding the interpretation and implementation of laws and regulations governing our business activities. There is no assurance that we can update or renew the licenses, permits, certificates, approvals, registrations and filings required for our business in a timely manner or at all. If we fail to complete, obtain, maintain or renew any of the required licenses, permits, certificates and approvals or

make the necessary filings, we may be subject to imposition of fines and the discontinuation or restriction of our operations. Any such penalties may materially and adversely affect our business, financial condition and results of operations.

We may be subject to administrative penalties for failure to fully comply with the relevant laws and regulations in connection with social insurance and housing provident funds.

PRC laws and regulations require us to participate in various employee benefit plans, including social insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance and the housing provident fund. On July 31, 2025, the Supreme People's Court issued *Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases* (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"). According to Article 19(1) of the New Judicial Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions do not need to be paid, the 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 court shall support such claims. In such case, the employer shall remain liable for paying economic compensation (calculated based on the years of employment multiplied by the monthly salary) to the employee, notwithstanding any prior agreement to waive social insurance contributions. See "Regulatory Overview — Laws and Regulations Related to Labor Protection, Social Insurance and Housing Provident Funds." If the relevant PRC authorities hold a different view from us and determine that we are not in compliance with the New Judicial Interpretation, our business, financial condition and results of operations may be adversely affected. During the Track Record Period, we failed to make social insurance and housing provident funds contribution in full for certain employees, with details in "Business — Employees." Based on: (i) consultations with competent government authorities indicate that they would not voluntarily initiate regulatory actions to require supplementary contributions or impose penalties in the absence of employees' complaints; and (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties related to social insurance and housing provident funds contributions, and we had not received any notifications from the relevant government authorities requiring payment of shortfalls or overdue charges for social insurance and housing provident funds, our PRC Legal Advisors are of the view that (i) the New Judicial Interpretation does not repeal or revise the social insurance laws and regulations currently in force in the PRC, and would not cause us to undertake additional social insurance contributions; and (ii) on the premise that there are no significant changes to the current policies and regulations, as well as in the implementation and supervision requirements of local governments, the risk that we may be required by the relevant PRC authorities to pay the full amount of any outstanding social insurance and housing provident funds contributions is remote, and the risk that we may be subject to any material administrative penalties for failing to make full social insurance and housing provident funds contributions is also remote. However, we cannot assure you that the relevant government authorities will not impose new requirements on us according to regulatory development in the future, such as ordering us to make supplemental social insurance and housing provident fund contributions, imposing late fees or fines on us or ordering us to take other measures, any of which may materially and adversely affect our business, financial condition and results of operations.

We face risks in relation to the lease non-registration.

We lease properties in the PRC as premises primarily for our office premises, R&D facilities and employee dormitories. See "Business — Properties." As of the Latest Practicable Date, we had one lease agreement failed to be registered with the relevant PRC government authorities. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its validity. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for such unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period.

If we are unable to attract, retain and motivate key individuals, our business, results of operations and financial condition would be materially and adversely affected.

The competition for experienced and skilled employees in our industries is increasingly intense. Changes in our management team would also disrupt our business. Our senior management and other key personnel may elect to join our competitors after the non-compete periods stipulated in the non-compete and confidentiality agreements with us have lapsed. Changes in our management team may occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit qualified personnel. If one or more of our senior management and other key personnel join a competitor, or form a competing business, our business, financial condition and results of operations may be adversely affected.

In addition, changes in the interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our changing workforce needs. Our employee hiring and retention also depend on our ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If our compensation programs and workplace culture cease to be viewed as competitive, our ability to attract, retain, and motivate key individuals would be weakened, which would in turn materially and adversely affect our business, results of operations and financial condition.

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations.

We may in the future enter into strategic alliances with various third parties to pursue opportunities for collaborations, licensing, investments, acquisitions of business, technology or IP, or partnerships that we believe would advance our development. Our competitors may compete with us for these opportunities or arrangements. We may not be able to identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis or acceptable terms, or at all.

Strategic alliances with third parties could subject us to risks associated with sharing proprietary information, non-performance by the counterparty and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor their actions, and to the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

In addition, we may acquire additional assets, technologies or businesses that are complementary to our existing business. Future acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could adversely affect our business. Valuations supporting our acquisitions and strategic investments could change rapidly. Following any such transaction, there could be impairments in valuations or other-than-temporary declines in fair value, which could materially adversely affect our business, financial condition and operating results through the write-off of goodwill and other impairment charges. Acquisitions could also result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the incurrence of debt, amortization expenses for intangible assets and exposure to potential unknown liabilities of the acquired business. Our failure to address these risks or other problems encountered in connection with our future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments and materially and adversely affect our reputation, business and results of operations.

Our international strategy and ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks.

International expansion is a significant component of our growth strategy and may require significant capital investment in the future, which could strain our resources and adversely affect current performance, while adding complexity to our current operations. Operating internationally subjects us to additional risks and challenges such as: limited brand recognition globally (compared

with our presence in China); costs and expenses in connection with global expansion, including recruitment of local personnel and lease of new premises; ability to anticipate international consumers' and collaborators' needs and preferences; and wars, political and economic instability.

In particular, we face regulatory uncertainties and may incur substantial compliance costs when we enter into a new overseas market. Regulations in different overseas markets could vary significantly. Being compliant with laws and regulations in one jurisdiction does not necessarily mean our business practice would comply with laws and regulations in another jurisdiction and we may need to make adjustments to our business accordingly to comply with local laws. We also have to closely monitor changes in local laws and complete all necessary procedures and filings accordingly. If any of our overseas operations violate laws in the relevant jurisdictions, we could become subject to sanctions or other penalties, which could adversely affect our reputation, business, results of operations and financial condition.

Our strategic collaborations with academic institutions for joint R&D projects and other initiatives may not continue.

We have entered into strategic collaborations with academic institutions for joint R&D projects and other initiatives. See "Business — Research and Development." There can be no assurance that these institutions will continue to collaborate with us on commercially reasonable terms or at all. We also cannot assure you that we will be able to establish new joint research projects, or extend existing relationships with academic institutions when our agreements with them expire. Furthermore, certain of our agreements with the institutions may be terminated prior to their specified termination dates, the institutions may alter the contract terms previously agreed between us, and they are under no obligation to continue our collaboration. If we are unable to maintain our relationships with the institutions, or any of our collaboration with the institutions are terminated, our business, results of operations and prospects could be materially and adversely affected.

We rely on a combination of intellectual property laws and contractual arrangements to protect our proprietary rights. We may not be able to effectively protect our intellectual property rights or enforce our contractual rights.

Our intellectual properties, especially those relating to our solutions and our proprietary brands, are crucial to our business operations and success. We rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees and others, to protect our proprietary rights. See "Business — Intellectual Property" for details. Our efforts to enforce or defend our intellectual property rights may not be adequate or effective. We are susceptible to infringement of our intellectual property rights and any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated.

Confidentiality and non-compete agreements may be breached by counterparties, and we may not be able to protect our intellectual property rights or to enforce our contractual rights effectively and timely. We may have to initiate legal proceedings to defend the ownership of our intellectual property rights against any infringement by third parties, which may be time-consuming and costly, and we might be required to devote substantial management time and resources in an attempt to achieve a favorable outcome. There can be no assurance that we will prevail in the relevant legal proceedings. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property rights infringement or misappropriation claims by third parties, which may force us to incur legal expenses and, if determined adversely against us, may materially disrupt our business.

We may be exposed to intellectual property rights infringement or misappropriation claims by third parties during the course of our operations. We may incur expenses and require attention of management in defending against these third-party infringement claims, regardless of their merit. An adverse determination in any such litigations or proceedings to which we may become a party could

subject us to liabilities to third parties, require us to seek consent or licenses from third parties, pay ongoing fees or royalties, or subject us to injunctions prohibiting the provision and marketing of our relevant solutions. To the extent that such consents or licenses are not available to us on commercially reasonable terms or at all, we may be required to expend considerable time and resources sourcing alternative technologies or rebranding our solutions, if any, or we may be forced to delay or suspend the relevant solutions or the promotion of the relevant brand. Protracted litigation could also result in reduced customers. In addition, we could face disruptions to our business operations as well as damages to our reputation as a result of such claims, and our business, financial condition and results of operations could be materially and adversely affected.

Additionally, the application and interpretation of intellectual property right laws and regulations, as well as the procedures and standards for granting trademarks, patents and copyrights are evolving. There can be no assurance that courts or regulatory authorities would agree with our legal analysis. If we were found to have violated the intellectual property rights of third parties, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our reputation, business and financial condition may be materially and adversely affected.

We may be subject to liability claims if our solutions contain defects. We could incur significant expenses to remediate such defects, as a result, our reputation could be damaged and we could lose market share, and our financial condition and results of operations may be negatively affected.

Solutions developed by us may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when new features or enhancements are launched. Our internally tested solutions may still contain errors or defects, security vulnerabilities or software issues which we are unable to successfully correct in a timely manner or at all, which could result in revenue loss, significant capital expenditures, loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, reputation, financial condition, and results of operations. Given that many of our customers use our solutions in processes that are critical to their businesses, any error, defect, security vulnerability, service interruption or issue in our solutions could result in losses to our customers. Our customers may seek compensation from us for any losses they suffer or cease conducting business with us altogether. In the event that any of our customers bring a claim against us, even if unsuccessful, it would likely to be time-consuming, costly to defend and may have a material adverse impact on our reputation and brand, making it harder for us to sell our solutions.

We may be involved in legal or administrative proceedings and commercial disputes, which could materially affect our business, financial condition and results of operations.

We have, from time to time, been subject to claims and various legal and administrative proceedings in the ordinary course of business or pursuant to governmental or regulatory enforcement activities, and may be subject to the same in the future. Regardless of their merit, legal and administrative proceedings, such as litigations, injunctions and governmental investigations, may be expensive, time-consuming or disruptive to our operations and distracting to management, and may lead to administrative measures, settlements, injunctions, fines, penalties, negative publicity, or other results that could have material adverse effect on our reputation, business, financial condition, results of operations, and prospects. In recognition of these considerations, we may enter into arrangements to settle litigation and resolve such disputes. No assurance can be given that such arrangements can be obtained on acceptable terms or that litigation will not occur. These arrangements may also significantly increase our operating expenses.

New legal or administrative proceedings and claims may arise in the future. If one or more legal or administrative matters are resolved against us or an indemnified third party for amounts in excess of our management's expectations or certain injunctions are granted to prevent us from using certain technologies in our solutions, our business and financial conditions could be materially and adversely affected. Further, such an outcome could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, remedial corporate measures, injunctive relief or specific

performance against us that could materially and adversely affect our financial condition and operating results. In addition, from time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. It is possible that the administrative and court authorities would not interpret and enforce the statutory provisions and contractual terms in a manner favorable to us, and it may be more difficult to predict the outcome of any administrative and court proceedings that we may be involved in the future.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers (the "**Relevant Customers**") sporadically engaged third-party payors (the "**Third-party Payors**") to settle their payments with us (the "**Third-party Payment Arrangements**"). For the years ended December 31, 2023, 2024 and 2025, there were only 18, 4 and nil Relevant Customers, respectively. For the years ended December 31, 2023, 2024 and 2025, the aggregate amount settled under the Third-Party Payment Arrangements was RMB6.5 million, RMB1.1 million and nil, respectively, accounting for 1.5%, 0.2% and nil of the total payments we received from all customers, respectively, in the same years. See "Business — Our Customers — Third-party Payment" for details.

We are subject to various risks relating to such Third-Party Payment Arrangements, including: (i) possible claims for return of funds from third-party payors who were not contractually indebted to us; (ii) potential risks arising from the fact that we have limited knowledge about the source and purpose of the funds utilized by the third-party payors; and (iii) possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of any third-party payments, we may have to use additional financial and managerial resources to defend against such claims or legal proceedings, and our financial condition and results of operations may be adversely affected as a result.

We adopted *Sales Management System* (《銷售管理制度》) in September 2025. Under this internal policy, we strictly prohibit payments from third parties. When confirming receipt of funds, we require our sales and marketing employees to verify that the actual payer matches the contracted party. If a discrepancy is found, the payment shall be returned and resubmitted by the correct payer. However, we cannot guarantee that such measures will always be effective. Any failure in their effectiveness could leave us exposed to the aforementioned risks.

The changes in international political relationships, trade policies and trade barriers, or the escalation of trade tensions, may have an adverse effect on our business operations.

As we seek to expand our global footprint, our business operations and financial performance may be influenced by international political relationships, trade policies and trade barriers, or the escalation of trade tensions. International trade policies and geopolitics are subject to frequent changes and uncertainties, often driven by political, economic, and social factors beyond our control. We currently operate primarily within the PRC market, and to a much lesser extent, we have also provided solutions for overseas customers. Such countries/regions may, to the extent needed, impose new or additional trade restrictions or other trade barriers. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions. Political tensions as a result of trade policies could reduce trade volume, cross-border investment, technological exchange, and other economic activities between major economies, resulting in a material adverse effect on global economic conditions. Furthermore, any escalation in existing trade tensions or the advent of a trade war, or news and rumors of the escalation of a potential trade war, could affect consumer confidence and have a material adverse effect on our business, results of operations and, ultimately, the market price of our H Shares. Rising political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between the relevant major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. If any new legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations.

In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

For example, in recent years, the United States has increased export control restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce, which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). The export, re-export and/or transfer (in-country) of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems or components that may be critical to our technology infrastructure, solutions and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. If certain of our customers and/or suppliers are listed on the Entity List and subject to restrictions from sourcing or selling technologies, systems or components from or to us, we may not be able to maintain our collaboration with such customers and suppliers.

On August 9, 2023, the Biden Administration issued the Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern ("**Reverse CFIUS EO**") granting the U.S. government the authority to establish and enforce an outbound investment screening regime ("**Outbound Investment Program**"). On October 28, 2024, the U.S. Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Final Rule**") to implement the Executive Order of August 9, 2023. The Final Rule has become effective on January 2, 2025. The Final Rule targets investments involving persons and entities associated with "countries of concern," currently including China, and it imposes requirements (such as prohibition or notification requirements) on a wide range of investments in persons engaged in activities in certain sectors such as semiconductors and microelectronics, quantum information technologies or AI, which the Final Rule defines as "covered activities," with persons from countries of concern engaged in covered activities defined as "Covered Foreign Persons." Investments by U.S. persons subject to the Final Rule, which are defined as "covered transactions," include acquisitions of equity interests (including purchases of shares in an initial public offering), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule excludes some investments from the scope of "covered transactions," including those in publicly traded securities. The Final Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China, and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers, including us. If we were to be deemed a "Covered Foreign Person," and if U.S. persons engaged in a "covered transaction" that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Final Rule. In addition, even though U.S. persons' acquisitions of certain publicly traded securities will be exempted from the scope of covered transactions under the Final Rule, the Final Rule could still limit our ability to raise capital or contingent equity capital from U.S. investors after this **[REDACTED]** given that relevant laws, regulations, and policies continue to evolve and we cannot rule out the possibility of being deemed a "Covered Foreign Person" in the future due to different views taken by the U.S. Department of the Treasury, potential amendments to the Final Rule or the introduction of similar regulations. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects. In such cases, the value of our H shares may decline, or in extreme cases, become worthless.

Moreover, one of our major customers and suppliers, Customer A, include non-listed subsidiaries of a Non-SDN Chinese Military-Industrial Complex company ("**CMIC**"). U.S. persons are prohibited from engaging in the purchase or sale of any publicly traded securities of companies designated on the

CMIC list. We cannot assure you that our cooperations with Customer A will not subject us to any sanction risks in the future or any potential sanction imposed on Customer A in the future will not affect their cooperation with us.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers, business partners or other third parties may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconduct by our employees, customers, suppliers, business partners or other third parties, that could subject us to liabilities, fines and other penalties imposed by government authorities and negative publicity. There can be no assurance that the internal control policies we adopted and the reporting channel we established will prevent fraud or illegal activity by such parties or ensure that similar incidents will not occur in the future. See "Business — Risk Management and Internal Control" for details of our internal control measures. Any illegal, fraudulent, corrupt or collusive activity by our employees, customers, suppliers, business partners or other third parties, including, but not limited to, those in violation of anti-corruption, anti-money laundering or anti-bribery laws, could subject us to negative publicity that could severely damage our brand and reputation and, if conducted by our employees, could further subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers, business partners or other third parties could materially and adversely affect our business, results of operations, financial condition and prospects.

Increasing focus with respect to ESG matters may expose us to additional risks. Failure to keep up with the evolvement in social trends and policies relating to ESG matters may adversely affect our business, financial condition and results of operations.

In recent years, public awareness of ESG has been increasing. Given the nature of our business, we do not believe our business is subject to significant ESG-related risks, as we do not operate any production facilities. Nonetheless, we monitor environmental and climate-related risks that may impact on our business, strategy and financial performance and evaluate the magnitude of the resulting impact over the short-, medium- and long-term horizons. See "Business — Environmental, Social and Corporate Governance." Changes in social trends and policies associated with environmental protection, public health and other ESG issues may have growing influence on our business model and daily operations. With growing attention on ESG matters, investors are increasingly focused on ESG issues and tend to incorporate ESG performance into their investment decisions, while consumers are becoming more environmentally conscious, preferring solutions with green and environmentally friendly design. Any new ESG concern or change in social trends and political policies relating to ESG matters may require us to adjust our practices in a way that could adversely impact our results of operations. Failure to adapt to or comply with the evolving expectations and standards of ESG, regardless of whether there is a legal requirement to do so, could adversely affect our reputation, business operations and financial condition.

Failure to comply with laws and regulations relating to generative AI, algorithm, cybersecurity, information security, data privacy and protection could result in claims and penalties imposed by relevant government authorities, which could harm our brand and reputation, and materially and adversely affect our business operations and financial performance.

In recent years, the PRC government has enacted a series of laws and regulations in areas related to our business, and we expect such laws and regulations will continue to evolve in the future. Our business requires us to process personal information either on our own behalf or as entrusted by our clients and business partners, in relation to and to the extent necessary for their usage of our solutions. The PRC government has in recent years tightened the regulation on the processing of personal information. See "Regulatory Overview — Laws and Regulations Related to the Protection of Cyber Security, Information Security, Data and Privacy" for more information.

As of the Latest Practicable Date, we have not received any official notification from relevant regulatory authorities designating our network facilities and information systems as Critical Information Infrastructure ("**CII**"), and therefore we are not deemed as a CII operator. On October 17, 2025, our PRC Legal Advisors relating to Data Compliance conducted a verbal consultation with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (the "**CCRC**"), which is delegated by the CAC to accept applications for cybersecurity review via the contact information published on the CCRC's official website. During the consultation, the CCRC confirmed that a listing in Hong Kong does not fall within the scope of the term "listing abroad" under Article 7 of the *Measures for Cybersecurity Review* (《網絡安全審查辦法》) (the "**Review Measures**"). As of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review under the Review Measures or our data processing activity affects or may affect national security. Nevertheless, there has been no further explanation or interpretation for "affect or may affect national security" under the Review Measures. In addition, the Review Measures grant the government authorities the discretion to initiate a cybersecurity review if they deem any data processing activity affects or may affect national security. Therefore, we cannot rule out the possibility that the relevant government authorities may conduct cybersecurity review on us accordingly. If a cybersecurity review for any of our activities is required, we will actively cooperate with the CAC to conduct such cybersecurity review. Any failure to obtain such approval or clearance from the regulatory authorities could materially constrain our liquidity and have a material adverse impact on our business operations and financial results.

On July 7, 2022, the CAC promulgated the *Measures on Security Assessment of Cross-border Data Transfer* (《數據出境安全評估辦法》), which became effective on September 1, 2022. On March 22, 2024, the CAC promulgated the *Provisions on Promoting and Regulating Cross-border Data Flows* (《促進和規範數據跨境流動規定》), effective on the date of promulgation. The above measures and provisions provide that the cross-border transfer of personal information and important data by data processor meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business. Additionally, as there may be further interpretations of such measures, we cannot assure you that we will be able to comply with such regulations in all respects, and we may be ordered to rectify or terminate any actions that are deemed illegal by regulatory authorities.

The CAC, with an aim to address potential issues arisen from the provision of generative AI services, together with the NDRC, the Ministry of Education, the Ministry of Science and Technology, the MIIT, the Ministry of Public Security, and the National Radio and Television Administration had published the *Interim Measures for the Administration of Generative AI Services* (《生成式人工智能服務管理暫行辦法》) on July 10, 2023, pursuant to which generative AI service providers must comply with a number of rules, security assessment and filing in relation to generative AI content, personal data, privacy protection and intellectual property rights. In case of a breach of the rules or non-compliance with the security assessment or filing requirements, the regulatory authorities will impose warning, fine, suspension of operations and other penalties. Failure to rectify the breach or non-compliance may lead to suspension in operations.

The *Administrative Provisions on Internet Information Service Algorithm Recommendation* (《互聯網信息服務算法推薦管理規定》) was jointly promulgated by the CAC, the MIIT, the Ministry of Public Security and the SAMR on December 31, 2021 and came into effect on March 1, 2022. On November 25, 2022, the CAC, MIIT and the Ministry of Public Security promulgated the *Administrative Provisions on Deep Synthesis of Internet Information Services* (互聯網信息服務深度合成管理規定), which took effect on January 10, 2023. The above provisions impose algorithm filing and security assessment requirements for specific services. Any failure to comply with such filing or assessment requirements or any other non-compliance or perceived non-compliance with the above provisions may subject us to penalties and liabilities, including, among others, warnings, public denouncement, fines, rectification orders, suspension of the provision of relevant services, and even criminal liabilities.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to cybersecurity and data protection, nor had there been any material adverse cybersecurity incidents or data infringement upon any third parties.

The above and future regulatory developments relevant to generative AI, algorithm, cybersecurity, data security and personal information protection could impact the industry where we operate. We may incur substantial costs to comply with such laws and regulations, to communicate with our users and address their concerns in generative AI, algorithm, cybersecurity, data security and personal information protection, and to improve our IT system. We may from time to time be required to rectify or further improve our internal measures regarding generative AI, algorithm, cybersecurity, data security and personal information protection. However, such compliance measures we implement may turn out to be ineffective. Any failure or perceived failure by us to comply with all applicable laws and regulations regarding generative AI, algorithm, cybersecurity, data security and personal information protection, or any failure or perceived failure of our business partners to do so, or any failure or perceived failure of our employees to comply with relevant laws and regulations, may result in negative publicity and legal proceedings or regulatory actions against us, and could result in fines, revocation of licenses, suspension of relevant operations or other legal or administrative penalties, which may in turn damage our reputation among our existing and potential customers and subject us to fines and damages, which could have a material adverse effect on our business, financial condition and results of operations.

We have customary insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.

We maintain insurance policies that are required under PRC laws and regulations as well as other insurance policies based on our assessment of our operational needs and industry practice. In line with industry practice in the PRC, we do not maintain certain types of insurances, such as business interruption insurance or key-man insurance. Our insurance coverage may be insufficient to cover any liability claims, damage to our fixed assets or employee injuries. It may also be difficult for us to find insurance coverage for some of our business activities such as credit insurance for our overseas expansion strategies. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect our business, financial condition, and results of operations.

We may need additional capital and may not be able to obtain it in a timely manner or under commercially acceptable terms, or at all.

We believe that our current cash and cash equivalents, anticipated cash flow from operating activities, and the estimated **[REDACTED]** from this **[REDACTED]** will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months from the date of this document. We may, however, require additional cash resources to finance our continued growth or other future developments. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing. To the extent that we raise additional financing by issuance of additional equity securities, our Shareholders may experience dilution. To the extent we engage in debt financing, the incurrence of indebtedness would result in increased debt servicing obligations and could result in operating and financing covenants that may, among others, restrict our operational flexibility or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service such debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial condition may be materially and adversely affected.

Our ability to obtain additional capital on commercially acceptable terms is subject to a variety of uncertainties, some of which are beyond our control, including general economic and capital market conditions, credit availability of financial institutions, receipt of necessary government authorities' approvals, investors' confidence in us, the performance of the digital human agent industry in general, and our operating and financial performance in particular. We cannot assure you that future financing will be available in amounts or on terms commercially acceptable to us, if at all. In the event that additional financing is not available on terms commercially acceptable to us or at all, our business, financial condition, results of operations and prospects may be adversely affected.

Our risk management and internal control systems may not be adequate or effective in all respects, which may materially and adversely affect our business, financial condition and results of operations.

Our success depends on our ability to effectively utilize our standardized management system, IT systems, resources and internal controls. For details on our risk management and internal control systems, see "Business — Risk Management and Internal Control." However, due to the inherent limitations in the design and implementation of risk management and internal control systems, we cannot assure you that our risk management and internal control systems will be able to identify, prevent and manage all risks. Our internal control procedures are designed to monitor our operations and ensure their overall compliance. Nonetheless, our internal control procedures may be unable to identify all non-compliance incidents in a timely manner or at all.

Our risk management and internal control procedures also rely on effective implementation by our staff. We cannot assure you that such implementation will not involve any human errors or mistakes, which may materially and adversely affect our business, financial condition and results of operations. As we are likely to continuously optimize our solutions in the future, the diversification of our solutions will require us to continue to enhance our risk management capabilities. If we fail to timely adapt our risk management policies and procedures to our evolving business, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, increased labor costs, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Uncertainties about global economic conditions and regulatory changes and other factors including fluctuation of interest rates, inflation level, conditions in the digital human agent industry, unemployment, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our solutions. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, terrorism or other force majeure events beyond our control may disrupt our R&D and commercialization activities and business operations, all of which could adversely affect our business, results of operations, financial condition and prospects.

In addition, there may be an increase in the labor costs in the future. Increases in labor cost may increase our cost of sales and expenses arising from our business operations, and we may not be able to pass on such increase to our customers. We may also experience a shortage of labor from time to time. Any such shortage could hinder our ability to provide timely offerings to customers and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We have granted, and may continue to grant, share options, which may further increase our share-based payments expenses, adversely affect our financial performance, and dilute existing Shareholders' stake.

We have adopted a **[REDACTED]** Share Option Plan to attract and retain outstanding talents and to provide incentives to employees and other personnel approved by the Board. See "Appendix VI — Statutory and General Information — D. **[REDACTED]** Share Option Plan" for details. We recorded equity-settled share-based payment expenses of RMB7.8 million, RMB21.5 million and RMB21.4 million for the years ended December 31, 2023, 2024 and 2025, respectively. To further incentivize our key personnel to contribute to us, we may adopt new share incentive schemes in the future which may potentially dilute the shareholding percentage of our existing Shareholders. Moreover, expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a material and adverse impact on our financial performance.

The Single Largest Shareholder Group has substantial control over our Company and the interests of the Single Largest Shareholder Group may not be aligned with the interests of the other Shareholders.

Prior to and immediately following the completion of the **[REDACTED]**, the Single Largest Shareholder Group will retain substantial control over our Company. Subject to our Articles of Association, the Single Largest Shareholder Group will be able to exercise significant control and exert significant influence over our business or otherwise on matters of significance to us and other Shareholders by voting at the general meeting of the Shareholders and at Board meetings. The interests of the Single Largest Shareholder Group may differ from the interests of other Shareholders and they are free (other than on any matters that they are required to abstain from voting) to exercise their votes according to their interests. To the extent that the interests of the Single Largest Shareholder Group conflict with the interests of other Shareholders, the interests of other Shareholders may be disadvantaged and harmed.

Failure to renew our current leases on reasonable terms or to relocate to desirable alternatives for our facilities could materially and adversely affect our business and results of operations.

As we lease properties in various places as premises primarily used as office, R&D, and employee dormitory premises, our operations are susceptible to fluctuations in the property rental market. Before the expiry of each of our leases, we have to negotiate the terms of renewal with respective lessors. The terms of the lease agreements typically vary from six months to three years. We may not be able to successfully extend or renew our leases upon expiration of the current term on commercially reasonable terms, or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our facilities as our business continues to grow, and failure in relocating our affected operations could adversely affect our business and operations.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTION WHERE WE OPERATE

Changes in the economic, political, social or regulatory conditions could have a material effect on our business and prospects.

During the Track Record Period, we generated substantially all of our revenue from the PRC. Substantially all of our businesses, assets, operations are located in the PRC. As a result, our business, financial condition and results of operations are subject, to a significant degree, to the economic, political, social and regulatory environment in the PRC. The PRC government regulates the economy and the industries by imposing industrial policies and regulates the macroeconomy through fiscal and monetary policies. Our performance has been and will continue to be affected by the Chinese economy, while the uncertainties relating to the global economy as well as the political environment in various regions of the world will continue to impact the economic growth in the PRC. The global economic slowdown and the turmoil in the global financial markets and continued weakness in the U.S. economy have collectively added downward pressure to economic growth in the PRC. We are unable to predict all the risks that we face as a result of current economic, political, social and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business operations and financial performance.

Investors of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

Individual holders of H Shares who are not residents of mainland China and whose names appear on the register of members of H Shares (the "**Non-PRC Resident Individual Holders**"), are subject to IIT on dividends received from us. Pursuant to the *Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045* (《關於國税發[1993]045號

文件廢止後有關個人所得稅徵管問題的通知》) dated June 28, 2011 and issued by the STA, the tax rate applicable to dividends paid to Non-PRC Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the Non-PRC Resident Individual Holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Non-PRC Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. Meanwhile, under the *Individual Income Tax Law of the PRC* (《中華人民共和國個人所得稅法》) and its implementation regulations, Non-PRC Resident Individual Holders of H Shares are subject to IIT at a rate of 20% on gains realized upon the sale or other disposition of H Shares.

However, pursuant to the *Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares* (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the STA on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from IIT. Any collection of such tax in the future may materially and adversely affect the value of such individual holders' investments in H Shares.

Under the EIT Law and its implementation regulations, a non-PRC resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its PRC-sourced income, including dividends derived from a PRC company and gains derived from the disposition of equity interests in a PRC company. This rate may be reduced under applicable double tax treaty or arrangement between the PRC and the jurisdiction in which the non-PRC resident enterprise resides. Pursuant to the *Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in the PRC to Non-resident Enterprises Holding H-shares of the Enterprises* (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企 業所得稅有關問題的通知》) promulgated by the STA on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-PRC resident enterprise holders of H Shares (including **[REDACTED]**). Non-PRC resident enterprises that are entitled to a reduced withholding rate under an applicable tax treaty or arrangement could apply to the PRC tax authority for a refund of the excessive amount withheld, and payment of such refund will be subject to the approval from the PRC tax authority. There is room for discretion as to the interpretation and implementation of the EIT Law and its implementation rules by the PRC tax authorities, regarding whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non-PRC resident enterprise holders of H Shares. If such tax is collected, the value of such non-PRC resident enterprise holders' investments in H Shares may be materially and adversely affected.

Payment of dividends is subject to conditions under the PRC laws.

Dividends may be paid only out of distributable profits pursuant to the stipulation of the PRC laws. Distributable profits are defined as our profits after taxes as determined under the PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given period are retained and available for distribution in subsequent periods. Moreover, as the calculation of distributable profits under the PRC GAAP is different from the calculation under the IFRS Accounting Standards in multiple respects, our subsidiaries may not have distributable profits as determined under the PRC GAAP, even if they have profits for that period as determined under the IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries.

Failure by our subsidiaries to pay dividends to us could adversely affect our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

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

We expect that substantially all of our revenue will be denominated in Renminbi. A portion of our revenue may be converted into other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Under the existing PRC laws and regulations on foreign exchange, following the completion of the **[REDACTED]**, we will be able to make dividend payments in foreign currencies by complying with certain procedural requirements and without prior approval from the SAFE. Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by various macroeconomic factors. The **[REDACTED]** from the **[REDACTED]** will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our **[REDACTED]** from the **[REDACTED]**. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. There can be no assurance that our business, financial condition and results of operations would not be adversely affected by the fluctuation in exchange rates in the future. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

You may experience difficulties in effecting service of the legal process upon us and our management and seeking recognition and enforcement of judgments against them across jurisdictions.

The legal systems across different jurisdictions vary significantly. Therefore, the effecting service of legal process and the process of recognizing and enforcing any judgments may be different across jurisdictions and are subject to treaties or arrangements providing for the recognition and enforcement of judgments made by courts of other jurisdictions. As a result, investors may experience difficulties to effect service of process and/or recognize and enforce any judgments for disputes brought in other jurisdictions. We are a company incorporated under the laws of the PRC, and substantially all of our assets are located in the PRC. Substantially all of our Directors and senior management reside within the PRC, and the assets of our Directors and senior management are likely to be located within China. As a result, it may be difficult for you to effect service of process within Hong Kong, the United States or elsewhere outside the PRC upon us or these persons, or to bring an action in Hong Kong against us or these individuals. Moreover, the PRC has not entered into treaties with certain other jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards. An original action may only be brought in the PRC against us or our Directors and senior management if the actions are not required to be arbitrated by the PRC laws and upon satisfaction of the conditions for commencing a cause of action pursuant to the civil procedure laws in the PRC.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares, and the liquidity and market price of our H Shares following the [REDACTED] may be volatile.

Prior to the **[REDACTED]**, there has been no public market for our H Shares. The initial **[REDACTED]** for our H Shares to the public will be the result of negotiations between our Company and the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the market price of the H Shares following the **[REDACTED]**. We have applied to the Hong Kong Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]** in, the H Shares. A **[REDACTED]** on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid **[REDACTED]** market for the H Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the market price of the H Shares will not decline following the **[REDACTED]**.

In addition, the **[REDACTED]** price and **[REDACTED]** volume of the H Shares may be subject to significant volatility in responses to various factors, including variations in our operating results; unexpected business interruptions resulting from natural disasters or outbreaks of contagious diseases;

changes in financial estimates by securities analysts; announcements made by us or our competitors; investors' perception of us and of the investment environment in regions where we operate; developments in the digital human agent industry in China; changes in pricing made by us or our competitors; acquisitions by us or our competitors; the depth and liquidity of the market for our H Shares; additions to or departures of, our executive officers and other members of our senior management; release or expiry of lock-up or other transfer restrictions on our H Shares; developments in laws and regulations in regions where we operate; and political, economic, financial and social developments in regions where we operate and in the global economy.

Moreover, the capital market has from time to time experienced significant price and **[REDACTED]** volume fluctuations that were unrelated or not directly related to the operating performance of any particular company. It is possible that our H Shares may be subject to changes in price not directly related to our performance and as a result, investors in our H Shares may suffer substantial losses.

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

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

As the [REDACTED] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] may experience an immediate dilution.

Our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share of their H Shares. In addition, purchasers of our H Shares may experience further dilution of their shareholdings if we issue additional H Shares pursuant to the exercise of the **[REDACTED]**. There can be no assurance that if we were to immediately liquidate after the **[REDACTED]**, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider **[REDACTED]** and **[REDACTED]** additional H Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible assets value per Share of their H Shares if we issue additional H Shares in the future at a price which is lower than the net tangible assets value per Share at that time.

Future sales or perceived sales of substantial amounts of our securities in the public market, including any future [REDACTED] in the PRC, could have a material and adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings.

Future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur could all cause a decline in the market price of our H Shares. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future **[REDACTED]**, could also materially and adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate.

We may not pay any dividends on our H Shares.

We cannot guarantee when and in what form dividends will be paid on our H Shares following the **[REDACTED]**. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, general business conditions and other factors that our Directors consider relevant. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future. See "Financial Information — Dividends and Dividend Policy."

Certain facts, forecasts and statistics contained in this document are derived from various official government sources and may not be complete or up to date.

Certain facts and other statistics in this document, particularly in the section headed "Industry Overview," are obtained from the CIC Report, which was commissioned by us, and from various official government publications and other publicly available publications. While we believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in the reproduction of the information, the information from official government sources has not been prepared or independently verified by us, the Joint Sponsors, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, or any of our or their respective directors, advisors, officers, employees or agents or any other persons or parties involved in the **[REDACTED]**, and, therefore, we cannot assure you as to the accuracy, reliability or completeness of such facts and statistics. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to changes based on various factors and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other jurisdictions. You should consider carefully how much weight or importance you should attach to or place on such information or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters. See "Forward-looking Statements" for typical words and expressions identifying forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this document. Accordingly, such statements are not a guarantee of future performance, and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations, the market price and [REDACTED] volume may decline.

The **[REDACTED]** market for our H Shares will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price for our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or **[REDACTED]** volume of our H Shares to decline.

RISK FACTORS

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to the publication of this document, there may have been press and media coverage regarding us and the **[REDACTED]**. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the **[REDACTED]**, our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

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

In addition, the Guide for New Listing Applicants provides that the listing applicant should normally have the following arrangements for maintaining regular communication with the Stock Exchange for the purpose of its granting waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules: (a) the authorized representatives of the listing applicant will act as the principal channel of communication with the Stock Exchange; (b) the authorized representatives of the listing applicant should have means for contacting all its directors promptly at all times as and when the Stock Exchange wishes to contact the directors on any matters; (c) each director of the listing applicant who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; (d) the compliance advisor of the listing applicant will act as an additional channel of communication with the Stock Exchange; and (e) each director of the listing applicant will provide their respective mobile phone numbers, office phone numbers, email addresses and fax numbers to the Stock Exchange.

Since substantially all of our business operations are managed and conducted outside Hong Kong, and all of our executive Directors ordinarily reside in the PRC, we do not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company and the Shareholders as a whole. Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules based on the following grounds:

(a) We have appointed Mr. Sima and Ms. Chen Liping (陳莉萍), both our executive Directors, as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules to serve as the principal channel of communication with the Stock Exchange. In addition, Ms. Ye Jiahong (叶嘉紅) ("**Ms. Ye**"), one of our joint company secretaries who is ordinarily resident in Hong Kong, has been appointed as an alternate to the Authorized Representatives in order to assist them to communicate with the Stock Exchange. We have provided the Stock Exchange with their contact details, and they will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email;

(b) as and when the Stock Exchange wishes to contact our Directors on any matters, each of our Authorized Representatives and alternate authorized representative will have means to contact all of our Directors promptly at all times. We will implement measures such that (i) each Director must provide his or her mobile phone number, office phone number, facsimile number and email address to our Authorized Representatives and alternate authorized representative and the Stock Exchange; and (ii) in the event that a Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his or her accommodation to our Authorized Representatives and alternate authorized representative. We have provided the Stock Exchange with the contact details of each Director to facilitate communication with the Stock Exchange;

(c) each Director who is not an ordinary resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period of time, if required;

(d) we have appointed Maxa Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, who will act as our additional and alternative channel of communication with the Stock Exchange for a period commencing on the **[REDACTED]** and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the **[REDACTED]**, and its representative(s) will be fully available to answer enquiries from the Stock Exchange. Our compliance advisor will advise our Company on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the **[REDACTED]**, and will have access at all times to our Authorized Representatives and alternate authorized representative, our Directors and other senior management of our Company to ensure that it is in a position to provide prompt responses to any queries or requests from the Stock Exchange in respect of our Company; and

(e) any meeting between the Stock Exchange and our Directors will be arranged through our Authorized Representatives, alternate authorized representative or compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our Authorized Representatives, alternate authorized representative or compliance advisor.

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirement under Rule 3.28 of the Listing Rules. Rule 3.28 of the Listing Rules provides that a company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Chartered Governance Institute; (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

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

In addition, the Guide for New Listing Applicants provides that the waiver from strict compliance with Rule 3.28 of the Listing Rules, if granted, will be for a fixed period of time and on the following conditions: (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (b) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

We have appointed Mr. Sun Kai (孫凱) ("**Mr. Sun**") as one of the joint company secretaries in October 2025. Mr. Sun joined our Group in October 2017 and has been the Board secretary and a senior vice president of our Company since October 2025 and June 2023, respectively. He also serves as an executive Director of our Company. He is primarily responsible for the development and maintenance of our key accounts in governmental and public sectors and in charge of public relations affairs of our Group. Mr. Sun has accumulated abundant knowledge about the business operations and governance of

corporations of our Group with a strong recognition of our corporate culture. By virtue of his position and familiarity with our Group, Mr. Sun has worked closely with our Directors and thus possessed a thorough understanding of matters concerning the Board and its operations. As such, our Directors believe that Mr. Sun is a suitable person to act as the company secretary of our Company.

However, Mr. Sun does not possess the specified qualifications strictly required by Rule 3.28 and Rule 8.17 of the Listing Rules. As a result, we have appointed Ms. Ye, who meets the requirements under Rule 3.28 and Rule 8.17 of the Listing Rules, to act as the other joint company secretary and to assist Mr. Sun for an initial period of three years from the **[REDACTED]**. Over such period, we will implement the following measures to assist Mr. Sun to satisfy the requisite qualifications as prescribed in Rules 3.28 and 8.17 of the Listing Rules:

(a) Ms. Ye will assist Mr. Sun so as to enable him to discharge his duties and responsibilities as a joint company secretary of our Company. Given Ms. Ye's relevant experiences, she will be able to advise both Mr. Sun and us on the relevant requirements of the Listing Rules as well as other applicable laws and regulations of Hong Kong;

(b) Mr. Sun will be assisted by Ms. Ye for an initial period of three years commencing from the **[REDACTED]**, which should be sufficient for him to acquire the requisite knowledge and experience under Rule 3.28 of the Listing Rules;

(c) we will ensure that Mr. Sun has access to the relevant trainings and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of a Hong Kong **[REDACTED]** company, and Mr. Sun has undertaken to attend such trainings;

(d) Ms. Ye will communicate with Mr. Sun on a regular basis regarding matters in relation to corporate governance, the Listing Rules as well as other applicable laws and regulations of Hong Kong which are relevant to our operations and affairs. Ms. Ye will work closely with, and provide assistance to Mr. Sun with a view to discharging his duties and responsibilities as a company secretary, including but not limited to organizing the Board meetings and Shareholders' meetings; and

(e) pursuant to Rule 3.29 of the Listing Rules, Mr. Sun and Ms. Ye will also attend in each financial year no less than 15 hours of relevant professional training courses to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Mr. Sun and Ms. Ye will be advised by our legal advisers as to Hong Kong law and our compliance adviser as and when appropriate and required.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules for an initial period of three years from the **[REDACTED]**, in accordance with the Guide for New Listing Applicants published by the Stock Exchange, on the conditions that (i) we engage Ms. Ye as one of our joint company secretaries, who possesses the qualifications and experience as required under Rule 3.28 of the Listing Rules and will provide assistance to Mr. Sun during this period; and (ii) the waiver can be revoked immediately if and when Ms. Ye ceases to provide such assistance to Mr. Sun as the joint company secretary or there are material breaches of the Listing Rules by our Company. Before the end of the three-year period, we will conduct a further evaluation of the qualification and experience of Mr. Sun to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied, and we will liaise with the Stock Exchange to assess whether Mr. Sun, having had the benefit of Ms. Ye's assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of a company secretary so that a further waiver would not be necessary.

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Sima Huapeng (司馬華鵬)	Room 310, Building 4, Danfeng Xinyu, Xuanwu District, Nanjing, Jiangsu Province, the PRC	Chinese
Ms. Chen Liping (陳莉萍)	Room 201, Building 6, Vanke Metropolis, 26 Bo'ai Street, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Chinese
Ms. Mao Liyan (毛麗豔)	1A–2105, 5th Avenue, Gaofa West Coast, Bao'an District, Shenzhen, Guangdong Province, the PRC	Chinese
Mr. Sun Kai (孫凱)	Room 601, Building A1,Yazhiju, Longjing Road, Nanshan District, Shenzhen, Guangdong Province, the PRC	Chinese
Non-executive Director		
Mr. Liu Zixuan (劉子軒)	Room 601, Building 5, 2 Honghu First Street, Luohu District, Shenzhen, Guangdong Province, the PRC	Chinese
Independent non-executive Directors		
Mr. Li Dong (李東)	Room A, 56/F, Block 1A, Grand Montara, 1 Lohas Park Road, Tseung Kwan O, New Territories, Hong Kong	Chinese (Hong Kong)
Mr. Shen Peng (沈鵬)	No. 2253, Mingdu Garden, Houshayu Area, Shunyi District, Beijing, the PRC	Chinese
Prof. Dai Xianchi (戴先熾)	Room B, 9/F, University Residence 14, The Chinese University of Hong Kong, Shatin, New Territories, Hong Kong	Chinese

For further information regarding our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

CMB International Capital Limited
45/F, Champion Tower, 3 Garden Road, Central, Hong Kong

DBS Asia Capital Limited
73/F, The Center, 99 Queen's Road Central, Central, Hong Kong

[REDACTED]

[REDACTED]

Legal Advisors to our Company

As to Hong Kong laws
Tian Yuan Law Firm LLP
Suites 3304–3309, 33/F, Jardine House, One Connaught Place, Central, Hong Kong

As to PRC laws in respect of data compliance
CM Law Firm
Room 2805, Plaza 66 Tower 2, 1366 West Nanjing Road, Jing'an District, Shanghai, the PRC

As to PRC laws
CM Law Firm
Room 2805, Plaza 66 Tower 2, 1366 West Nanjing Road, Jing'an District, Shanghai, the PRC

As to International Sanctions
Arthur CHIU
Room 1706-1708, Global Trade Center Tower A, 36 North Third Ring East Road, Dongcheng District, Beijing, the PRC

Legal Advisors to the Joint Sponsors and [REDACTED]

As to Hong Kong laws
Jun He Law Offices
7/F, AIA Central, 1 Connaught Road Central, Central, Hong Kong

As to PRC laws
JunHe LLP
20/F, China Resources Building, 8 Jianguomenbei Avenue, Dongcheng District, Beijing, the PRC

Auditor and Reporting Accountants

KPMG
Certified Public Accountants, Public Interest Entity Auditor, in accordance with the Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building, 10 Chater Road, Central, Hong Kong

Industry Consultant

China Insights Consultancy Limited
10th Floor, Block B, Jing'an International Center, 88 Puji Road, Jing'an District, Shanghai, the PRC

Compliance Advisor

Maxa Capital Limited
Unit 2602, 26/F, Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	5/F, Building C, Wanbo Science and Technology Park, 20 Fengxin Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC
Headquarters and Principal Place of Business in the PRC	5/F, Building C, Wanbo Science and Technology Park, 20 Fengxin Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC
Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Company's Website	**www.guiji.cn** *(the information contained on the website does not form part of this document)*
Joint Company Secretaries	**Mr. Sun Kai (孫凱)** Room 601, Building A1, Yazhiju, Longjing Road, Nanshan District, Shenzhen, Guangdong Province, the PRC **Ms. Ye Jiahong (叶嘉紅)** *(an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Authorized Representatives	**Mr. Sima Huapeng (司馬華鵬)** Room 310, Building 4, Danfeng Xinyu, Xuanwu District, Nanjing, Jiangsu Province, the PRC **Ms. Chen Liping (陳莉萍)** Room 201, Building 6, Vanke Metropolis, 26 Bo'ai Street, Yuhuatai District, Nanjing, Jiangsu Province, the PRC
Audit Committee	Mr. Li Dong (李東) *(Chairperson)*, Mr. Shen Peng (沈鵬), Prof. Dai Xianchi (戴先熾)
Remuneration Committee	Mr. Shen Peng (沈鵬) *(Chairperson)*, Mr. Sima Huapeng (司馬華鵬), Prof. Dai Xianchi (戴先熾)
Nomination Committee	Mr. Shen Peng (沈鵬) *(Chairperson)*, Ms. Chen Liping (陳莉萍), Mr. Li Dong (李東)

[REDACTED]

Principal Banks	**China Merchants Bank Nanjing Branch** CMB Building, 199 Lushan Road, Jianye District, Nanjing, Jiangsu Province, the PRC **Shanghai Pudong Development Bank Ningbo Branch** 21 Jiangxia Street, Haishu District, Ningbo, Zhejiang Province, the PRC

The information and statistics set out in this section and other sections of this document were extracted from the report commissioned by us and prepared by CIC, and from various official government publications and other publicly available publications. The information from official government sources has not been independently verified by us, the Joint Sponsors, the **[REDACTED]***, the* **[REDACTED]***, the* **[REDACTED]***, the* **[REDACTED]***, or any of our or their respective directors, advisors, officers, employees or agents or any other persons or parties involved in the* **[REDACTED]***, and no representation is given as to its accuracy, reliability or completeness.*

SOURCE AND RELIABILITY OF INFORMATION

In connection with the **[REDACTED]**, we engaged an independent market research consultant, CIC, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB500,000. The information from CIC disclosed in this document is extracted from the CIC Report with its consent. In compiling and preparing the CIC Report, CIC used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent's information and expressions against those of others: (i) detailed primary research, which involved discussing the status of the industry with leading industry participants and industry experts; and (ii) secondary research, which involved reviewing published sources including reports of market participants, independent research reports and data based on CIC's own research database. The market projections in the CIC Report are mainly based on the following assumptions: (i) that the overall global social, economic, and political environment is expected to maintain a stable trend over the next decade; (ii) that related key industry drivers are likely to continue driving the growth in the digital human agent market globally and in China during the forecast period, including China's macroeconomy development, growing income, and increasing preference towards digital human agents; and (iii) that there is no extreme force majeure or set of industry regulations in which the market situation may be affected either dramatically or fundamentally.

DIRECTORS' CONFIRMATION

After making reasonable inquiries, our Directors confirm that, to the best of their knowledge, there has been no detrimental change in the market information demonstrated in the CIC Report since the date of the report that may qualify, contradict or have an impact on the information in this document.

DIGITAL HUMAN AGENT INDUSTRY

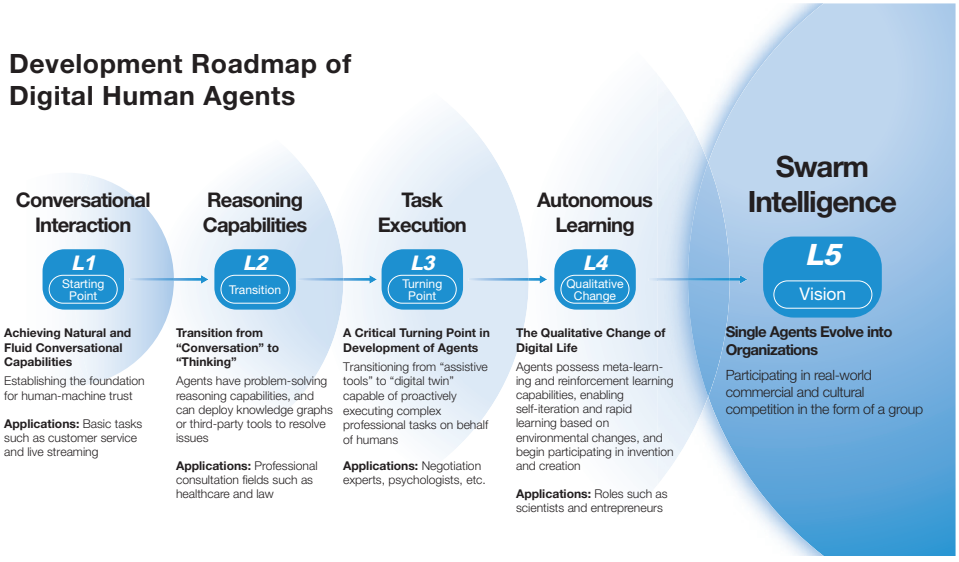
Overview

Artificial intelligence is reshaping production methods and lifestyle. The global AI market reached approximately USD500 billion in 2024, with China accounting for about 10%, approximately USD50 billion. The AI industry comprises a broad value chain, covering infrastructure hardware, platform software, Model-as-a-Service (MaaS), as well as enterprise-level application solutions and related professional services. Digital human agents represent a specific application scenario within the AI application layer, integrating computer graphics, artificial intelligence, and multimodal interaction technologies to provide cognitive, conversational, and content-generation capabilities. They are primarily applied in scenarios such as customer service and content creation. In 2024, digital human agents accounted for less than 1% of the global and China AI markets, indicating an early stage of development.

Looking ahead, digital human agents are expected to integrate into business workflows, performing tasks including creative ideation, continuous customer service, scheduling, and data analysis, thereby enabling automated and efficient workflow execution. Advances in large model technologies have enhanced their generalization and reasoning capabilities across text, voice, vision, and multimodal outputs. This supports the evolution of digital human agents from task-based tools into digital employees capable of contextual understanding, workflow integration, and process optimization, and positioning them as an emerging component of autonomous productivity.

Digital Human Agents Are Evolving Toward Higher Autonomy

Based on their levels of automation, digital human agents are advancing through five stages (L1 to L5), progressing from basic communication and displaying to autonomous execution and self-iteration, gradually evolving into digital workforces capable of handling more complex tasks and creating value. This staged evolution closely parallels the development path of autonomous driving. The Society of Automotive Engineers introduced the J3016 standard in 2014, which defined Levels 1 to 5 of driving automation and established a structured framework for assessing system capability and maturity. Similarly, tiered classification frameworks are increasingly adopted across AI sub-sectors, reflecting a recognized industry development trajectory, according to CIC.



Source: News, Public Information, Expert Interviews, CIC

- *L1 Stage (Conversational Interaction).* At the initial stage, digital human agents can engage in smooth, natural conversations with users. Their interactive capabilities are limited, with business value primarily in basic displays and communication.
- *L2 Stage (Reasoning Capabilities).* At this stage, digital human agents develop reasoning and problem-solving abilities. They can handle more in-depth inquiries and use third-party APIs to solve problems. They can serve as basic consultants in fields such as healthcare, education and law.
- *L3 Stage (Task Execution).* At this stage, digital human agents can act as psychologists, negotiators, or senior salespeople on behalf of customers, engaging in in-depth conversations and complete high-level tasks.
- *L4 Stage (Autonomous Learning).* At this stage, digital human agents are capable of rapid learning in dynamic environments and self-iteration based on achieved goals. They can participate in creative processes, think in the manner of assuming roles.
- *L5 Stage (Swarm Intelligence).* As the ultimate form of digital human agents, L5 agents can form swarm intelligence networks with human agents and other agents, enabling coordinated participation in complex real-world scenarios. These agents demonstrate human-level decision-making and execution capabilities, with significant commercial potential in high-value application scenarios.

At the L5 stage, digital human agents transition from tools assisting humans to fully autonomous and self-learning labor forces capable of understanding complex business contexts, make independent decisions, and continuously optimize strategies. Integrated into enterprise and societal systems, L5 agents handle standardized, repetitive tasks, enhance management efficiency, support human -machine collaboration, and serve as core units of next-generation productivity.

Challenges in Traditional Service Industries

As the capabilities of digital human agents continue to improve, they are increasingly penetrating traditional service sectors. Knowledge-intensive service industries face structural challenges including imbalanced service supply, inconsistent service quality, and low efficiency in talent development, which limit scalability. Digital human agents, endowed with replicable and standardized nature, address labor shortages and enhance service accessibility and consistency.

- ***Resource Concentration and Service Supply Imbalance.*** In the service industry, the "80/20 rule" is prevalent, where 20% of the high-value customers occupy 80% of core service resources. As a result, service providers often need to prioritize and allocate expert resources, which limits access to top-quality services, particularly in sectors such as healthcare and education.
- ***Inconsistent Service Quality and Lack of Standardization.*** Within the traditional service industry, service quality is highly dependent on the individual abilities, experience, and current state of the service personnel, leading to significant variation in service levels across different staff members and time periods. This makes it difficult for customers to form stable expectations.
- ***Prolonged Talent Training and Difficulty in Scaling Professional Expertise.*** The development of top-tier service talents is heavily reliant on long-term practice and experience accumulation. Traditional training systems are time-consuming and mentor-dependent, making it hard to quickly replicate and pass down expertise.

Digital Human Agents Reshaping High-value Service Delivery Models

Leveraging scalability, standardized processes, and domain expertise, digital human agents are becoming an important enabler for industries seeking to improve efficiency, reduce costs, and mitigate talent constraints. On one hand, they enable full-lifecycle, all-scenario, 24/7 coverage, transforming professional services that once relied on high-end human labor into a universal and accessible model. On the other hand, through cost-effective replication, digital human agents overcome structural bottlenecks related to the lengthy training cycles and limited supply of skilled talents, meeting the growing demand for high-value services. Moreover, through fully standardized service design, digital human agents ensure consistent, reliable service delivery, reducing quality fluctuations caused by human variability and improving customer satisfaction. In 2024, the potential demand for digital human agents in China reached 81.7 million units, calculated based on the aggregate number of jobs that can be automated with digital human agents, covering industries such as entertainment, finance, government services, education, retail, and healthcare.

- *Entertainment: Reshaping Content Creation and IP Management.* In 2024, China's entertainment sector employed approximately 8.4 million people. Digital human agents can support content creation, review, and IP management by handling tasks such as material organization, script drafting, and content review, particularly in short-form drama production, thereby shortening production cycles, reducing costs, and enabling scalable IP-based operations.
- *Finance: Improving Service Efficiency and Compliance*. China's financial sector employed approximately 11.7 million professionals in 2024. Digital human agents are widely used in smart customer service, account guidance, investment support, and risk alerts, providing 24/7 standardized services that enhance operational efficiency, compliance, and customer satisfaction.
- *Government Services: Enhancing Public Service Efficiency.* In 2024, China's government workforce totaled approximately 8.0 million employees. Digital human agents can support policy consultation, document verification, and business guidance across offline and online platforms, improving workflow efficiency, enabling unified information management, and reducing administrative burdens on staff.

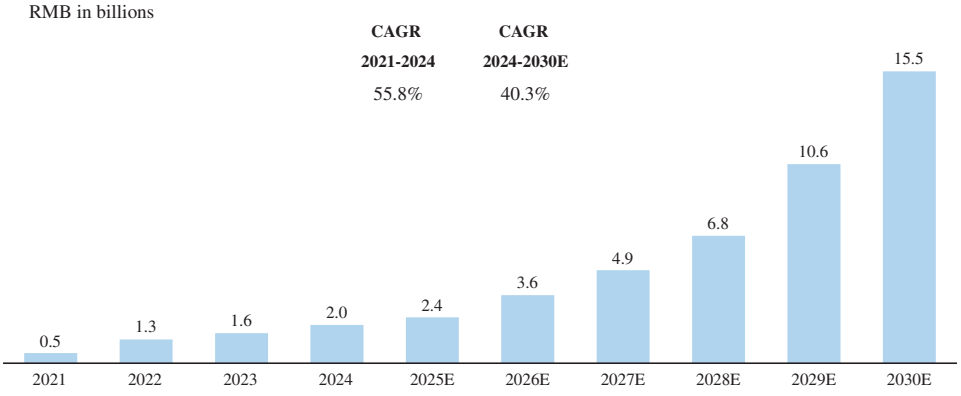
- *Education: Promoting Personalized Learning and Resource Optimization*. China's education sector employed approximately 18.9 million teaching practitioners in 2024. Digital human agents can assist with tutoring, question answering, and personalized interaction, supporting differentiated learning while alleviating teacher workload and improving overall resource utilization.
- *Retail: Optimizing Operations and Reducing Costs*. In 2024, China's retail industry employed approximately 24.4 million professionals. Digital human agents can support digital marketing and operations through virtual shopping guidance, product explanations, live streaming, and after-sales services, enhancing customer engagement while reducing labor costs and improving conversion efficiency.
- *Healthcare: Relieving Medical Resources and Enhancing Service Consistency*. China's healthcare sector employed approximately 10.3 million medical practitioners in 2024. Digital human agents, based on standardized medical protocols, can provide basic consultations, medication guidance, and follow-up services, improving service efficiency, consistency, and patient experience while alleviating pressure on medical resources.

According to CIC, leading technology companies have positioned digital human agents as platform-level products, committing to sustained, long-term investment and iteration. Beyond this, digital human agents have evolved from early-stage, fixed avatars into highly realistic, interactive, and mobile intelligent agents, with product offerings rapidly advancing in both intelligence and integration depth. In addition, the market demand for digital human agents is rooted in tangible efficiency gains and experience upgrades across the real economy. The large-scale, verifiable deployments across the retail, financial services, government, healthcare, education and cultural entertainment sectors collectively demonstrate that demand for digital human agents is not conceptual, but already embedded in closed-loop, value-generating commercial reality. Over the past few years, multiple policies related to digital human agents have been introduced, forming a comprehensive and coherent regulatory framework, demonstrating that the digital human agent industry is an emerging sector cultivated under clear national strategic guidance and institutional support. Based on the above, CIC is of the view that digital human agent industry is a well-established and functioning industry.

Market Size

The global digital human agent market grew at a CAGR of 44.7% from RMB1.3 billion in 2021 to RMB4.1 billion in 2024. The market size is expected to reach RMB47.0 billion in 2030, at a CAGR of 50.4% from 2024 to 2030. Set forth below the size of digital human agent market in China.

Market Size of China's Digital Human Agent Market, in Terms of Revenue, 2021–2030E



Source: China Insights Consultancy, Expert Interviews, Public Information

Market Drivers

Drivers of the Global Digital Human Agent Market

- *Ongoing Technological Maturation:* The commercialization of digital human agents has been driven by the maturation and convergence of key technologies, including large language models, speech synthesis, computer vision and real-time rendering engines, enabling stable multi-turn dialogue, natural interactions, and low-latency audio-visual synchronization. Digital human agents have shifted from demonstration-oriented applications toward commercial-grade systems capable of continuous deployment in enterprise environments, particularly in standardized service and information delivery scenarios.
- *Enterprise Digital Transformation*: Enterprises demand solutions that improve service efficiency while maintaining consistency, controllability, and compliance. Rising labor costs, increasing service complexity, and the need to standardize service quality across large organizations drive adoption of digital human agents across customer service, marketing, training, and internal operations.
- *Expanding Overseas and Cross-border Applications*: International markets, especially developed economies facing aging populations and labor shortages, create demand for scalable digital service alternatives. Cross-border e-commerce and global digital marketing further increase the need for multilingual, standardized, cost-efficient digital human interactions, favoring solution providers with engineering capabilities and multi-language deployment.
- *Increasing Specialization and Verticalization*: Digital human agents are increasingly tailored to industry-specific scenarios, combining domain knowledge, standardized workflows, and regulatory alignment. Common applications include financial product explanations, enterprise training, customer onboarding, and technical support, transforming labor-intensive professional services into standardized, digitally-enabled models.
- *Demographic and Behavioral Trends*: Aging populations and constrained working-age growth boost demand in healthcare, public services, and customer-facing industries. Younger users' high acceptance of virtual interactions accelerates adoption in online retail, digital media, and brand engagement, normalizing digital human agents as mainstream service interfaces.
- *Policy Guidance and Institutional Support*: China's digital economy policies and emerging technology initiatives encourage intelligent service adoption across traditional industries. Regulatory support for virtual reality, intelligent interaction, and digital industries promotes pilot applications, standardization, and industry clustering, reducing adoption barriers and fostering sustainable investment and predictable market growth.

Drivers of the Digital Human Agent Market in China

- *Technological Advancements and Capability Evolution*: Breakthroughs in multimodal interaction integration and real-time virtual avatar technology have enhanced the interaction capabilities and realism of digital human agents. Multimodal interaction technology enables digital human agents to simultaneously perceive and respond, significantly improving the natural flow and consistency of interactions. This facilitates accurate understanding of users and precise responses. Real-time avatar technology synchronizes virtual avatars with spoken content in milliseconds, enhancing the human-like expressiveness during communication with users. These technological advancements have deepened the role of digital human agents in specialized service scenarios, accelerating the release of market demand and scaling up commercial applications.
- *Deepening Digital Transformation of Enterprises*: Rising labor costs and challenges in standardizing service quality drive adoption of intelligent operations. Digital human agents can handle high-frequency and standardized tasks across management, marketing, internal training, and customer support. By accumulating enterprise knowledge and enabling sustainable reuse, they help balance efficiency, cost, and service consistency. As the digital transformation of enterprises accelerates, digital human agents are evolving from auxiliary tools to the core components of business operations, with expanding applications.

- *Overseas Opportunities*: International markets provide Chinese digital human agent companies with a second growth curve. Countries such as South Korea and Japan face labor shortages and high labor costs, driving demand for cost-efficient digital human tools. Cross-border e-commerce further increases the need for low-cost, multilingual, standardized content generation. Chinese companies' advantages in algorithm efficiency, avatar generation, and hardware-software integration position them well for overseas expansion. The overseas market is projected to grow from RMB2.0 billion in 2024 to RMB31.5 billion in 2030.
- *Accelerated Professionalization of Digital Human Agents*: Digital human agents are becoming increasingly specialized, aligning more closely with specific application scenarios and industries, giving rise to professional forms such as AI teachers, AI broadcasters and AI doctors. These specialized digital human agents integrate deep industry knowledge with cutting-edge digital technology, enabling them to better serve vertical industries and fundamentally improve the efficiency, accessibility, and value of professional services.

Key Success Factors for Digital Human Agents

- ***First-mover Advantage and Continuous R&D Investment***. Early entrants have established a first-mover advantage through forward-looking technological strategies, including algorithm development and product portfolio building. Continuous R&D investment has driven the evolution of digital human agents toward higher sophistication, enabling these players to maintain industry leadership and sustain long-term competitiveness.
- ***Comprehensive Technological Capabilities***. Companies with self-developed large model ecosystems ensure the efficient collaboration of various technical modules, enabling sustained product optimization, cost control, and rapid iteration of digital human agents.
- ***Scalable Commercialization Capability***. With diversified business models, companies meet the differentiated needs of customers at various levels. They have achieved large-scale applications across multiple industries, such as finance, healthcare and education, effectively transitioning from technological validation to commercial value realization.
- ***Top-tier Talent Development***. Visionary industry leaders with deep technical expertise and market insight identify technology evolution trends and commercialization opportunities. Professional R&D teams, through persistent efforts, ensure the continuous breakthrough of core technologies and the rapid iteration of digital human products.

IP DIGITAL HUMAN AGENT INDUSTRY

Overview

Digital human agents can be categorized into IP digital human agents and native digital human agents. IP digital human agents are highly realistic digital avatars mapped to specific real-world individuals, capable of extending and amplifying the abilities and influence of the original prototype. Native digital human agents, in contrast, have no real-world counterparts. They are designed from scratch to efficiently perform standardized tasks.

The value of IP digital human agents lies in their uniqueness and irreplaceability. They deeply replicate the behaviors, and knowledge of their prototypes, enabling them to offer highly personalized services in their respective fields or individual contexts. The goal is to replicate and extend individual capabilities. In contrast, native digital human agents focus on standardization and scalability. They are equipped with preset workflows and scripts, and are designed to function consistently in repetitive scenarios such as customer service, guidance, and Q&A. Their core value lies in enhancing efficiency, reducing costs, and ensuring service consistency.

- IP digital human agents are designed to replicate and extend the capabilities and value of real-world entities, delivering core value by democratizing professional services through expert replication and enabling digital immortality via family and friend avatars, with typical applications including expert, family, and personal avatars.
- Native digital human agents, by contrast, aim to create independent virtual characters that replace repetitive, high-turnover entry-level positions through standardized services, with typical applications such as virtual customer service, virtual idols, and virtual streamers.

IP digital human agents precisely align with and drive the three core evolutionary principles of digital human development. As a key industry direction, they offer stronger barriers to entry and greater growth potential.

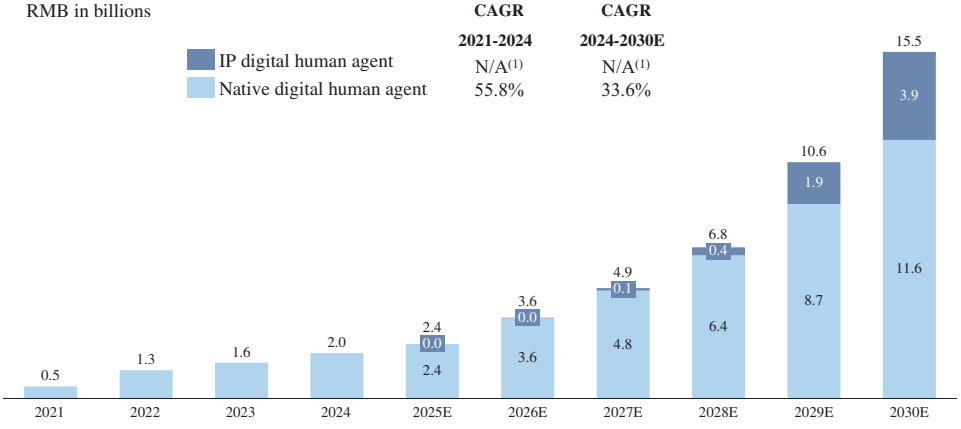
- ***Overcoming the "Uncanny Valley" Effect, Achieving Seamless Human-like Recognition.*** IP digital human agents are built upon the appearance, voice, and behavioral patterns of real individuals, providing visual and behavioral authenticity that eliminates user discomfort and enables deeper interaction.
- ***Elevating Interactions From "Human-machine" to "Human-human."*** By carrying the knowledge, experience, and memories of familiar or admired real individuals, IP digital human agents create trust, transforming interactions from transactional to personalized partnerships.
- ***Continuous Evolution of Consciousness, Becoming a Lifelong Companion.*** Through ongoing learning and memory evolution, IP digital human agents deepen their understanding of specific users, building unique shared experiences and memory banks. They have the potential to act as lifelong companions.

In the future, IP and native digital human agents will collaborate across daily life and work, enabling users to manage multiple tasks simultaneously while enhancing efficiency and personal engagement. This integration allows digital human agents to provide professional services, and coordinate activities, effectively extending users' capabilities and presence.

Market Size

China's digital human agent market is expanding rapidly, with IP digital human agents driving market growth due to their stronger commercial value and higher user engagement. IP digital human agents, which rely on well-known figures, content resources, and fan bases, demonstrate higher monetization efficiency in brand marketing, entertainment communication, and commercial collaborations, accelerating the market growth.

Market Size of China's Digital Human Agent Market, by IP and Native Digital Human Agent, in Terms of Revenue, 2021–2030E



Note:

(1) CAGRs from 2021 to 2024 and from 2024 to 2030 are not applicable to the IP digital human agent market as market players only started to generate revenue from such sector from 2025. The market size of China's IP digital human agent market in terms of revenue is expected to grow at a CAGR of 230.9% from 2025 to 2030.

Source: China Insights Consultancy, China Netcasting Service Association, Expert Interviews

COMPETITIVE LANDSCAPE

There are hundreds of companies providing digital human agent solutions in China and globally. China's digital human agent market is highly concentrated, with top five players collectively accounting for over half of the market size in terms of revenue in 2024. Leveraging our comprehensive strengths in technology R&D and commercialization, our Company ranked as the largest digital human agent provider in China, in terms of revenue generated from digital human agent business in 2024.

Competitive Landscape of China's Digital Human Agent Companies in 2024

Rank	Company	Revenue in 2024	Market Share
		(RMB in millions)	*(%)*
1	**Our Company**	**655.4**	**32.2**
2	Company A	210.0	10.3
3	Company B	200.0	9.8
4	Company C	100.0	4.9
5	Company D	100.0	4.9
6	Company K	100.0	4.9
7	Company H	60.0	2.9
8	Company J	60.0	2.9
9	Company I	50.0	2.5
10	Company L	50.0	2.5

Competitive Landscape of Global Digital Human Agent Companies in 2024

Rank	Company	Revenue in 2024	Market Share
		(RMB in millions)	*(%)*
1	Company E	843.0	20.7
2	**Our Company**	**655.4**	**16.1**
3	Company F	265.0	6.5
4	Company G	238.0	5.9
5	Company A	210.0	5.2
6	Company B	200.0	4.9
7	Company C	100.0	2.5
8	Company D	100.0	2.5
9	Company K	100.0	2.5
10	Company H	60.0	1.5

Source: China Insights Consultancy, International Data Corporation, Expert Interviews, Public Information

Note:

Revenue of each player represents the revenue generated from digital human agent business.

Company A: Founded in 2009 and headquartered in Zhejiang province, China, Company A is a private company specialized in cloud computing, big data, and AI solutions.

Company B: Founded in 1998 and headquartered in Guangdong province, China, Company B is a company listed on the Hong Kong Stock Exchange, specialized in cloud infrastructure, AI, and digital transformation services.

Company C: Founded in 2012 and headquartered in Beijing, China, Company C is a private technology company, specialized in AI, digital content platforms, and cloud-based solutions.

Company D: Founded in 1999 and headquartered in Anhui province, China, Company D is a company listed on Shenzhen Stock Exchange specialized in intelligent speech, natural language processing, and AI-driven solutions for education, enterprise, and government sectors.

Company E: Founded in 2017 and headquartered in London, UK., Company E is a private company, specialized in AI video synthesis and virtual human generation for enterprise communication, training, and marketing applications.

Company F: Founded in 2016 and headquartered in Auckland, New Zealand, Company F is a private company, specialized in autonomous digital humans and AI-driven customer interaction solutions for enterprises.

Company G: Founded in 2020 and headquartered in Los Angeles, U.S., Company G is a private company, specialized in developing AI-driven video generation and virtual avatar technologies for personalized content creation and digital communication.

Company H: Founded in 2020 and headquartered in Beijing, China, Company H is a private AI technology company, spun off from Microsoft, specialized in emotional computing, conversational AI, and AI-generated content (AIGC) solutions.

Company I: Founded in 2012 and headquartered in Beijing, China, Company I is a company listed on the Hong Kong Stock Exchange, specialized in generative AI and voice interaction technologies.

Company J: Founded in 2017 and headquartered in Shanghai, China, Company J is a private AI company specialized in 3D AI digital humans and generative AI solutions.

Company K: Founded in 2000 and headquartered in Beijing, China, Company K is a company duo-listed on the NASDAQ Global Market and the Hong Kong Stock Exchange, specialized in AI-driven solutions, internet search services, and cloud-based technologies.

Company L: Founded in 2019 and headquartered in Guizhou province, China, Company L is a private cloud service provider, specialized in cloud computing infrastructure, artificial intelligence, and big data solutions.

Comparative Analysis of Leading Digital Human Agent Solution Providers

	Our Company	Company A	Company B	Company C	Company D	Company E
Market positioning	To B	To B and to C	To B and to C	To B and to C	To B	To B
Business model	Project based, usage based, license fee	Subscription and usage based	Subscription, usage based and project based	Subscription, usage based and project based	Usage based, subscription and project based	Subscription and project based
Price range	Varies across projects. The prices for standard offerings typically range from RMB5,500 to over RMB25,000.	The price of its product ranges from a few hundred to several thousand RMB.	The price of its product ranges from around ten to several hundred thousand RMB.	Pricing varies by memory and CPU, with prices ranging from a few hundred to several million RMB.	The price of its project ranges from a few thousand to a few million RMB.	The price of its project ranges from a few hundred to several hundred thousand RMB.
Development stage	L2	L2	L2	L1/L2	L2	L1/L2
Application scenarios	Diverse scenarios including retail, financial services training, healthcare and retail	Primarily focus on e-commerce live streaming, entertainment, education, healthcare and retail	Primarily focus on financial services, government services, entertainment, tourism and education	Primarily focus on government services, entertainment healthcare and retail	Primarily focus on government services, entertainment, media and retail	Focus on education and retail including sales enablement and costumer service.

	Company F	Company G	Company H	Company I	Company J	Company K	Company L
Market positioning	To B	To B and to C	To B and to C	To B	To B	To B and to C	To B and to C
Business model	Subscription, usage based and project based	Subscription and usage based	Usage based, project based and sales of goods	Subscription, usage based and project based	Subscription and project based	Subscription, project based and usage based	Subscription and project based
Price range	The price of its project ranges from a thousand to several million RMB.	The price of its project ranges from several hundred to several hundred thousand RMB.	The price of its product ranges from hundreds to several hundred thousand RMB.	The price of its product ranges from hundreds to several hundred thousand RMB.	The price of product ranges from ten thousand to a few million RMB.	The price of product ranges from several thousand to several hundred thousand RMB.	The price of product ranges from several thousand to several million RMB.
Development stage	L2	L1/L2	L2	L1/L2	L2	L1/L2	L2
Application scenarios	Focus on healthcare, entertainment, retail and e-commerce	Focus on content localization, marketing and retail and media.	Primarily focus on finance, entertainment, media, art and design	Primarily focus on government services, entertainment, training, finance and e-commerce	Primarily focus on education, retail and e-commerce	Primarily focus on healthcare, finance, media, broadcasting, retail and marketing.	Primarily focus on government services, finance, Live commerce and corporate training.

MARKET COST ANALYSIS

The cost structure of enterprises in the digital human agent industry primarily consists of project fulfillment costs, cloud service costs, hardware and software expenses, and staff costs. As the largest component, project fulfillment costs cover the services required to deliver customized digital human solutions. Human capital expenses, including compensation for professional and technical personnel,

typically represent the largest component of project fulfillment costs and the most significant direct cost item. According to data published by the National Bureau of Statistics of China on the Average Wage of Employed Persons in Urban Units, the annual growth rate of average wages in the professional and technical services sector declined from 16.3% in 2018 to approximately 5% in 2024, indicating a moderating and stabilizing trend. Based on this data, labor cost in the digital human agent industry is expected to remain relatively stable.

GOVERNMENT POLICIES RELATED TO AI INDUSTRY

The rapid growth of China's AI market is driven by multiple favorable factors, including government policies. On May 8, 2015, the State Council issued the notice on promulgating Made in China 2025 Plan (《中國製造2025》). Made in China 2025 Plan emphasizes on the acceleration of the promotion of integrated development of new generation information technology and manufacturing and regards intelligent manufacturing as the main direction of comprehensive integration of informatization and industrialization. Meanwhile, it is underlined that efforts should be made to develop intelligent equipment and intelligent products, promote intelligent production process, cultivate new production methods, and comprehensively enhance the intelligent level of R&D, production, management and service of enterprises.

On July 8, 2017, the State Council issued the Development Plan of A New Generation of AI (《新一代人工智能發展規劃》). The plan pointed out three strategic steps in developing a new generation of AI technology, and set goals to have China's AI technology reach leading level in the world and become one of the major AI innovation centers in the world.

On August 1, 2019, the Ministry of Science and Technology issued Guidelines for the Construction of the National New Generation of AI Open Innovation Platform (《國家新一代人工智能開放創新平台建設工作指引》) and pointed out that "open and sharing" shall be the important philosophy in promoting AI innovation and industry development in China, and innovation platforms are encouraged to open for companies to do testing, and thus to form standard and modularized models, middleware and applications for providing services to the public in the form of open interfaces, model libraries, algorithm packages, etc.

On July 10, 2023, the CAC issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the "**Measures on Generative AI Services**"). The Measures on Generative AI Services defines the generative artificial intelligence as the models and technology to generate such contents as texts, pictures, sound, videos. The Measures on Generative AI Services requires generative AI service providers to take effective measures to enhance the accuracy and reliability of the content created by the generative artificial intelligence. Pursuant to the Measures on Generative AI Services, generative AI service providers shall (a) assume the responsibilities of network information content producers and perform network information security obligations; (b) assume the responsibilities of processors of personal information to protect personal information; and (c) process training data such as conducting pre-training and optimization training in accordance with the laws and regulations, including, among others, (i) the training shall use data and models from lawful sources; (ii) if intellectual properties are involved, it shall not contain any contents that infringe upon the intellectual property rights of other parties; (iii) if such data contains personal information, the providers shall obtain consent of personal information subjects or comply with relevant laws and regulations; and (iv) take effective measures to improve the quality of training data and enhance the quality, authenticity, objectivity and diversity of training data. In the event where illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including stopping the generation of such illegal content and suspending or terminating the provision of services, undergo rectifications, keep relevant records and report to the competent authority. Any provider of generative AI services with public sentiment attributes or social mobilizing capability shall conduct security assessment in accordance with relevant regulations and complete the filing formalities of algorithms in accordance with the Provisions on the Administration of Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》). Providers of generative AI services may be subject to penalties for non-compliance, including warning, public denouncement, rectification orders and suspension of the provision of relevant services.

LAWS AND REGULATIONS RELATED TO INTERNET INFORMATION SERVICES

Pursuant to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council on September 25, 2000 and last amended on December 6, 2024 and the Administration Measures for the Filing of Not-for-profit Internet Information Services (《非經營性互聯網信息服務備案管理辦法》) last revised on January 18, 2024, internet information

services are classified into "for-profit internet information services" and "not-for-profit internet information services". The for-profit internet information service refers to service activities to provide information or website design to online users for profit; the not-for-profit internet information service refers to service activities to provide online users open, shared information on internet free of charge. The national government has installed the filing system for not-for-profit internet information service. Whoever intends to provide not-for-profit internet information service through the websites visited via internet domain names or through the websites which can only be visited via IP address within the territory of the PRC shall go through filing procedures in accordance with law. Such not-for-profit internet information service provider shall, when its website is available, display its filing number at the central part on the bottom of its home page and link the URL of the filing administration system of the MIIT, below the filing number for consultation and check by the public. Furthermore, an annual review procedure is required for the not-for-profit internet information service provider to go through on the filing administration system of the MIIT at a specified time each year.

LAWS AND REGULATIONS RELATED TO THE PROTECTION OF CYBER SECURITY, INFORMATION SECURITY, DATA AND PRIVACY

In addition, on December 16, 1997, the Ministry of Public Security issued the Administrative Measures on the Security Protection of Computer Information Network with International Connections (《計算機信息網絡國際聯網安全保護管理辦法》), which took effect on December 30, 1997 and were amended by the State Council on January 8, 2011. According to the aforementioned measures, no entity or individual shall make use of international connections to harm national security, leak state secrets, infringe on the national, social or collective interests or the legal rights and interests of citizens, or engage in other illegal or criminal activities. If relevant entities violate any provisions of the measures, such entities may be subject to an order of rectification within a specified period, warning, confiscation of illegal income, cancellation of business permit or network connection qualifications. The Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) that was issued and took effect on June 22, 2007 requires the entities that operate and use information systems to fulfill the obligation of the hierarchical protection of information security. The operator or the user of the information systems at Grade II or above shall, within thirty days since the date when its security protection grade is determined, complete the record filing procedures at the local public security authority at the level of city divided into districts or above.

The PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which was promulgated on November 7, 2016 and came into effect on June 1, 2017, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cyber security events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data. The PRC Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. The PRC Cybersecurity Law has also reaffirmed certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements under the PRC Cybersecurity Law may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of qualifications, closedown of websites or even criminal liabilities. The SCNPC further revised the PRC Cybersecurity Law on October 28, 2025, which became effective on January 1, 2026, the revised PRC Cybersecurity Law stipulates that, among others, the state supports basic theoretical research on artificial intelligence and the research of key technologies such as algorithms, promotes the construction of infrastructure for training data resources and computing power, improves AI ethical standards, strengthens risk monitoring, assessment, and security supervision, and facilitates the application and healthy development of artificial intelligence. The revised PRC Cybersecurity Law also increases penalties under certain circumstances and expands extraterritorial application to activities outside the PRC that endanger the cybersecurity of the PRC.

The PRC Data Security Law (《中華人民共和國數據安全法》) (the "**Data Security Law**") was passed by the Standing Committee of the 13th NPC at the 29th Session on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law is broadly applicable to such processing activities of data which are carried out in the PRC or, where carried out outside the PRC, damage the national security, public interests or the legitimate rights and interests of citizens and organizations of the PRC. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. The Data Security Law requires the data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In addition, it clarifies that any organization or individual collecting data shall adopt lawful and proper methods and shall not steal data or obtain the data by other illegal means, and risk monitoring shall be strengthened when data processing activities are carried out, and where risks such as data security flaws and vulnerabilities are discovered, remedial measures shall be immediately taken. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**PIPL**") was passed by the Standing Committee of the 13th NPC at the 30th Session on August 20, 2021 and has come into effect on November 1, 2021. The PIPL specifies the circumstances under which a personal information processor could process personal information and the requirements for such circumstances. It also stipulates the obligations of a personal information processor, which include, amongst others that, before processing personal information, personal information processors should truthfully, accurately and completely inform individuals of the requisite matters specified in the PIPL in a conspicuous manner and in clear and easy-to-understand language, and personal information processors should also take measures in accordance with the PIPL to ensure that personal information processing activities comply with laws and administrative regulations based on the processing purpose, processing methods, types of personal information, impact on personal rights and interests, and possible security risks, etc., and to prevent unauthorized access and personal information leakage, tampering and loss. Any violation of the provisions and requirements under the PIPL may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, being entered into the relevant credit record or even criminal liabilities.

On December 13, 2005, the Ministry of Public Security issued the Regulations on Technological Measures for Internet Security Protection (《互聯網安全保護技術措施規定》) (the "**Internet Protection Measures**") which came into effect on March 1, 2006. The Internet Protection Measures require internet service providers and online entity users to take proper measures including anti-virus, data back-up and other related measures, and to keep records of certain information of users for at least sixty days, discover and detect illegal information, stop transmission of such information, and keep relevant records. Internet service providers and online entity users shall establish corresponding administration systems. Any user registration information shall not be publicized or divulged without users' approval, unless it is otherwise stipulated by any law or regulation. Under the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》) that was issued by MIIT on December 29, 2011 and came into effect on March 15, 2012, internet information services providers are prohibited from collecting any information that is relevant to the users and can be, solely or together with other information, used to identify the users to third parties without users' consent unless otherwise required by laws and administrative regulations. Internet information services providers must expressly inform their users of the methods, contents and usages of collecting and processing of users' personal information and may only collect information necessary for providing services.

MIIT's Rules on Protection of Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》), which was promulgated on July 16, 2013 and came into effect on September 1, 2013, contains detailed requirements on the collection and use of personal information as well as the security measures to be taken by internet information services providers. Collection and use of user personal information by internet information services providers are subject to

users' consent and should abide by the principles of legality, appropriateness and necessity and be within the specified methods, scopes and purposes that are required to be published by such internet information services providers. Internet information services providers and their staff members shall strictly keep confidential the personal information of users collected or used in the course of providing services, and shall not divulge, tamper with, damage, sell or illegally provide others with the same.

On July 22, 2020, the Ministry of Public Security published the Guiding Opinions on the Implementation of Cybersecurity Hierarchical Protection System and Critical Information Infrastructure Security Protection System (《貫徹落實網絡安全等級保護制度和關鍵信息基礎設施安全保護制度的指導意見》), which requires, among others, to determine the cybersecurity protection level in a scientific manner based on the importance of network (including network facilities, information systems, and data resources) in national security, economic construction, and social life, as well as factors such as the degree of harm after its destruction, to implement hierarchical protection and supervision, with emphasis on ensuring the security of critical information infrastructure and networks at or above the third level.

Internet information service providers may be subject to criminal penalty for failure to protect personal information. The Amendment IX to the Criminal Law of the People's Republic of China (《中華人民共和國刑法修正案(九)》), which was promulgated by the SCNPC on August 29, 2015 and came into effect on November 1, 2015, stipulates that any network service provider that fails to fulfill the obligations related to information network security management as required by applicable laws and administrative regulations and refuses to take corrective measures after the regulatory authorities order them to correct the non-performance, will be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) any serious consequence due to the leakage of users' information; (iii) any serious loss of evidence of criminal activities or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations. Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院，最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》). Which was issued on May 8, 2017 and became effective on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions: (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

On July 30, 2021, the State Council promulgated the Regulations of Security Protection for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) ("**CII Protection Regulations**"), which became effective on September 1, 2021. Pursuant to the CII Protection Regulations, critical information infrastructure refers to important network infrastructure and information systems of important industries and fields such as public communications and information services, energy, transportation, water conservancy, finance, public services, e-government affairs and national defense science, and other important ones whose damage, function loss or data leakage may endanger national security, people's livelihood and public interests. According to the CII Protection Regulations, the competent administrative departments and supervisory departments, which govern each respective important industry or field, shall be responsible for formulating the identification rules on and organizing the identification of the critical information infrastructure in such industry or field, and such departments should promptly notify the CIIOs of the identification results.

On December 28, 2021, thirteen PRC governmental and regulatory agencies, including the CAC, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. The Cybersecurity Review Measures provides that, among others, (i) a CIIO purchasing network products and services or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) a network platform operator with personal information of more than one million users which seek listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office according to Article 7 of the Measures for Cybersecurity Review; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security. The CAC may voluntarily conduct a cyber security review if any network products and services and activities of data process affects or may affect national security.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (the "**Data Security Regulations**") (《網絡數據安全管理條例》), which became effective on January 1, 2025. The Data Security Regulations provides that network data processors conduct network data processing activities that affects or may possibly affect national security must conduct national security review in accordance with relevant laws and regulations. In addition, the Data Security Regulations also regulate other specific requirements on personal information protection, important data safety, cyber data cross-border safety management and obligations of network platform service provider.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022. The Measures for the Security Assessment of Data Cross-border Transfer requires the data processor providing data overseas apply for the security assessment of cross-border data transfer by the national cybersecurity authority through its local counterpart if such transfer is conducted by a CIIO, or involves important data, or their cross-border data transfer activities fulfill certain thresholds.

On March 22, 2024, the CAC released the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which came into effect on the same day. Such provisions specify the situations in which the declaration for the data export security assessment, the conclusion of the standard contract for the export of personal information, and the personal information protection certification are not required. The provisions also explicitly state that data processors are not required to apply for security assessment on cross-border transfer of important data, provided that the relevant data has not been notified or published as important data by relevant departments or regions.

The Administrative Provisions on Security Vulnerability of Network Products (《網絡產品安全漏洞管理規定》) (the "**Provisions**") was jointly promulgated by the MIIT, the CAC and the Ministry of Public Security on July 12, 2021 and came into effect on September 1, 2021. Network product providers, network operators as well as organizations or individuals engaging in the discovery, collection, release and other activities of network product security vulnerability are subject to the Provisions and shall establish channels to receive information of security vulnerability of their respective network products and shall examine and fix such security vulnerability in a timely manner. Network operators shall take measures to examine and fix security vulnerability after discovering or acknowledging that their networks, information systems or equipment have security loopholes.

On June 27, 2022, the CAC promulgated the Administrative Provisions on the Account Information of Internet Users (《互聯網用戶帳號信息管理規定》, which became effective on August 1, 2022. The obligations of internet-based information service providers include but not limited to: (i) authenticate the identity information of the users who apply for registration of relevant account and verify the account information submitted by users upon registration; (ii) equip themselves with professional and technical capabilities appropriate to the scale of services.

The Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》) (the "**Administrative Provisions**") was jointly promulgated by the CAC, the MIIT, the Ministry of Public Security and the State Administration for Market Regulation on

December 31, 2021 and came into effect on March 1, 2022. The Administrative Provisions are applicable to algorithm recommendation service providers, i.e. enterprises that provide internet information services to users by applying algorithm technologies such as generation-synthesis, personalized push, sorting and selection, retrieval and filtering, and scheduling and decision-making. The Administrative Provisions on Internet Information Service Algorithm Recommendation implements classification and hierarchical management for algorithm recommendation service providers based on various criteria, and stipulates that algorithm recommendation service providers with public sentiment attributes or social mobilizing capability shall file with the CAC within ten business days from the date of providing such services.

On November 25, 2022, the CAC, MIIT and the Ministry of Public Security promulgated the Administrative Provisions on Deep Synthesis of Internet Information Services (互聯網信息服務深度合成管理規定), which took effect on January 10, 2023. The "deep synthesis technology" provided in such provisions refers to the technology to generate text, graphics, radio, video, virtual scenes, among others, with the use of deep learning and virtual reality. The measures emphasize that the deep synthesis services shall not be utilized for illegal activities prohibited by laws and regulations, and specifically, the related providers of such deep synthesis services shall (i) establish and improve control systems in regard to user registration, algorithm review, technological ethic review, information public review, statistics security, personal information protection, anti-telecom and online fraud, emergency disposal, etc. and hold safe and controlled technical protection measures; and (ii) formulate and publicize related management rules and platform pacts, improve service agreements, perform management responsibilities in accordance with laws and agreements, and inform with explicit methods the technical supporters and users of the deep synthesis services of their respective information safety obligations.

On March 7, 2025, the CAC, the MIIT, the MPS and the State Administration of Radio and Television jointly issued the Notice on Promulgation of the Measures for Labeling AI-Generated or Composed Content (《人工智能生成合成內容標識辦法》), which will become effective on September 1, 2025, pursuant to which, internet information service providers have the obligations to add explicit or implicit labels to the AI-generated or composed content in certain circumstances.

On December 8, 2022, the MIIT issued the Administrative Measures for Data Security in the Industrial and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the "**MIIT Data Security Measures**"), which came into effect on January 1, 2023. The MIIT Data Security Measures is applicable to the processing activities carried out in the territory of the PRC of data in the field of industry and information technology. The MIIT Data Security Measures provides that industrial and telecommunication data processors shall implement data classification and grading, and further imposes data security obligations and responsibilities on data processors in the field of industry and information technology.

On February 12, 2025, the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), was promulgated by the CAC, which became effective on May 1, 2025. According to the Administrative Measures for the Compliance Audit of Personal Information Protection, the term "compliance audit of personal information protection" refers to supervisory activities that review and evaluate whether the personal information processing activities of personal information processors comply with laws and administrative regulations. Where a personal information processor conducts a compliance audit of personal information protection on its own, such audit shall be carried out periodically either by its internal department or by engaging a professional institution. Personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least every two years.

On March 20, 2026, the MIIT and nine other relevant authorities jointly promulgated the Measures for Ethical Review and Services of Artificial Intelligence Technologies (for Trial Implementation) (《人工智能科技倫理審查與服務辦法(試行)》) (the "**AI Ethical Review Measures**"), which came into effect on the same day. Key AI activities, which includes, amongst others, the R&D of algorithm models, applications and systems with public opinion/social mobilization capability and social consciousness-guiding capability, and R&D of automated decision-making systems with a high

degree of autonomy for scenarios with safety or personal health risks, are subject to additional expert review. Relevant entities must also complete and update required registrations on the National Science and Technology Ethics Management Information Registration Platform.

On April 10, 2026, the CAC and four other relevant authorities jointly promulgated the Interim Measures for the Administration of Anthropomorphic Interactive Services Based on Artificial Intelligence (《人工智能擬人化互動服務管理暫行辦法》) (the "**AI Anthropomorphic Interaction Measures**"), which will come into force on July 15, 2026. The AI Anthropomorphic Interaction Measures apply to AI-powered services provided to the public in the PRC that simulate natural person's personality traits, patterns of thinking and communication styles and provide continuous emotional interaction, including emotional care, companionship and support, and define the core compliance obligations for relevant entities, covering content governance, minor protection, algorithm management, data security and other key aspects. Pursuant to the AI Anthropomorphic Interaction Measures, amongst others, entities providing anthropomorphic interactive services powered by artificial intelligence shall establish internal compliance management systems, and shall also conduct security assessments in accordance with the circumstances specified in the AI Anthropomorphic Interaction Measures, and shall submit the assessment reports to the cyberspace administration department at the provincial level where they are located.

LAWS RELATED TO CONSUMER PROTECTION

According to the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) (the "**Consumer Protection Law**") which was promulgated on October 31, 1993, amended on August 27, 2009 and October 25, 2013 and became effective on March 15, 2014, unless otherwise provided by this law, a business operator that provides products or services shall, in any of the following circumstances, bear civil liability in accordance with the Product Quality Law and other relevant laws and regulations: (i) where a defect exists in a product; (ii) where a commodity does not possess functions it is supposed to possess, and it is not declared when the product is sold; (iii) where the product standards indicated on a product or on the package of such product are not met; (iv) where the quality condition indicated by way of product description or physical sample, etc. is not met; (v) where products pronounced obsolete by formal national decrees are produced or have expired or deteriorated commodities are sold; (vi) where a sold product is not adequate in quantity; (vii) where the service items and fees are in violation of an agreement; (viii) where demands by a consumer for repair, redoing, replacement, return, making up the quantity of a product, refund of a product purchase price or service fee or claims for compensation have been delayed deliberately or rejected without reason; or (ix) in other circumstances whereby the rights and interests of consumers, as provided by the PRC laws and regulations, are harmed.

LAWS AND REGULATIONS RELATED TO INTELLECTUAL PROPERTY

Trademarks

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) (the "**Trademark Law**") became effective on March 1, 1983 and was last amended on April 23, 2019, and the Implementation Rules of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) became effective on September 15, 2002 and was last amended on April 29, 2014. The Trademark Law and its implementation rules provide the basic legal framework for the regulation of trademarks in the PRC, covering registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. Registered trademarks are protected under the Trademark Law and related rules and regulations. Trademarks are registered with the Trademark Office of the National Intellectual Property Administration. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approved for use on the same or similar commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, last amended on October 17, 2020 and effective from June 1, 2021 and the Implementation Rules of the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, and last amended on December 11, 2023, there are three types of patents, namely, invention, utility model and design. Invention patents are valid for twenty years, while design patents are valid for fifteen years and utility model patents are valid for ten years, from the date of application. The PRC patent system adopts a "first come, first file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first.

To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability.

Copyright and Software Copyright

Copyright (including software copyright) is mainly protected by the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) as promulgated on September 7, 1990 and last amended on November 11, 2020 by the SCNPC and the Implementing Rules of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》) as promulgated on August 2, 2002 and last amended on January 30, 2013 by the State Council. Such law and rules prescribe that Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science.

In addition, internet activities, products disseminated over the internet and software products also enjoy copyright. Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended by the State Council on January 30, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Protection of Computer Software.

Domain Names

Internet domain name registration and related matters are regulated by the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking into effect on November 1, 2017, and the Implementation Rules for the Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) promulgated by China Internet Network Information Center and taking into effect on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a "first come, first file" principle. The applicants will become the holders of such domain names upon completion of the registration procedure.

LAWS AND REGULATIONS RELATED TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUNDS

General Labor Contract Rules

Labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees under the Labor Contract Law of the People's Republic of China (《中華人 民共和國勞動合同法》), promulgated on June 29, 2007 and last amended on December 28, 2012. Wages may not be lower than local standards on minimum wages and must be paid to the employees timely. According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》),

promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve a system of labor safety and sanitation and shall strictly abide by national rules and standards on labor safety and sanitation and educate employees on labor safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labor safety and sanitation facilities shall comply with national standards.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) passed by the SCNPC on October 28, 2010 and amended on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance and maternity insurance. Employer who fails to promptly pay social insurance contributions in full amount shall be ordered to pay or supplement within a prescribed period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) passed by the State Council on April 3, 1999 and last amended on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement. On July 31, 2025, the PRC Supreme People's Court promulgated the *Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases* (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. Article 19(1) thereof stipulates that 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. Furthermore, 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 accordance with the law, which clarifies that employees are entitled to request termination of their labor contracts and receive corresponding economic compensation under the PRC Labor Contract Law if the employer fails to make social insurance contributions in accordance with the law.

LAWS AND REGULATIONS RELATED TO TAXATION

We are subject to a variety of PRC laws, rules and regulations relating to tax, such as the enterprise income tax, value added tax. For details, see "Appendix III — Taxation and Foreign Exchange — Taxation In Chinese Mainland".

LAWS AND REGULATIONS RELATED TO COMPANIES

The establishment, operation and management of corporate entities in China are governed by the PRC Company Law (《中華人民共和國公司法》), which was amended by the SCNPC on December 29, 2023 and became effective on July 1, 2024. Under the PRC Company Law, companies are generally classified into two categories: limited liability companies and limited companies by shares. The PRC Company Law also applies to foreign-invested limited liability companies but where other relevant laws regarding foreign investment have provided otherwise, such other laws shall prevail.

LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT

Investment activities in the PRC by foreign investors are principally governed by the Catalogue of Industries for Encouraging Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraged Catalog**"), which was promulgated by the Ministry of Commerce (the

"**MOFCOM**"), and the National Development and Reform Commission (the "**NDRC**"), on October 26, 2022 and took effect on January 1, 2023, and the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Edition) (《外商投資准入特別管理措施(負面清單)》) ("**The Negative List**"), which was promulgated by the MOFCOM and the NDRC on September 6, 2024 and took effect on November 1, 2024, and together with the Foreign Investment Law (《中華人民共和國外商投資法》) (the "**FIL**") and their respective implementation rules and ancillary regulations.

On March 15, 2019, the National People's Congress (the "**NPC**") promulgated the FIL, which has come into effect on January 1, 2020. The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition. According to the FIL, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "Negative List". Any industries not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

The foreign investment information reporting is subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the SAMR, which came into effect on January 1, 2020. According to the Foreign Investment Information Reporting Method, the MOFCOM is responsible for coordinating and guiding the reporting of foreign investment information nationwide. The competent commercial department of the local people's government at or above the county level, as well as the relevant agencies of the Pilot Free Trade Zone and the National Economic and Technological Development Zone, are responsible for reporting information on foreign investment in the region. Foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System.

LAWS AND REGULATIONS RELATED TO EMPLOYEE STOCK INCENTIVE PLAN

The STA has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

LAWS AND REGULATIONS RELATED TO DIVIDEND DISTRIBUTION

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income (《內地 和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise is the beneficial owner of the dividends and directly holds at least 25% of the PRC enterprise.

Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. The STA issued the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發布〈非居民納稅人享受協定待遇管理辦法〉的公告》) (the "**STA Circular 35**") on 14 October 2019, which became effective on 1

January 2020. According to the STA Circular 35, no approvals from the tax authorities are required for a non-resident taxpayer to enjoy treaty benefits, where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, but it shall gather and retain the relevant materials as required for future inspection, and accept follow-up administration by the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. According to the Circular of the State Administration of Taxation on Several Issues regarding the "Beneficial Owner" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》), which was issued on 3 February 2018 by the STA, effective as of 1 April 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status of the "beneficial owner" shall submit the relevant documents to the relevant tax bureau according to the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties.

LAWS AND REGULATIONS RELATED TO FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on 29 January 1996 and was lastly amended on 5 August 2008. The lawful currency of Chinese Mainland is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations. For details, see "Appendix III — Taxation and Foreign Exchange — FOREIGN EXCHANGE ADMINISTRATION IN THE PRC".

LAWS AND REGULATIONS RELATED TO OVERSEAS LISTING

On February 17, 2023, the CSRC also issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant five guidelines which became effective on March 31, 2023, and, among others, set forth the standards in the determination of an indirect overseas listing by a domestic company, the responsible filing persons, and the procedures for the filing. According to the Overseas Listing Trial Measures, the PRC domestic enterprises that seek to offer and list securities in overseas markets, either by direct or indirect means ("**Overseas Offering and Listing**"), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions and other relevant documents. Specifically, following the principle of substance over form, if an issuer both meets the following criteria, its overseas offering and listing will be deemed as indirect Overseas Offering and Listing by a PRC domestic enterprises: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in Mainland China, or its main place(s) of business are located in Mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in Mainland China. The Overseas Listing Trial Measures also set forth the issuer's reporting obligations in the event of occurrence of material events after the Overseas Offering and Listing. In the event of the occurrence of any of the following material events, the issuer shall make a detailed report to the CSRC within 3 working days after the occurrence and public announcement of the relevant event: (i) change in controlling rights; (ii) being subject to investigation, punishment or other measures by overseas securities regulatory authorities or the relevant authorities; (iii) changing listing status or changing the listing board; (iv) voluntary or compulsory termination of listing. Besides, if any material change in the principal business and operation of the issuer after its Overseas Offering and Listing

makes the issuer no longer within the scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within 3 working days after the occurrence of the relevant change to provide an explanation of the relevant situation.

According to the Overseas Listing Trial Measures, the PRC domestic enterprises engaging in Overseas Offering and Listing activities shall strictly comply with the laws, administrative regulations and relevant provisions of the PRC government on foreign investment, State-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interest and the legitimate rights and interests of domestic investors. The PRC domestic enterprise that conducts Overseas Offering and Listing shall (i) formulate its articles of association, improve its internal control system and standardize its corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; (ii) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, shall not divulge any state secret or the work secrets of state authorities, and shall also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provision of personal information and important data. In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the last three years; (iv) the PRC domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"), which became effective on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

REGULATIONS ON THE H SHARE FULL CIRCULATION

"Full circulation" means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Guidelines for the Full Circulation**"), which was amended on August 10, 2023.

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the filing procedures necessary for the Overseas Listing Regulations. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with China Securities Depository and Clearing Limited (the "**CSDC**") of the shares related to the application has been completed. After domestic unlisted shares are listed and circulated on the Hong Kong Stock Exchange, they may not be transferred back to China.

On December 31, 2019, CSDC and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股"全流通"業務實施細則》) (the "**Measures for Implementation**") to regulate the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc.

In addition, the Shenzhen Branch of CSDC released the Guide for "Full Circulation" Business of H Shares by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》) on September 20, 2024 and further amended on June 30, 2025, which clearly provides for business arrangements and procedures related to H-share full circulation business, including business preparation, cross-border transfer registration, overseas depository of shares and initial maintenance and change in maintenance of domestic holding details, corporate behavior processing, clearing and settlement, risk management and business charges.

Pursuant to the Overseas Listing Regulations, in respect of a domestic company directly listed overseas, shareholders holding its unlisted domestic shares who apply to convert such shares held by them into listed overseas shares and to be listed in an overseas stock exchange, shall comply with the relevant regulations of the CSRC and entrust domestic enterprises to file with the CSRC.

The international export restrictions and sanctions related laws and regulations that have a significant impact to our business are set out below:

EXPORT ADMINISTRATION REGULATIONS

The major U.S. export control regimes is governed by the Export Administration Regulations ("**EAR**"), 15 CFR Parts 730-774, which is administered by the Bureau of Industry and Security, U.S. Department of Commerce ("**BIS**"). BIS regulates the export, re-export and transfer (in-country) of items (including commodities, software or technology of a commercial and/or dual use nature, collectively "**item**") "subject to the EAR". The item subject to the EAR includes i) all items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one foreign country to another, ii) all U.S. origin items wherever located; iii) foreign-made items that exceed de minimis amount of U.S.-origin content, iv) certain foreign-produced "direct products" of specified technology and software, or certain foreign-produced products of a complete plant or any major component of a plant that is a "direct product" of specified technology or software.

EAR § 734.4 regulates the De Minimis Rule. It captures foreign-made items that incorporate controlled U.S.-origin components, software, or technology. If the value of the controlled U.S. content exceeds a specific percentage threshold (the de minimis level) of the total value of the foreign-made item, the entire foreign-made item becomes subject to the EAR. According to § 734.4, the de minimis threshold varies, from 25% for most countries to less than 10% for comprehensively sanctioned countries (Cuba, Iran, Syria, and North Korea), and what items are considered controlled (and thus are included in the de minimis calculation) also varies. The standard threshold for China is 25%, but critical exceptions exist.

The export, reexport, and in-country transfer of item subject to the EAR may be subject to an export license from BIS. A key in determining whether an export license is the specific Export Control Classification Number (ECCN), the intended destination of export, reexport, and in-country transfer, and the end use, and the end user. If the item does not have an ECCN, it is classified as EAR99, which generally means that no license is required, except in cases involving embargoed destinations, prohibited end uses, or restricted end users.

In particular, certain individuals and organizations are prohibited from receiving U.S. goods and others may only receive goods if the items have been licensed (even items that do not normally require a license based on the ECCN and Commerce Country Chart or based on an EAR99 designation). Supplement No. 4 to Part 744 of EAR provides a list of parties whose participation in a transaction can trigger a license requirement under the EAR, i.e. the "Entity List". The list specifies the license requirements that apply to each listed party. For most entities on the Entity List, the stated license review policy is a "presumption of denial." This means that when a company applies for a license to do business with a listed entity, BIS will start from the position that the transaction should be denied. Approval is exceptionally rare and granted only in very limited circumstances, such as for humanitarian needs.

The Foreign Direct Product Rules ("**FDPR**") extend the reach of U.S. export controls to certain foreign-made items that are the direct product of controlled U.S. technology or software, even if those items are manufactured entirely outside the U.S. Under 15 C.F.R. § 734.9(e), the Entity List Foreign Direct Product (FDP) Rules further extend U.S. export control jurisdiction to foreign-produced items that are the direct product of certain U.S.-origin technology or software when there is "knowledge" that such items are destined for or used by parties on the Entity List. A foreign-produced item is subject to the EAR if it meets the following scopes: (1) if the foreign-produced item is a direct product of technology or software listed subject to the EAR and specified with certain ECCNs, or (2) if the foreign-produced item is produced by any complete plant or major component of a plant that is located outside the United States, when the complete plant or major component of a plant, whether made in the U.S. or a foreign country, itself is a direct product of U.S.-origin technology or software that is specified in certain ECCNs. If these conditions are met, any export, reexport, or in-country transfer of the item to such listed parties requires a U.S. export license under EAR § 744.11.

The BIS Affiliates Rule (or 50% Rule), published on September 30, 2025, marks a major expansion of U.S. export controls by introducing an ownership-based compliance standard similar to OFAC's 50% Rule. Under this rule, any foreign entity owned 50% or more, directly or indirectly, individually or in the aggregate, by one or more parties listed on the Entity List, the Military End-User (MEU) List, or OFAC's SDN List under 15 C.F.R. § 744.8(a)(1) is deemed a "covered affiliate." Such affiliates are subject to the same export, reexport, and in-country transfer restrictions as the listed entity itself. The rule aims to close loopholes that allowed restricted entities to evade controls through subsidiaries or shell companies, and it imposes a proactive due diligence obligation, codified in Supplement No. 3 to Part 732, requiring exporters to assess the ownership structure of their counterparties and treat any 50%-or-greater-owned entity as if it were listed. Notably, on November 1, 2025, the White House announced a one-year suspension of the application of BIS Affiliates Rule, effective as of November 10, 2025.

OVERVIEW

Since our establishment as a limited liability company in the PRC in 2017, we have been consistently standing at the forefront of AI evolution, committed to expanding the professional capabilities of digital human agents. Driven by our strategic approach to AI evolution, we define digital human agents as "GJ AI workforces," and have been committed to empowering our customers across industries with our integrated GJ AI workforce solutions. Over the past years, we have grown into the largest digital human agent provider in China providing GJ AI workforces, in terms of revenue generated from provision of digital human agent solutions in 2024.

On February 18, 2025, our Company was converted into a joint stock company with limited liability under the name of Nanjing Silicon Intelligence Technology Group Co., Ltd. (南京硅基智能科技集團股份有限公司).

OUR MILESTONES

The following sets forth the key milestones of our Group:

Year	Milestone
2017	• In August, our Company was established as a limited liability company in the PRC.
	• In September, we launched GJ AI Real-time Voice Agent Platform (硅基智能語音平台).
2018	• In January, we commenced application of GJ AI Real-time Voice Agent Platform in the financial industry.
	• In October, we obtained invention patent related to our intelligent voice technology.
	• During the year, we received the Series Pre-A Investment, the Series A Investment, the Series A+ Investment and the Series A++ Investment, including investment from CMB Yongji Fund, Zhongcai Qihu and HongShan Zhisheng.
2019	• In March, we upgraded GJ AI Real-time Voice Agent Platform and expanded its application in financial and customer service scenarios.
	• In November, we launched digital human technology and commenced its application in the financial industry.
	• In January and August, we received the Series B Investment and the Series B+ Investment, respectively, including investment from Linzhi Tencent, CMB Modern Industry Fund and CMB Telecom Fund.
	• In December, we were recognized as High and New Technology Enterprise (高新技術企業).
2020	• In February, we donated our GJ AI Real-time Voice Agent Platform which replaced manual outbound calls with GJ AI Real-time Voice Agents to enabling round-the-clock, large-scale, high-speed and accurate notification delivery in epidemic prevention and control and made contribution to the fight against the COVID-19 pandemic.
	• In April, we expanded the commercialization of digital human technology and provided digital employees for commercial banks.
	• In December, we received the Series C Investment, including investment from Linzhi Tencent.

Year	Milestone
2021	• In March, we launched GJ AI Video Generation Agent Platform (硅基數字人視頻平台).
2022	• In June, we launched GJ AI Live Streaming Agent Platform (硅基數字人直播平台) and GJ DUIX Platform (硅基DUIX平台).
	• In July, we were recognized as Specialized, Fined, Peculiar and Innovative "Little Giant" Enterprise (專精特新小巨人企業) by MIIT.
2023	• In January, we successfully passed the Digital Human System Fundamental Capability Assessment (數字人系統基礎能力評測) conducted by the China Academy of Information and Communications Technology (中國信息通信研究院)
	• In May, we launched Yan Di Large Language Model (炎帝大模型).
	• We continuously expanded the application of digital human technology in the financial, education and e-commerce industries.
2024	• In April, our Yan Di Large Language Model completed the generative AI service and algorism filing with CAC.
	• In November, we launched our DUIX ONE, a multimodal interaction engine.
	• We continuously expanded the application of digital human technology in the telecommunications, healthcare, legal and financial industries.
2025	• In February, our Company was converted into a joint stock company with limited liability.
	• In June, we received the Series D Investment.
	• In August, we launched our Autopilot AIGC Agent (全自動內容生產平台).

OUR MAJOR CORPORATE DEVELOPMENT

Early Development

On August 8, 2017, our Company was established as a limited liability company in the PRC under the name of Nanjing Silicon Intelligence Technology Co., Ltd. (南京硅基智能科技有限公司) with a registered capital of RMB100,000. In order to facilitate the SAMR registration process, our Company was initially registered as held by Le Huiling (樂慧玲) and Song Wei (宋偉), both employees of our Company, as to 81.20% and 18.80%, respectively, while their equity interest in our Company was held on behalf of Mr. Sima, the founder of our Group.

In August 2017, the above shareholding entrustment arrangement was terminated by means of Le Huiling and Song Wei transferring all of their equity interest in our Company to Mr. Sima at a total consideration of RMB100,000, which was determined based on our then registered capital and fully settled on August 25, 2017. In the same month, Goodhope, Hejun Capital and Zhang Dayong (張大勇), being our early investors and Independent Third Parties, subscribed for our increased registered capital of RMB23,152.7 at a total consideration of RMB23,152.7, which was determined based on our then registered capital and fully settled on October 23, 2018. Upon completion of such equity transfer and capital increase in October 2017, we were owned by Mr. Sima, Goodhope, Hejun Capital and Zhang Dayong as to approximately 81.20%, 10.00%, 5.72% and 3.08%, respectively.

Major Shareholding Changes after October 2017

Our major shareholding changes were mostly related to the **[REDACTED]** Investments. From December 2017 to June 2025, we successively underwent eight rounds of financings, including Series Pre-A Investment, Series A Investment, Series A+ Investment, Series A++ Investment, Series B Investment,

Series B+ Investment, Series C Investment and Series D Investment. See "— **[REDACTED]** Investments" for further details. After completion of the **[REDACTED]** Investments and as of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Shareholder	Category	Number of Shares[(1)(2)]	Percentage of shareholding
Mr. Sima	Founder	4,533,683	26.54%
Jiaxing Silicon Language[(3)]	Share incentive platform	1,756,039	10.28%
Linzhi Tencent	Series B Investor and Series C Investor	2,834,130	16.59%
CMB Funds			
— CMB Modern Industry Fund	Series B+ Investor	744,754	4.36%
— CMB Telecom Fund	Series B+ Investor	744,754	4.36%
— CMB Yongxiang Fund	Series C Investor	351,539	2.06%
— CMB Yongji Fund	Series A Investor	175,983	1.03%
China Reform			
— China Reform Fund	Series C Investor	1,150,757	6.74%
— Xinye Guangzhou	Series C Investor	10,842	0.06%
Jiaxing High-tech	Series D Investor	1,084,746	6.35%
Oceanpine Capital	Series C Investor	1,006,719	5.89%
Goodhope	Early stage investor	593,730	3.48%
Zhongcai Qihu	Series Pre-A Investor and Series A+ Investor	572,749	3.35%
HongShan Zhisheng	Series A+ Investor and Series A++ Investor	508,247	2.97%
Pengpai Capital	Series Pre-A Investor	317,983	1.86%
Lu Jianfeng (陸劍鋒)	Series Pre-A Investor	224,788	1.32%
Hejun Capital	Early stage investor	213,545	1.25%
Puxin Capital	Series C Investor	164,916	0.97%
Shenzhen Gongying	Series A Investor and Series B+ Investor	94,841	0.56%
Total		**17,084,745**	**100%**

Notes:

(1) On October 29, 2018, the registered capital of our Company increased from approximately RMB154,544.576 to RMB10.01 million by way of capitalization of capital reserves, with the increased registered capital allocated to the then existing Shareholders on a pro rata basis.

(2) On February 18, 2025, our Company was converted from a limited liability company into a joint stock company with limited liability under the name of Nanjing Silicon Intelligence Technology Group Co., Ltd. (南京硅基智能科技集團股份有限公司). The registered capital of our Company was accordingly converted into issued Shares held by the then Shareholders with a par value of RMB1.00 each.

(3) In order to implement our **[REDACTED]** Share Option Plan, we set up Jiaxing Silicon Language as our share incentive platform on June 8, 2018 with Nanjing Silicon Life being its general partner, which was in turn owned by Mr. Sima and Chen Liping as to 99% and 1%, respectively. On October 26, 2018, Mr. Sima transferred RMB28,977.10 of our registered capital (equivalent to 1,756,039 Shares after our capitalization of capital reserve and conversion into joint stock company) to Jiaxing Silicon Language at a nominal consideration of RMB1.00. See "— **[REDACTED]** Share Option Plan" and "Appendix VI — Statutory and General Information — D. **[REDACTED]** Share Option Plan" for further details of the **[REDACTED]** Share Option Plan.

[REDACTED] SHARE OPTION PLAN

To attract and retain outstanding talents and incentivize their contribution to our Group, our Company adopted the **[REDACTED]** Share Option Plan on July 1, 2018, which was supplemented on May 16, 2019, December 25, 2024 and October 20, 2025. Pursuant to the **[REDACTED]** Share Option Plan, the maximum number of underlying Shares for the options under the **[REDACTED]** Share Option Plan is 1,756,039 Shares, which have all been issued and held by Jiaxing Silicon Language, our share incentive platform. The grantees under the **[REDACTED]** Share Option Plan will hold partnership interest in Jiaxing Silicon Language as limited partners, either by themselves or through holding vehicles, corresponding to the Shares underlying their options granted under the **[REDACTED]** Share

Option Plan. Once the granted options are vested and exercised, the grantees will be entitled to the economic interest of the corresponding underlying Shares held by Jiaxing Silicon Language, including the rights to receive dividends. Voting rights of all the underlying Shares held by Jiaxing Silicon Language shall be exercised by the administrator of the **[REDACTED]** Share Option Plan, being Mr. Sima.

As of the Latest Practicable Date, (i) our Company had granted 67 eligible participants with options to subscribe for an aggregate of 1,489,951 Shares under the **[REDACTED]** Share Option Plan, representing approximately **[REDACTED]**% of our total issued share capital immediately following completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**); and (ii) options to subscribe for a total of 266,088 Shares had not yet been granted. Our Company may make new grants with respect to such 266,088 Shares under the **[REDACTED]** Share Option Plan to eligible participants prior to the **[REDACTED]**. No further options will be granted under the **[REDACTED]** Share Option Plan after the **[REDACTED]**.

The **[REDACTED]** Share Option Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of options after the **[REDACTED]**. See "Appendix VI — Statutory and General Information — D. **[REDACTED]** Share Option Plan" for further details.

As of the Latest Practicable Date, the shareholding structure of Jiaxing Silicon Language was as follows:

Name	Position in our Group	Capacity of partnership interest	Percentage of partnership interest
Nanjing Silicon Life[(1)]	N/A	General partner	0.57%
Mr. Sima	Chairman of the Board, executive Director and chief executive officer	Limited partner	14.45%
Chen Liping (陳莉萍)	Executive Director, chief financial officer and senior vice president	Limited partner	13.20%
Mao Liyan (毛麗豔)	Executive Director and senior vice president	Limited partner	18.84%
Sun Kai (孫凱)	Executive Director and senior vice president	Limited partner	12.10%
Tang Yiping (湯毅平)	Senior vice president	Limited partner	0.58%
Hua Dong (華東)	Vice president	Limited partner	19.46%
Tang Cuicui (唐翠翠)	Vice president	Limited partner	1.36%
Le Huiling (樂慧玲)	Vice president	Limited partner	1.36%
Zhang Dayong (張大勇)	Consultant	Limited partner	13.10%
Jiaxing Silicon Belief[(2)]	N/A	Limited partner	3.43%
Jiaxing Silicon Dream[(2)]	N/A	Limited partner	1.54%

Notes:

(1) Nanjing Silicon Life is owned by Mr. Sima and Ms. Chen Liping as to 99.00% and 1.00%, respectively.

(2) Each of Jiaxing Silicon Belief Equity Investment Partnership (Limited Partnership) (嘉興硅信股權投資合夥企業(有限合夥)) ("**Jiaxing Silicon Belief**") and Jiaxing Silicon Dream Equity Investment Partnership (Limited Partnership) (嘉興硅夢股權投資合夥企業(有限合夥)) ("**Jiaxing Silicon Dream**") is a limited partnership established in the PRC as our share incentive platform, with Mr. Sima as the general partner and our current and former employees as the limited partners.

PRINCIPAL SUBSIDIARIES

The following entities are the principal operating subsidiaries which made a material contribution to our financial results during the Track Record Period:

Subsidiary	Shareholding held by our Company	Place and date of establishment	Date of commencement of business	Principal business activities
Nanjing Silicon Language	100%	December 18, 2020, the PRC	December 18, 2020	AI workforce solutions
Silicon Kunshan.	100%	June 8, 2023, the PRC	June 8, 2023	AI workforce solutions
Jiaxing Silicon.	100%	April 18, 2025, the PRC	April 18, 2025	AI workforce solutions

MAJOR ACQUISITIONS AND DISPOSALS

Acquisition and Disposal of Nanjing Wanruyi

In late 2018, in order to further expand and diversify our businesses, we were exploring potential development opportunities to branch out in the BPO (business process outsourcing) business which may fall within the scope of value-added telecommunication services sector under the relevant PRC laws and regulations. After market research, we identified Nanjing Wanruyi, which had no business operation at the time but possessed a license to carry out value-added telecommunication business, as a suitable acquisition target. As value-added telecommunication business was subject to foreign ownership restrictions under the applicable PRC laws and regulations and the beneficial owners of certain shareholders of our Company were foreign investors, it was not viable for our Company to directly hold any equity interest in Nanjing Wanruyi as advised by our PRC Legal Advisors. Therefore, we decided to hold our equity interest in Nanjing Wanruyi through contractual arrangements in line with the common practice in foreign investment restricted industries.

In September 2018, we first acquired 100% equity interest in Nanjing Wanruyi from Chu Senning (褚森寧) and Chu Baining (褚柏寧), both being Independent Third Parties, at a consideration of RMB115,000, which was determined after parties' arm's length negotiations of the asset value of Nanjing Wanruyi and fully settled on October 25, 2018. At the time of the acquisition, we held our equity interest in Nanjing Wanruyi through a shareholding entrustment arrangement with Chen Liping (an executive Director) and Le Huiling (one of our employees) as the nominee registered shareholders of Nanjing Wanruyi as to 70% and 30%, respectively. Then in December 2018, we terminated the shareholding entrustment arrangement and entered into a series of contractual arrangements with Nanjing Wanruyi and its registered shareholders (the "**Contractual Arrangements**"), through which Nanjing Wanruyi was consolidated into our Group as a consolidated affiliated entity.

Nanjing Wanruyi historically provided AI real-time voice services to enterprises through GJ AI Real-time Voice Agent Platform and assumed certain R&D and operation functions within our Group, which did not fall within the scope of value-added telecommunication services. As the business of Nanjing Wanruyi had not been developed as anticipated, we had no further development plan for it. Therefore, to streamline our business operation and corporate structure as well as in anticipation of the proposed **[REDACTED]**, we disposed of Nanjing Wanruyi by terminating the Contractual Arrangements on November 30, 2024 at nil consideration considering it had net liability as of the date of termination. Upon termination, Nanjing Wanruyi ceased to be a member of our Group and was held by Chen Liping and Le Huiling. On October 20, 2025, Chen Liping and Le Huiling entered into an equity transfer agreement with Zhang Jing (張靜), an independent third party, pursuant to which Chen Liping and Le Huiling agreed to transfer all their equity interest in Nanjing Wanruyi to Zhang Jing at nil consideration. Such transfer was completed on November 26, 2025.

During the Track Record Period, the revenue contribution by Nanjing Wanruyi to our Group was immaterial, which accounted for 2.32%, 0.004% and 0.01% of our total revenue for the years ended December 31, 2022, 2023 and 2024, respectively. The total assets of Nanjing Wanruyi were RMB3.15 million, RMB0.09 million and RMB0.34 million as of December 31, 2022 and 2023 and November 30, 2024, respectively, and the net liabilities of Nanjing Wanruyi were RMB0.47 million, RMB2.37 million and RMB0.46 thousand as of the same dates. As such, we are of the view that the disposal of Nanjing Wanruyi has no material adverse impact on our business operations or overall financial performance. As advised by our PRC Legal Advisors, the disposal of Nanjing Wanruyi has been properly and legally completed and settled and all applicable regulatory filings have been completed as of the Latest Practicable Date with no other applicable regulatory approval required, and Nanjing Wanruyi was not the subject of any material non-compliance or involved in any pending or threatened litigation, arbitration, or administrative proceedings immediately prior to the disposal. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we did not carry out any business that falls within the scope of value-added telecommunication services.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we did not have any major acquisitions or disposals except as disclosed in this section, nor did we have any acquisition that would be considered as a material acquisition under Rule 4.05A of the Listing Rules.

[REDACTED] INVESTMENTS

Overview

We have received eight rounds of **[REDACTED]** Investments since our establishment, which are summarized below.

	Series Pre-A Investment	Series A Investment	Series A+ Investment	Series A++ Investment	Series B Investment[7]	Series B+ Investment	Series C Investment[9]	Series D Investment
Date of agreement	December 30, 2017	May 28, 2018	June 25, 2018	July 30, 2018	December 29, 2018	July 30, 2019	November 16, 2020	May 26, 2025
Name of investor(s)[1]	Mr. Sima, Pengpai Capital, Zhongcai Qihu and Lu Jianfeng	CMB Yongji Fund and Shenzhen Gongying	Mr. Sima, Zhongcai Qihu and HongShan Zhisheng	HongShan Zhisheng	Linzhi Tencent	Mr. Sima, CMB Modern Industry Fund, CMB Telecom Fund and Shenzhen Gongying	China Reform Fund, Xinye Guangzhou, Linzhi Tencent, Oceanpine Capital and Puxin Capital	Jiaxing High-tech
Full settlement date	January 18, 2018	June 22, 2018	July 4, 2018	July 31, 2018	January 30, 2019	August 27, 2019	December 1, 2020	June 9, 2025
Number of Shares subscribed[2]	1,170,733 Shares[5]	586,361 Shares	401,613 Shares[6]	307,458 Shares	1,790,233 Shares	1,525,511 Shares[8]	2,524,349 Shares	1,084,746 Shares
Total consideration paid	RMB20.00 million[5]	RMB20.00 million	RMB15.00 million[6]	RMB12.50 million	RMB114.71 million	RMB150.00 million[8]	RMB337.19 million	RMB200.00 million
Approximate cost per Share	RMB17.08	RMB34.11	RMB37.35	RMB40.66	RMB64.07	RMB98.33	RMB133.57	RMB184.38
Discount to the [REDACTED](%)[3]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Post-money valuation[4]	RMB150.04 million	RMB319.57 million	RMB367.41 million	RMB412.44 million	RMB764.71 million	RMB1,325.03 million	RMB2,137.19 million	RMB3,150.01 million
Basis of consideration	The consideration of **[REDACTED]** Investments was determined based on arm's length negotiations between our Company and the **[REDACTED]** Investors with reference to the appraised market value of our registered capital or Shares, the timing of the investments and the prospects of our business.							
Use of proceeds from the [REDACTED] Investments	We utilized most of the proceeds from the **[REDACTED]** Investments for the development and operation of our principal business and other general working capital purposes. As of the Latest Practicable Date, we had utilized approximately 94% proceeds from the **[REDACTED]** Investments.							
Strategic benefits to our Company	At the time of the **[REDACTED]** Investments, our Directors were of the view that our Group could benefit from the additional capital provided by the **[REDACTED]** Investors and their knowledge and experience. Moreover, the investments by the **[REDACTED]** Investors demonstrated their confidence in the business operations of our Group and served as an endorsement of our performance and prospects.							
Lock-up period	Pursuant to the applicable PRC laws, each of the existing Shareholders of the Company (including the **[REDACTED]** Investors) are subject to a lock-up period of 12 months following the **[REDACTED]**.							

Notes:

(1) Our existing **[REDACTED]** Investors as of the Latest Practicable Date exclude Mr. Sima, a member of the Single Largest Shareholder Group.

(2) As adjusted to reflect our capitalization of capital reserve and conversion into a joint stock company.

(3) Assuming the **[REDACTED]** is fixed at HK$**[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range.

(4) The post-money valuation is calculated based on (i) the cost per Share paid to the Company for the corresponding round of **[REDACTED]** Investment and (ii) the total registered share capital or issued shares of the Company immediately following the corresponding round of **[REDACTED]** Investment.

(5) The amount of the Series Pre-A Investment does not take into account the RMB2.5 million paid by Mr. Sima to our Company for the subscription of our registered capital of approximately RMB2,414.76 at the same time of the Series Pre-A Investment. Such capital increase made by Mr. Sima was for the purpose of maintaining his controlling interest in our Company.

(6) The amount of the Series A+ Investment does not take into account the RMB2.5 million paid by Mr. Sima to our Company for the subscription of our registered capital of approximately RMB1,103.89 at the same time of the Series A+ Investment. Such capital increase made by Mr. Sima was for the purpose of maintaining his controlling interest in our Company.

(7) Pursuant to the equity transfer and capital increase agreement dated December 29, 2018, Linzhi Tencent, our Series B Investor, agreed to acquire an aggregate of RMB588,824 registered capital of our Company, which is equivalent to 596,745 Shares after our conversion into joint stock company. The total consideration for such equity transfers were approximately RMB29.41 million, which was determined after arm's length negotiations having regard to the share subscription price under the Series B Investment with a discount and fully settled as of February 25, 2019. Such consideration is excluded from the total consideration paid for the Series B Investment set out in the above table. Upon completion of such equity transfers, Zhang Dayong was no longer a Shareholder.

Investor	Transferor	Consideration	Equivalent Shares acquired
		(RMB)	
Linzhi Tencent	Goodhope	7,536,788	152,916
Linzhi Tencent	Hejun Capital	10,525,000	213,545
Linzhi Tencent	Zhang Dayong	11,350,000	230,284
Total		**29,411,788**	**596,745**

(8) The amount of the Series B+ Investment does not take into account the RMB2.5 million paid by Mr. Sima to our Company for the subscription of our registered capital of approximately RMB15,052.62 at the same time of the Series B+ Investment. Such capital increase made by Mr. Sima was for the purpose of maintaining his controlling interest in our Company.

(9) Pursuant to the equity transfer and capital increase agreement dated November 16, 2020, our Series C Investors, agreed to acquire an aggregate of RMB599,511.55 registered capital of our Company, which is equivalent to 607,576 Shares after our conversion into joint stock company. The total consideration for such equity transfers was approximately RMB51.85 million, which was determined after arm's length negotiations having regard to the share subscription price under the Series C Investment with a discount and fully settled as of April 6, 2021. Such consideration is excluded from the total consideration paid for the Series C Investment set out in the above table.

Investor	Transferor	Consideration	Equivalent Shares acquired
		(RMB)	
China Reform Fund	Pengpai Capital	9,043,359.99	105,970
Xinye Guangzhou	Pengpai Capital	85,199.89	998
Linzhi Tencent	Lu Jianfeng	3,514,008.69	41,177
Oceanpine Capital	Pengpai Capital	1,221,439.59	14,313
Oceanpine Capital	Zhongcai Qihu	4,453,986.37	52,192
Oceanpine Capital	Lu Jianfeng	2,235,992.60	26,201
CMB Yongxiang Fund	CMB Yongji Fund	30,000,000.00	351,539
Puxin Capital	Zhongcai Qihu	1,296,012.87	15,187
Total		**51,850,000.00**	**607,577**

Special Rights

Our **[REDACTED]** Investors were granted customary special rights under the **[REDACTED]** Investments, among which, (i) the redemption rights granted by our Company and liquidation preference rights triggered by a third-party acquisition or other events resulting in loss of majority shareholder status or corporate control by pre-transaction Shareholders or change in the de facto controller were terminated on November 29, 2024; (ii) the redemption rights granted by Mr. Sima and Jiaxing Silicon Language were terminated one day before the first **[REDACTED]** of the **[REDACTED]** by our Company to the Stock Exchange; and (iii) all other special rights, including rights of first refusals, pre-emptive rights, rights of co-sale, drag-along rights, most favorable treatments, liquidation preference rights (except for those mentioned in item (i) above), anti-dilution rights, Directors appointment rights, Directors and Board observers nomination rights, special arrangements of the Board and Shareholders' meeting, information and inspection rights, rights to restrict certain corporate actions and restrictions on transfer of Shares will be terminated upon the **[REDACTED]**. Special rights in items (ii) and (iii) above will be reinstated upon the earlier of (a) our Company failing to file the **[REDACTED]** within 12 months (15 months if the progress of the **[REDACTED]** is affected by a new round of equity financing) after November 30, 2024 or by September 30, 2025 (whichever is later); (b) the termination of our **[REDACTED]**, including non-acceptance, return, withdrawal and non-renewal within six months of lapse; (c) the relevant competent authority rejecting the **[REDACTED]** of our Company; and (d) our Company failing to complete the **[REDACTED]** within 12 months after the submission of the first **[REDACTED]** to the Stock Exchange (this period shall be automatically extended by nine months if our Company is in the vetting process at that time and none of the Shareholders raises a written objection within 30 days from the date of receiving our Company's written confirmation on no substantive obstacles to the **[REDACTED]**).

Information about the [REDACTED] Investors

Set out below is a description of our **[REDACTED]** Investors.

(a) Linzhi Tencent

Linzhi Tencent was established in the PRC as a limited liability company on October 26, 2015 with a registered capital of RMB100.00 million, mainly engaging in investment and asset management. Linzhi Tencent is indirectly wholly owned by Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司) through its wholly-owned subsidiary, Shenzhen Tencent Industrial Investment Fund Co., Ltd. (深圳市騰訊產業投資基金有限公司), which is a subsidiary of Tencent Holdings Limited (stock code: 0700.HK (HKD counter) and 80700.HK (RMB counter)).

(b) CMB Funds (including CMB Modern Industry Fund, CMB Telecom Fund, CMB Yongxiang Fund and CMB Yongji Fund)

CMB Modern Industry Fund is a private fund established in the PRC as a limited partnership on April 13, 2017, mainly engaging in equity investments across the fields of technology, pharmacy and culture and tourism. CMB Modern Industry Fund is owned as to (i) approximately 0.17% by Jiangsu CMB Industrial Fund Management Co., Ltd. (江蘇招銀產業基金管理有限公司) as its general partner and private fund manager, which is wholly owned by CMB International Capital Management (Shenzhen) Ltd. (招銀國際資本管理(深圳)有限公司) ("**CMB International Capital Management Shenzhen**") and in turn ultimately controlled by CMB; (ii) approximately 66.56% by CMB International Financial Holding (Shenzhen) Co., Ltd. (招銀國際金融控股(深圳)有限公司) ("**CMB International Financial Holding Shenzhen**") as its limited partner, which is ultimately controlled by CMB; and (iii) approximately 33.28% by Jiangsu Province Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)) as its limited partner, which is ultimately controlled by Department of Finance of Jiangsu Province (江蘇省財政廳).

CMB Telecom Fund is a private fund established in the PRC as a limited partnership on April 14, 2017, mainly engaging in equity investments in technology sector. CMB Telecom Fund is owned as to (i) approximately 0.03% by Shenzhen CMB Telecom Equity Investment Fund Management Co., Ltd. (深圳招銀電信股權投資基金管理有限公司) as its general partner and private fund manager, which is owned as to 80.00% by CMB International Capital Management Shenzhen and in turn ultimately controlled by CMB; (ii) approximately 79.97% by CMB International Financial Holding Shenzhen as its limited partner; and (iii) approximately 20.00% by China Telecom Corporation Limited (中國電信股份有限公司) as its limited partner, which is owned as to approximately 63.90% by China Telecommunications Corporation (中國電信集團有限公司) and in turn ultimately controlled by SASAC.

CMB Yongxiang Fund is a private fund established in the PRC as a limited partnership on November 6, 2019, mainly engaging in equity investments in technology sector. CMB Yongxiang Fund is owned as to (i) approximately 0.60% by CMB International Capital Management Shenzhen as its general partner and private fund manager; (ii) approximately 29.40% and 20.00% by CMB International Financial Holding Shenzhen and CMB Technology Holdings (Shenzhen) Co., Ltd. (招銀科技控股(深圳)有限公司) ("**CMB Technology**"), respectively, as its limited partner, both of which are ultimately controlled by CMB; and (iii) approximately 50.00% by three institutional shareholders as its limited partners, all of which are private funds or prominent company and Independent Third Parties and none of which contributes 30% or more of the partnership interest of CMB Yongxiang Fund.

CMB Yongji Fund is a private fund established in the PRC as a limited partnership on October 19, 2017, mainly engaging in equity investments in technology sector. CMB Yongji Fund is owned as to (i) approximately 0.99% by CMB International Capital Management Shenzhen as its general partner and private fund manager; and (ii) approximately 99.01% by CMB Technology as its limited partner.

(c) China Reform (including China Reform Fund and Xinye Guangzhou)

China Reform Fund is a private fund established in the PRC as a limited partnership on April 13, 2017, mainly engaging in equity investments in projects that deliver both social and economic benefits. China Reform Fund is owned as to approximately (i) 0.20% by China Reform SOE Operation Investment Fund Management (Guangzhou) Co., Ltd. (國新央企運營投資基金管理(廣州)有限公司) ("**China Reform Investment Management**") as its general partner and private fund manager, which is in turn owned as to (a) 45.00% by SOE Operation (Guangzhou) Investment Co., Ltd. (央運(廣州)投資有限公司), wholly owned by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) ("**CRHC**"), an SOE ultimately controlled by the State Council, and (b) 35.00% by Guangzhou Guochuang Fund Investment Holding Co., Ltd. (廣州國創基金投資控股有限公司), an SOE ultimately controlled by Guangzhou SASAC; (ii) approximately 59.88% by Shanghai Puyin Ansheng Asset Management Co., Ltd. (上海浦銀安盛資產管理有限公司), which is ultimately controlled by Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司) (stock code: 600000.SH); (iii) approximately 19.96% by CRHC; and (iv) approximately 19.96% by Guangzhou Guangxin Capital Investment Fund (Limited Partnership) (廣州廣新資本投資基金(有限合夥)), which is an SOE ultimately controlled by Guangzhou SASAC.

Xinye Guangzhou is a private fund established in the PRC as a limited partnership on May 11, 2018, mainly engaging in equity investments across the fields of technology and healthcare. Xinye Guangzhou is owned as to approximately (i) 0.01% by China Reform Investment Management as its general partner and private fund manager; and (ii) 99.99% by its 31 limited partners, each an Independent Third Party with less than 30% of partnership interest of Xinye Guangzhou.

(d) Jiaxing High-tech

Jiaxing High-tech was established in the PRC as a limited liability company on October 24, 2024 with a registered capital of RMB1000.00 million, mainly engaging in investment and asset management. Jiaxing High-tech is wholly owned by Jiaxing High-tech Industrial Development Zone Investment Promotion Center (嘉興高新技術產業開發區投資促進中心), a public institution under Jiaxing High-tech Industrial Development Zone Administration Committee (嘉興高新技術產業開發區管理委員會).

(e) Oceanpine Capital

Oceanpine Capital is a private fund established in the PRC as a limited partnership on October 9, 2020, mainly focus on investments in cutting-edge fields such as advanced technology, green technology and life science, with a deep strategic deployment of investment portfolio including innovative enterprises possessing groundbreaking and revolutionary technologies. Oceanpine Capital is owned as to 2.00% by Oceanpine Navigation (Beijing) Private Equity Fund Management Co., Ltd. (海松領航(北京)私募基金管理有限公司) as its general partner and private fund manager, which is in turn owned by Lin Yan (林燕), an Independent Third Party and Tianhong Century Co., Ltd. (天弘世紀有限公司) ("**Tianhong Century**"), as to 60.00% and 40.00% interest, respectively. Tianhong Century is held by Lin Qing (林清) and Lin Yunsheng (林雲生), each an Independent Third Party, as to 55.00% and 45.00%, respectively. The limited partner of Oceanpine Capital is Tianjin Huanxu Chuangxin Management Consulting Co., Ltd. (天津環旭創芯管理諮詢有限公司) ("**Tianjin Huanxu**"), which holds 98.00% of its partnership interest. Tianjin Huanxu is wholly owned by Chinacentury Holdings Group Co., Ltd. (華瑞世紀控股集團有限公司), which is in turn owned by Chen Ligeng (陳立庚) and Chen Lixing (陳立興), each an Independent Third Party, as to 55.00% and 45.00%, respectively.

(f) Zhongcai Qihu

Zhongcai Qihu is a private fund established in the PRC as a limited partnership on November 25, 2016, mainly engaging in investment and asset management across the fields of technology and biotech. Zhongcai Qihu is owned as to (i) approximately 0.23% by Gongqingcheng Qihu Zhongcai Investment Co., Ltd. (共青城奇虎中財投資有限公司) as its general partner and private fund manager, which is in turn owned as to 40.00%, 40.00% and 20.00% by Flying Technology (Beijing) Co., Ltd. (北京奇飛翔藝商務諮詢有限公司), ZhongCai Financial Holding Investment Co., Ltd. (中財金控投資有限公司) and Tianjin Juxin No.6 Technology Partnership Enterprise (Limited Partnership) (天津聚信陸號科技合夥企業(有限合夥)), respectively, each an Independent Third Party; and (ii) approximately 99.77% by other 11 limited partners, all of which are institutional or individual investors, each an Independent Third Party and contributing to less than 30% of the partnership interest of Zhongcai Qihu.

(g) HongShan Zhisheng

HongShan Zhisheng is a limited partnership established in the PRC on August 9, 2017. HongShan Zhisheng is owned as to (i) approximately 0.01% by Jiaxing HongShan Kunsheng Investment Management Partnership (Limited Partnership) (嘉興紅杉坤盛投資管理合夥企業(有限合夥)) ("**HongShan Kunsheng**") as its general partner; and (ii) approximately 59.99% and 39.99% by Ningbo Meishan Bonded Port HongShan Mingsheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區紅杉銘盛股權投資合夥企業(有限合夥)) ("**HongShan Mingsheng**") and Ningbo Meishan Bonded Port HongShan Jiasheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區紅杉嘉盛股權投資合夥企業(有限合夥)) ("**HongShan Jiasheng**"), respectively, as its limited partners. HongShan Mingsheng is owned as to approximately 1.08% by HongShan Kunsheng as its general partner, and no limited partner holds 30% or more of the limited partnership interests in HongShan Mingsheng. HongShan Jiasheng is owned as to approximately 0.03% by HongShan Kunsheng as its general partner, approximately 31.73% by Zhuhai Sibo Investment Consulting Partnership Enterprise (Limited Partnership) (珠海思博投資諮詢合夥企業(有限合夥)) as its largest limited partner, and no other limited partner holds 30% or more of the limited partnership interests in HongShan Jiasheng. The general partner of HongShan Kunsheng is Ningbo Meishan Bonded Port HongShan Huanjia Investment Management Co., Ltd. (寧波梅山保稅港區紅杉桓嘉投資管理有限公司), which is ultimately controlled by Zhou Kui (周逵), an Independent Third Party.

(h) Pengpai Capital

Pengpai Capital is a private fund established in the PRC as a limited partnership on July 25, 2016 mainly engaging in equity investment in new culture and new consumption sectors. Pengpai Capital is owned as to (i) 1.00% by Ningbo Pengpai Xianqing Investment Management Center (Limited Partnership) (寧波澎湃顯慶投資管理中心 (有限合夥)) ("**Pengpai Xianqing**") as its general partner and private fund manager, which is in turn owned as to 99.90% and 0.10% by Zhu Jinglei (朱靖雷) as its general partner and Wang Lingkan (汪淩侃) as its limited partner, each an Independent Third Party,

respectively; (ii) 99.00% by 11 limited partners, all of which are institutional or individual investors, each an Independent Third Party and contributing to less than 30% of the partnership interest of Pengpai Capital.

(i) Lu Jianfeng

Lu Jianfeng is an individual venture capital investor, who has over ten years of investment experience with his investment portfolio spanning across the TMT sector. He currently serves as a director of 91360 Medical Technology (Hangzhou) Co., Ltd. (玖壹叁陸零醫學科技(杭州)有限公司) and Beijing Zhizhangyi Technology Co., Ltd. (北京指掌易科技有限公司). Lu Jianfeng is an Independent Third Party.

(j) Puxin Capital

Puxin Capital is a private fund established in the PRC as a limited partnership on October 13, 2014 mainly engaging in investment management in information technology sector. Puxin Capital is owned as to approximately 0.50% by Shanghai Puyao Xinye Capital Co., Ltd. (上海浦耀信曄投資管理有限公司) as its general partner and private fund manager, and approximately 99.50% by Shangxin Asset Management Co., Ltd. (上信資產管理有限公司) as its limited partner, both of which are ultimately controlled by Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司) (stock code: 600000.SH).

(k) Shenzhen Gongying

Shenzhen Gongying is a private fund established in the PRC as a limited partnership on October 20, 2015, mainly engaging in equity investment across the fields of technology, pharmacy and culture and tourism. Shenzhen Gongying is owned as to (i) approximately 0.21% by Shenzhen Hongshu Growth Investment Management Co., Ltd. (深圳紅樹成長投資管理有限公司) ("**Hongshu Growth**") as its general partner and private fund manager, which is in turn owned as to 60.00%, 30.00% and 10.00% by Zeng Xinghai (曾興海), Wang Hongbo (王紅波) and Zhang Chunliang (張春亮), each an Independent Third Party, respectively; (ii) approximately 76.67% by Zhuhai Growth and Win-Win Venture Capital Fund (Limited Partnership) (珠海市成長共贏創業投資基金(有限合夥)) ("**Zhuhai Chengzhang**") as a limited partner, which is in turn owned as to (a) approximately 0.10% by Hongshu Growth as its general partner, and (b) approximately 99.90% by seven individual limited partners, each an Independent Third Party and contributing to less than 30% of the partnership interest of Zhuhai Chengzhang; and (iii) approximately 23.12% by five individual limited partners, each an Independent Third Party and contributing to less than 30% of the partnership interest of Shenzhen Gongying.

Compliance with the [REDACTED] Investment Guidance

On the basis that (i) the consideration for the **[REDACTED]** Investments was irrevocably settled more than 28 clear days before the date of our first submission of the **[REDACTED]** to the Stock Exchange; and (ii) the special rights granted to the **[REDACTED]** Investors have been terminated or will be terminated upon the **[REDACTED]**, the Joint Sponsors confirm that the **[REDACTED]** Investments are in compliance with the guidance in chapter 4.2 of the Guide for New Listing Applicants.

PUBLIC FLOAT AND FREE FLOAT

Immediately upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares (assuming the **[REDACTED]** is not exercised), our Company will have **[REDACTED]** H Shares, among which:

- **[REDACTED]** H Shares (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**) to be converted from the Unlisted Shares held by Mr. Sima, Jiaxing Silicon Language and Linzhi Tencent will not be considered as part of the public float as the aforesaid Shareholders are core connected persons of our Group;

- **[REDACTED]** H Shares (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**) to be converted from the Unlisted Shares held by the existing Shareholders other than those listed above will be counted towards the public float as none of the aforesaid Shareholders (i) is a core connected person of our Group; (ii) has been financed directly or indirectly by our Company (or any of its subsidiaries) or a core connected person of our Company for the acquisition of the Shares; or (iii) is accustomed to take instructions from our Company (or any of its subsidiaries) or a core connected person of our Company in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it; and

- **[REDACTED]** H Shares (representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]**) to be issued by our Company under the **[REDACTED]** to public Shareholders will be counted towards the public float.

In light of the above, upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, an aggregate of **[REDACTED]** H Shares or approximately **[REDACTED]**% of the total issued share capital of our Company (assuming the **[REDACTED]**s is not exercised) will be counted towards the public float upon the **[REDACTED]**. With respect to the indicative **[REDACTED]** range from HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**, the expected **[REDACTED]** of our Company at the time of **[REDACTED]** will range from approximately HK$**[REDACTED]** to HK$**[REDACTED]**. An aggregate of our H Shares counted towards the public float upon the **[REDACTED]** is more than (i) **[REDACTED]**% of the total issued share capital of our Company (assuming the **[REDACTED]** is not exercised), being the prescribed percentage in the event the expected market value of our Company upon **[REDACTED]** does not exceed HK$**[REDACTED]** if the **[REDACTED]** is fixed at HK$**[REDACTED]** per **[REDACTED]** (being the low-end of the **[REDACTED]** range) or HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the **[REDACTED]** range); and (ii) **[REDACTED]**% of the total issued share capital of our Company (assuming the **[REDACTED]** is not exercised), being the prescribed percentage of the higher of (a) the percentage that would result in the expected market value of our H shares held by the public to be HK$**[REDACTED]** at the time of **[REDACTED]**, and (b) **[REDACTED]**%, in the event the expected market value of our Company upon **[REDACTED]** is over HK$**[REDACTED]** but not exceeding HK$**[REDACTED]**, if the **[REDACTED]** is fixed at HK$**[REDACTED]** per **[REDACTED]** (being the top-end of the **[REDACTED]** range). Therefore, our Company will satisfy the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules.

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of **[REDACTED]**, this will normally mean that the portion of H shares for which **[REDACTED]** is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of **[REDACTED]**, must: (i) represent at least **[REDACTED]**% of the total number of issued shares in the class to which H shares belong at the time of **[REDACTED]** (excluding treasury shares), with an expected market value at the time of **[REDACTED]** of not less than HK$**[REDACTED]**; or (ii) have an expected market value at the time of **[REDACTED]** of not less than HK$**[REDACTED]**.

The Company is expected to satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

CAPITALIZATION

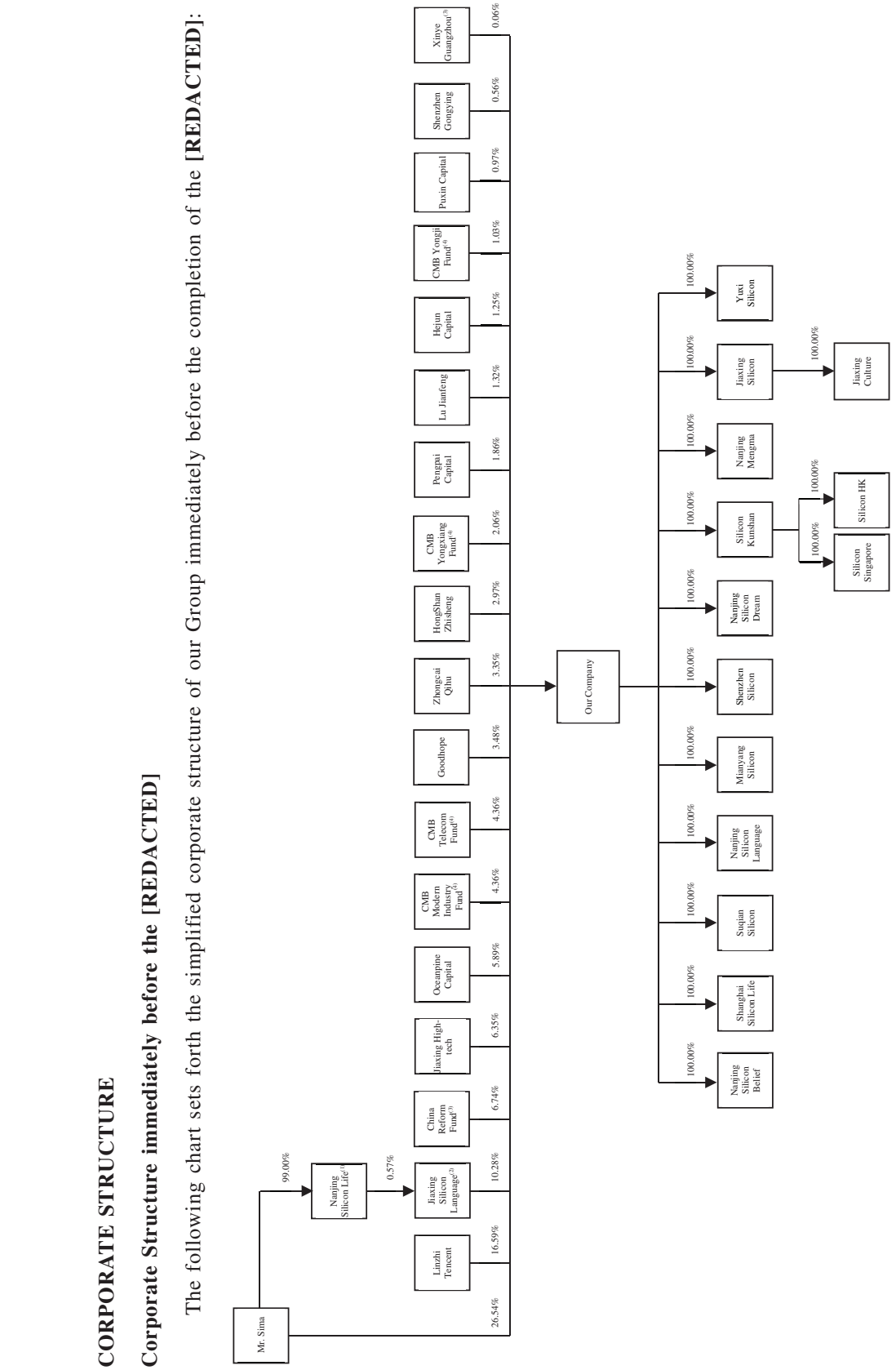
Set out below is a summary of capitalization of our Company (a) as of the Latest Practicable Date and (b) immediately upon completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) and the Conversion of Unlisted Shares into H Shares.

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the [REDACTED])		
Shareholder	**Number of Shares**	**Percentage of shareholding in the total issued share capital**	**Description of Shares**	**Number of Shares**	**Percentage of shareholding in the total issued share capital**
Mr. Sima	4,533,683	26.54%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Jiaxing Silicon Language	1,756,039	10.28%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Linzhi Tencent	2,834,130	16.59%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
CMB Funds					
— CMB Modern Industry Fund	744,754	4.36%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
— CMB Telecom Fund	744,754	4.36%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
— CMB Yongxiang Fund	351,539	2.06%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
— CMB Yongji Fund	175,983	1.03%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
China Reform					
— China Reform Fund	1,150,757	6.74%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
— Xinye Guangzhou	10,842	0.06%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Jiaxing High-tech	1,084,746	6.35%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Oceanpine Capital	1,006,719	5.89%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Goodhope	593,730	3.48%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Zhongcai Qihu	572,749	3.35%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
HongShan Zhisheng	508,247	2.97%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Pengpai Capital	317,983	1.86%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Lu Jianfeng	224,788	1.32%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Hejun Capital	213,545	1.25%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Puxin Capital	164,916	0.97%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Shenzhen Gongying	94,841	0.56%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Other Public Shareholders	—	—	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**17,084,745**	**100%**		**[REDACTED]**	**100%**

CORPORATE STRUCTURE

Corporate Structure immediately before the [REDACTED]

The following chart sets forth the simplified corporate structure of our Group immediately before the completion of the **[REDACTED]**:



Notes:

(1) The remaining 1.00% equity interest in Nanjing Silicon Life was held by Chen Liping, one of our executive Directors and senior vice presidents.

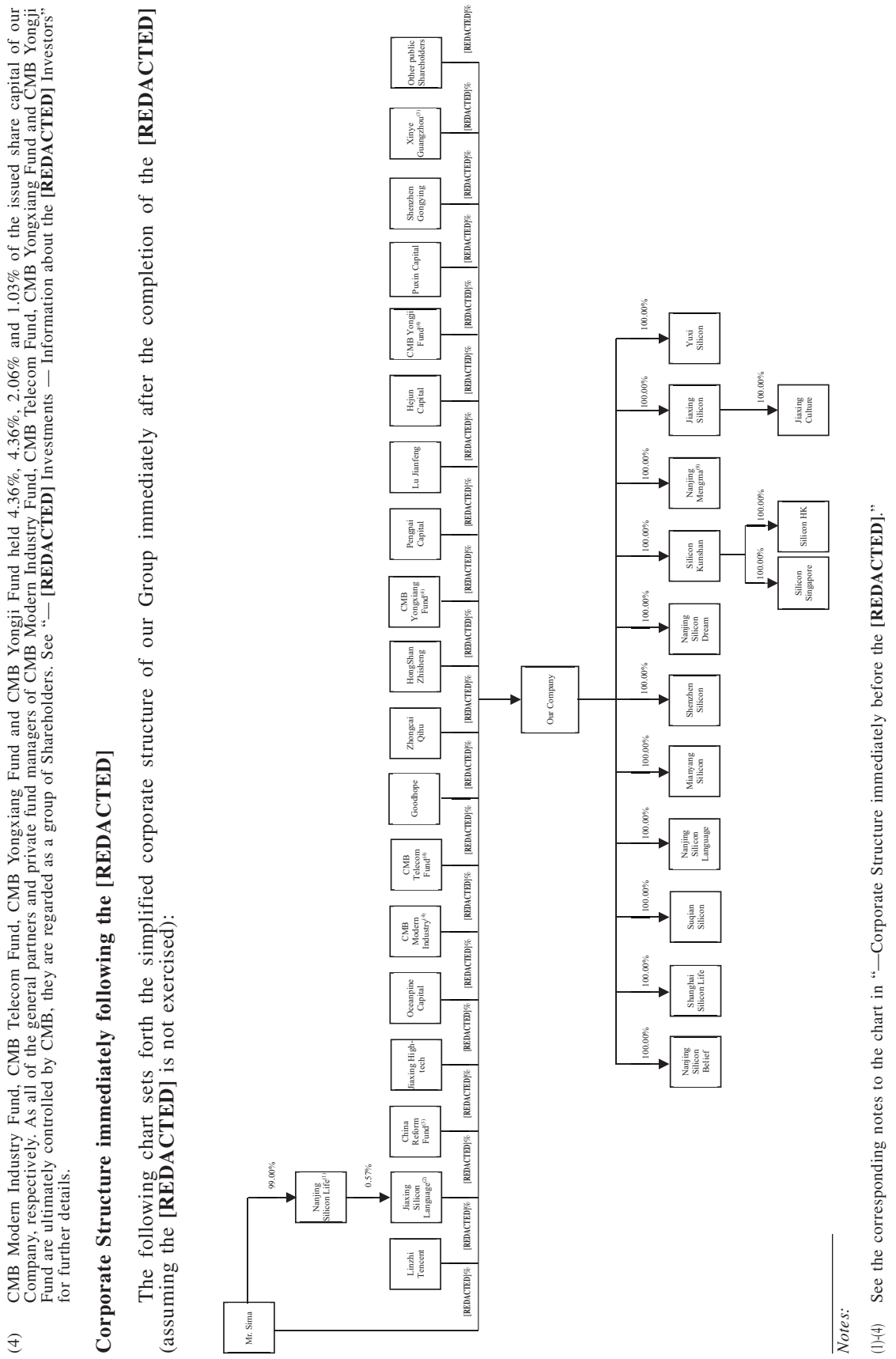
(2) The remaining limited partners of Jiaxing Silicon Language are Mr. Sima and eligible participants who are granted with options under the **[REDACTED]** Share Option Plan.

(3) China Reform Fund and Xinye Guangzhou held 6.74% and 0.06% of the issued share capital of our Company, respectively. As the general partner and private fund manager of both China Reform Fund and Xinye Guangzhou is China Reform Investment Management, they are regarded as a group of Shareholders. See "— **[REDACTED]** Investments — Information about the **[REDACTED]** Investors" for further details.

(4) CMB Modern Industry Fund, CMB Telecom Fund, CMB Yongxiang Fund and CMB Yongji Fund held 4.36%, 4.36%, 2.06% and 1.03% of the issued share capital of our Company, respectively. As all of the general partners and private fund managers of CMB Modern Industry Fund, CMB Telecom Fund, CMB Yongxiang Fund and CMB Yongji Fund are ultimately controlled by CMB, they are regarded as a group of Shareholders. See "— **[REDACTED]** Investments — Information about the **[REDACTED]** Investors" for further details.

Corporate Structure immediately following the [REDACTED]

The following chart sets forth the simplified corporate structure of our Group immediately after the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



Notes:

(1)-(4) See the corresponding notes to the chart in "—Corporate Structure immediately before the **[REDACTED]**."

OVERVIEW

Who We Are

We are the largest digital human agent provider in China, providing GJ AI workforces to enterprises across multiple industry verticals. We ranked first among all digital human agent providers in China in terms of revenue generated from provision of digital human agent solutions in 2024, holding a market share of 32.2% in the digital human agent industry in China, according to CIC, demonstrating our market leadership. Among the global digital human agent providers, we secured the second position in terms of revenue generated from provision of digital human agent solutions in 2024, according to the same source.

Since our establishment in 2017, we have been consistently standing at the forefront of AI evolution, committed to expanding the professional capabilities of digital human agents. Instead of merely treating AI as a tool, we regard digital human agents as a new form of workforce. We define such workforces as "GJ AI workforces," while distinguishing them from "carbon-based" human workforces. Inspired by the concept of "silicon-based workforces," our Company's name, "Silicon Intelligence" reflects this foundational vision.

Driven by our strategic approach to AI evolution, we focus on the R&D and commercial application of digital human agents and human-like multimodal intelligent interaction technologies spanning speech recognition, natural language processing and computer vision. We have built a comprehensive and closed-loop AI architecture, with the aim to achieve full-stack technological coverage: from underlying algorithms to top-level applications, from AI Copilot to AI Autopilot functionalities, from individual intelligence to swarm intelligence, and from human-led to AI-driven content production, characterized by self-evolution, self-iteration, and self-optimization. We provide customers across industries with integrated GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent, as well as the GJ Autopilot AIGC Agent. Our GJ AI workforce solutions help customers significantly reduce expenditure on serving their users, content creation and marketing, while boosting operational efficiency and enabling improved customer experiences. Leveraging Yan Di Large Language Model and DUIX ONE, our GJ AI workforce solutions received customers' high praise in terms of multimodal data fusion accuracy, cross-modal conversion speed, semantic similarity matching accuracy, object and scene recognition accuracy, etc., and enhanced the efficiency of customers by task automation and response time reduction.

What We Achieved

Inspired by the broadly validated, step-by-step development paradigm from L1 to L5 in the autonomous driving industry, we proposed a corresponding L1 to L5 development roadmap for the digital human agent industry in China. This roadmap is designed to upgrade content production from a human-led to an AI-driven model, propelling the transition from AI Copilot to AI Autopilot. Similar to the concept of embodied intelligence in robotics, we create digital human agents in the AI field through voice cloning, visual cloning, and mind cloning.

As a pioneer in the digital human agent industry in China, we introduced GJ AI workforce solutions in 2017, driving the advancement of digital human agents and shaping market trends. According to CIC, most leading digital human agent providers in China tapped into this field only in or after 2018. Digital human agents have evolved through five distinct levels, from L1 to L5, with growing automation. This journey begins with simple displays and interactions to full automation and self-iteration, progressively forming digital workforces capable of handling sophisticated tasks across professions and dramatically freeing up human creativity and management efficiency. See "Industry Overview — Digital Human Agent Industry — Digital Human Agents Are Evolving Toward Higher Autonomy" for more details.

The diagram below highlights our operational and financial achievements:

We are the **LARGEST** digital human agent provider in China and the **SECOND LARGEST** digital human agent provider **globally** (1)

PIONEER in successfully achieving commercialization in the digital human agent market in China

PIONEER in unlocking IP value for digital human agents in China; Empowering **AI-driven content production** across diverse scenarios and professions

Evolution of GJ AI workforce solutions from **AI Copilot** to **AI Autopilot**; A shift from **AI-tool** services to **outcome-based** solution, from monthly salaries to shared benefits

Offered over **100,000** digital human agents to customers across multiple industries, such as telecommunication, financial, healthcare, education and public service industries (2)

161 registered patents in total; **152** registered invention patents (2), with a strategic focus on digital human agents. Patent portfolio entrenches our competitive strengths and demonstrates our first-mover advantage

(1) For the year ended December 31, 2024.
(2) As of the Latest Practicable Date.

We believe technology's true purpose is to deliver measurable commercial value to our customers. Since our inception, we have evolved our business model to achieve comprehensive coverage, from foundational general GJ AI workforces to advanced high-value GJ AI workforces. This progression demonstrates our deep industry insight and strong strategic execution capabilities. As of the Latest Practicable Date, we secured a total of 161 registered patents, with a strategic focus on digital human agents. Sustained advancement has constituted our formidable technological moat. As of the Latest Practicable Date, we offered over 100,000 digital human agents to customers, across multiple industries, such as telecommunication, financial, healthcare, education and public service industries. GJ AI workforce will provide customers with whole-cycle, 24/7 and all-encompassing high-quality services. The digital services delivered by these workforces have been extending beyond the domestic market to numerous non-domestic markets, establishing a new paradigm for Chinese AI companies in pioneering the global services trade market.

During the Track Record Period, we generated revenue from provision of comprehensive and synergistic GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent and GJ Autopilot AIGC Agent. We mainly serve key account customers through localized customized project deployment. Besides, we offer GJ AI workforce solutions in a productized mode to other enterprise customers. In August 2025, we tapped into the GJ Autopilot AIGC field, demonstrating the evolution of our GJ AI workforce solutions from AI Copilot to Autopilot, and a shift from AI-tool services to outcome-based solutions. We leverage IPs to strengthen our brand influence and further unlock the commercial value of GJ AI workforce solutions. We have successfully developed Dasima (大司馬) IP series, such as GJ Dasima (硅基大司馬), Technology Dasima (科技大司馬), Dasima Technology Chat (大司馬聊科技), Dasima Technology Analysis (大司馬談科技) and Dasima Technology Talk (大司馬說科技), amassing over 11 million followers online, as of the Latest Practicable Date. With deep trust from key account customers and broad industry recognition of our founder and in-house developed IPs, we cost-effectively attract customers and talents, continuously reinforcing our leadership in the industry.

Our Market Opportunities

We are witnessing a foundational shift driven by breakthroughs in AI technologies. As AI advances from perceptual intelligence to generative intelligence, unprecedented momentum is being injected into the growth of the digital economy. We believe the following macro-trends present substantial market opportunities for our future development.

- ***The ongoing digital transformation of enterprises is amplifying the demand for intelligent services and knowledge management***. Traditional businesses often grapple with a range of challenges, including high customer acquisition costs, low service efficiency, and fragmented knowledge management. AI technologies, particularly digital human agents that we

specialize in, effectively address these pain points by enabling automated and intelligent interactions. Our comprehensive suite of GJ AI workforce solutions are helping customers across numerous industries, such as financial, retail and public sectors, streamline service processes, reduce costs and enhance operational efficiency. Digital human agents have been redefining and eliminating enterprise services' boundaries, such as time constraints on time zones, business hours and weekdays, as well as spatial barriers caused by language, ethnicity and geography, enabling borderless and continuous service delivery.

- ***Digital human agents are emerging as a new paradigm for human-machine interaction***. With improvement in interactive capabilities, the "resourceful and versatile" digital human agents are becoming vital mediums for brands and IPs to connect with their customers. From AI physicians, teachers, lawyers and psychologists to AI hosts, virtual idols and corporate digital employees, the market potential for digital human agents across professions is substantial. Benefiting from our first-mover advantage in the digital human agent market in China, we have established significant cost-efficiency and agile service capabilities to meet the growing market demand for high-value and customizable digital human agent solutions. We strive to secure such first-mover advantage through: (i) strengthening technology barriers; (ii) developing ecosystem partnerships by establishing and deepening collaborations with service providers, cloud platforms and large-scale integrators along the industry chain; (iii) advancing towards AI Autopilot to capitalize on emerging industry opportunities; (iv) leveraging IPs to strengthen brand influence and further unlock the commercial value of GJ AI workforce solutions; and (v) accelerating global expansion. Knowledge-intensive industries typically face a fundamental resource allocation triage, forced by a scarcity of expert-level talent to adopt a 20/80 approach. This approach involves segmenting customers into tiers, serving them in phases and focusing resources to prioritize only the top tier. As large models enhance logical reasoning, digital human agents will continuously improve in capability. Combining with IP influence, digital human agents are expected to evolve into digital human twins, becoming reliable AI workforces across industries to empower various enterprises to offer whole-lifecycle, 24/7 and comprehensive services to customers, heralding a new era of intelligent human-machine interaction. Widespread adoption of digital human agents will drive iterative upgrades across knowledge-service industries, such as healthcare, education, legal, finance and public services.

- ***The integration of AI with IP is unlocking new frontiers in the cultural and creative industries***. Breakthroughs in LLMs have enabled remarkable capabilities across text, image, audio and video generation. Industries ranging from marketing and film entertainment to online education, e-commerce live streaming, elderly companionship and digital human twins are experiencing surging demand for high-quality, personalized and scalable content, demonstrating great market potential for AI-driven content production. Concurrently, enterprises demand derivative IP content with greater sophistication and customization, while large models have been empowering IP content production across diverse scenarios and professions, activating the long-tail value of IP. The market size of the IP digital human agent market in China in terms of revenue is expected to reach RMB3.9 billion in 2030, according to CIC. Building on our first-mover advantage in the field of AI video production and digital human agents, we are uniquely positioned to capture the historical opportunity to integrate AI with IP.

Our Core Capabilities

- ***The digital human agent multimodal interaction engine: forming a closed-loop capability***. We have independently developed the DUIX ONE, which is a multimodal interaction engine capable of deeply understanding and integrating multimodal information such as text, voice and images. As our core engine of digital human agent applications, DUIX ONE ensures that digital human agent videos not only achieve industry-leading performance in lip-sync accuracy, facial expression naturalness, and body movement expressiveness but also exhibit exceptional responsiveness, and memory capacity. We expect to explore collaboration with leading enterprise cloud service providers to launch industry-knowledgeable digital human experts capable of solving practical problems with strict privacy protection. These digital human experts, enhanced by the influence of

real-world IPs, will provide new intellectual support across various industries and further lower the barrier to knowledge popularization. Our AI digital human agent technology system covers the entire pipeline from data processing, algorithm development and model training to scenario-based applications. This enables us to rapidly iterate offerings, respond to market needs and perform deep customization for customers in specific industries, thereby establishing a strong technological moat. We firmly believe that digital human agents will become fundamental building blocks of the AI industry.

- ***Leveraging industry-specific solutions to capture commercial opportunities: charting a comprehensive commercialization roadmap for digital human agents***. As a pioneer in successfully achieving commercialization in the digital human agent market in China since 2017, we integrate our technologies with adaptable scenario-based GJ AI workforce solutions. According to CIC, most leading digital human agent providers in China achieved commercialization only in or after 2020. We merge general AI capabilities deeply into professional roles within vertical industries, equipping positions such as AI hosts, AI physicians and AI teachers with specialized intelligence: (i) *AI hosts*, who enhance real-time engagement and conversion; (ii) *AI physicians*[1], who simulate physicians' medical consultations to provide family health advice; and (iii) *AI teachers*, who support child development through personalized and adaptive teaching. While serving key account customers in financial, education, healthcare and telecommunication industries, we have accumulated extensive industry knowledge and scenario-specific validation experience in projects. We implement a "Dual-P Strategy" by identifying product opportunities within projects. Guided by this strategy, we have incubated products like AI live streaming and short dramas, enabling us to stand at the forefront of AI applications and market validation, reduce trial costs, secure customer sources, conduct value-driven AI implementations and continuously develop outstanding AI productized offerings in vertical industries, ultimately forming a complete commercialization roadmap for digital human agents.

- ***Evolving business models for digital human agents: delivering outcomes for customers directly***. Our GJ AI workforce solutions have been transitioning from offering basic products and services to delivering measurable business outcomes. We have been moving beyond AI Copilot services, which charged fixed fees for supporting customer video production and live streaming needs, to pioneer an AI Autopilot model that links charges directly to achieved business outcomes. In this evolved approach, our GJ AI workforce solutions autonomously pursue specific business objectives including traffic growth and sales volume, directly charging customers based on achieved results through a revenue-sharing model.

- ***Unlocking IP value for digital human agents: amplifying the commercial value of IPs***. We believe that competition among pure AI tools, including LLMs, will inevitably lead to a "red ocean" of price-based rivalry. In contrast, integrating AI with IP enables value augmentation, shifting the focus toward a profit growth curve driven by commercial value of IPs. We have pioneered a business model that multiplies the commercial value of IPs through AI empowerment. By applying multimodal technologies to deeply learn and dynamically model IP characteristics, we achieve digital recreation of IPs. We transform IPs into an interactive, iterable and replicable intelligent commercial asset. For instance, using our digital human agent technology and LLM, we have recreated the likeness and expertise of an agricultural specialist with minimal video data and extensive written works. His digital human twin provides real-time, video-level interactive consultations to thousands of farmers, offering practical guidance and resolving agricultural challenges. This approach not only generates tangible economic benefits for local farmers but also delivers substantial financial and reputational value to the expert.

1 Such AI physicians are designed exclusively to provide healthcare guidance and advice for patients, aiming to assist them in seeking appropriate medical treatments. Our AI physicians are not involved in definitive diagnoses, treatment recommendations, or automated generation of prescriptions. Accordingly, AI physicians are not classified as providing online medical diagnosis or treatment services and therefore does not require a medical institution practice license.

COMPETITIVE STRENGTHS

The pioneer of China's digital human agent industry, delivering a diversified portfolio of GJ AI workforce solutions and securing the first-mover advantage with a future-ready business model

Pioneer in China's digital human agent industry with first-mover advantage

Established in 2017, we are the pioneer in China's digital human agent market providing GJ AI workforces across various industries, actively exploring application methods and fields for such workforces even before the emergence of large models in the industry.

Starting with the commercialization of intelligent voice technology via our GJ AI Real-time Voice Agent Platform (硅基智能語音平台), we persistently advance digital human agent products and interactive platforms. In 2023, we launched our Yan Di Large Language Model (炎帝大模型), further expanding the models and application boundaries of digital human agents.

Provider of diverse GJ AI workforces with leading business models

Our GJ AI workforce solutions mainly comprise GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent, as well as the GJ Autopilot AIGC Agent, achieving comprehensive coverage in foundational and general-purpose applications of digital human agents.

The fusion of digital human agents and multimodal technologies has given rise to GJ AI workforces, which are unique, and highly recognizable silicon-based lives. Guided by in-depth insights into industry evolution, we have proactively deployed high-value GJ AI workforces by deeply integrating digital human agents with IPs. Through collaborations with renowned IPs, our high-value GJ AI workforces not only exhibit realistic appearances and seamless interaction capabilities but also inherit the intrinsic values of the IPs, including customer traffic value, and knowledge value.

In terms of revenue generated from provision of digital human agent solutions in 2024, we are the largest digital human agent provider in China and the second largest digital human agent provider globally, according to CIC.

Embracing industry-leading and closed-loop technologies underpinned by scaled and systematic intellectual property rights

We are convinced that proprietary core technology is the cornerstone of maintaining competitive advantage. Through years of continuous investment in R&D, we have built a technological architecture that spans underlying algorithms, core models and application-layer solutions. Protected by a forward-looking intellectual property portfolio, this end-to-end technology architecture forms our robust technological moat.

Industry-leading closed-loop technologies deeply integrated with scenarios in vertical industries

Unlike producers focused on isolated technical components, we have built a set of comprehensive industry-leading closed-loop technologies. This loop integrates our four self-developed core AI capabilities: hearing and vision, thinking and decision-making, speech and digital human agent interaction. We productize these foundational AI capabilities, delivering end-to-end GJ AI workforce solutions that are able "to hear, to speak, to think, and to appear."

Our closed-loop approach embraces the following features: (i) ideal product performance through high module interoperability and natural interaction; (ii) fast iteration via full-link optimization based on market feedback; (iii) strong cost control by avoiding third-party licensing; and (iv) proactive patent right protection, with comprehensive invention patents not only in China but also preemptively filed and registered in key non-domestic markets like the U.S. and Europe, effectively elevating our competitive moat. Building on a profound understanding of Turing Test principles, our customized digital human agents models delivered to customers are primarily trained on real-person videos. Our

extensive customer base and customized digital human agents training experience not only drive steady revenue growth but also create a powerful flywheel that continuously fuels model iteration and application refinement, embracing unique strengths in high-complexity and compliance-sensitive scenarios.

AI cloning and real-person videos create the following benefits for us: (i) grounded in real-person videos, we strive to overcome the uncanny valley effect often associated with digital human agents; (ii) incorporating the influence of IP enables higher commercial value creation; and (iii) providing customers with their own digital human twins does not replace human presence but expands their personal capabilities.

Scalable and Systematic Patent Portfolio Creates a Robust Competitive Moat

We prioritize the protection and strategic management of intellectual property rights as one of our most critical assets. As of the Latest Practicable Date, we hold 161 registered patents globally, including 31 patents registered in the non-domestic markets, along with 54 registered software copyrights. Our patent portfolio is not only substantial but also strategically comprehensive, covering core areas of multimodal intelligent interactive applications.

Our registered patents as of the Latest Practicable Date were concentrated on the following key technologies:

Speech-to-text Dictation Capability: 22 registered patents in total, including 4 registered in the non-domestic market, ensuring leadership in speech recognition accuracy and adaptability in complex scenarios.

LLMs: 29 registered patents in total, including 3 registered in the non-domestic market, covering model training, knowledge integration, domain-specific fine-tuning, and secure content generation, which enable our GJ AI workforces to perform at an expert level.

TTS Speech Capability: 27 registered patents in total, including 8 registered in the non-domestic market, focusing on emotional speech synthesis, voice cloning and adaptation, and multilingual support, which give our GJ AI workforces highly expressive and recognizable voices.

Digital Human Models: 45 registered patents in total, including 12 registered in the non-domestic market, encompassing digital human twin generation, real-time expression and motion driving algorithms, and multimodal interaction mechanisms, which enhance fidelity and interactivity of our GJ AI workforces.

This rigorous and forward-looking patent portfolio not only safeguards our core technological advancements but also establishes a strong intellectual property moat that is difficult for competitors to overcome in the short term, providing robust legal and technical protection for our sustained leadership in the market.

Achieving first-to-market scale commercialization and sustaining commercial leadership and market dominance

The ultimate value of technological advancement lies in successful commercial implementation. We excel not only as technological innovators but also as seasoned practitioners in commercializing digital human agents and multimodal technologies. With robust ecosystem development and technology transformation capabilities, we maintained a leading position in China's digital human agent industry in terms of revenue generated from provision of digital human agent solutions in 2024, demonstrating our strong commercialization capabilities, according to CIC.

A proven "application & capability platform" business model and extensive customer base

We have successfully established an application and capability-driven business model that meets the needs of diverse customers. Meanwhile, by opening our capability platform, we empower large enterprises and ecosystem partners with project-based GJ AI workforce solutions, enabling joint exploration of broader application scenarios.

High-efficiency scenario-based solution capability

Our technologies are the toolbox for building GJ AI workforces, while our high-efficiency scenario-based solution capability is the blueprint that transforms tools into value. We deeply understand that customers' requirements for AI vary significantly across industries and professions. Therefore, we focus on integrating general AI technology with specific occupational scenarios, creating occupational GJ AI workforces that are ready-to-use and highly interactive.

Instead of simply providing digital human agents, we utilize our multimodal technological capabilities to deliver GJ AI workforces for specific professions. For example, we co-develop GJ physicians with customers in the healthcare industry, which not only provide 24/7 online health consultations but also offers preliminary advice and health management services based on end users' real-time voice descriptions and uploaded physical reports. Our GJ teachers offer personalized tutoring and dynamically adjust teaching strategies and content based on individual students' learning progress and responses, achieving tailored education that is difficult to realize through traditional methods. In live streaming, our GJ host can present products as needed while perceiving and responding to audiences' comments in real time, significantly increasing engagement and conversion efficiency. In the field of public services, our solutions provide interpretation of regulations and policies while delivering personalized advisory services, helping public service customers establish new service paradigms and improve operational efficiency.

Exceptional ecosystem development to build our partner network

We believe digital human agents will become fundamental components in the field of AI. To explore the business potential of digital human agents, we have built an open and dynamic capability platform ecosystem, partnering with hundreds of enterprise customers, including renowned commercial banks and other leading enterprises in various industry verticals. Our customers can integrate our GJ AI workforce, voice and language capabilities into their own products and services, collectively creating value for their end users. This ecosystem significantly extends our market reach and enables us to rapidly embed into the existing ecosystems of our customers under the asset-light model.

Proactive global strategy and overseas market expansion

While consolidating our leadership in the domestic market, we have actively set our sights on global expansion. We have already achieved initial success in the non-domestic markets, particularly in developed economies with high receptivity to digital solutions.

South Korea. We have been proactively exploring the business opportunities in South Korea. By incorporating customized Korean-language AI capabilities, we have significantly enhanced the efficiency and user engagement of live e-commerce operations. Taking advantage of our technological strength in GJ AI Live Streaming Agents and accumulated implementation experience in e-commerce industry vertical, our pilot program in South Korea has received positive market feedback during our after-sales follow-up communication with local users in terms of virtual hosts' stable professional performance and precise real-time interaction during the live streaming. We plan to replicate this successful model in South Korea to other countries, helping local SMBs leverage advanced AI live streaming technology to capture emerging internet marketing opportunities.

Japan. Observing the rising needs from an aging society, we have collaborated with local partners to launch GJ AI workforce solutions for digital immortality services. These solutions enable real-time video communication with digital human twins of deceased family members, demonstrating the significant potential of our solutions in the social good domain. For instance, leveraging our digital

human twin technology, a Japanese lawyer reunited with his late wife through her digital human twin at their daughter's wedding, achieving psychological fulfillment 20 years after her passing. As Japan continues to face demographic aging, such digital immortality services hold substantial market potential. According to CIC, Japan is one of the world's most rapidly aging countries, with rising demand for emotional support and memorial services. Japanese customers are highly receptive to advanced digital technologies and virtual characters, indicating substantial market potential for digital human agent providers in provision of digital immortality services. Following the existing achievements in Japan, we plan to introduce similar services in other markets globally.

Strategically adopting a dual-track strategy by offering GJ AI workforce solutions flexibly tailored to the scale and demands of enterprises across various industry verticals

Our offerings are flexibly tailored to the scale and demands of customers, including large-scale enterprises that generally require targeted project design and premium services, as well as other enterprises that struggle to strike the balance between cost and quality in AI solutions and deal with growing labor costs and complexity of businesses. Our flexible options allow customers to choose according to their scale and actual operational needs. We have built a scalable service system that comprehensively addresses the full spectrum of requirements from customers, ensuring scenario-specific adaptation for large-scale high-value customers and activating the long-tail market through accessible technology, forming a commercial closed-loop that integrates high customization with high reusability.

GJ AI workforce solutions via localized deployment

In response to requirements from domestic regulators, offline AI capability deployment has become a critical need for many key account customers, such as telecom operators and financial institutions. These customers typically place high-value contracts with stable payment structures. To serve them, we have developed private deployment solutions, delivering both software and hardware products tailored to their specific functional requirements. Our algorithms are compatible with multiple mainstream domestic chips, supporting the technological independence and development goals of our key account customers. By integrating multimodal technologies and combining them with insights into customer application scenarios, we provide GJ AI workforce solutions tailored for multiple industries. We offer fully localized deployment coupled with integrated services designed for specific industry scenarios, effectively shifting from tool delivery to business value creation. We highly value closed-loop data security. Sensitive customer data is processed locally through private cloud architectures that meet industry-specific data regulatory requirements.

GJ AI workforce solutions via cloud-based deployment

We provide flexible services for SMBs, reducing trial costs through APIs and usage-based billing while making advanced technology widely accessible. Our cloning algorithm requires as little as 10 seconds of video input, allowing customers to synthesize highly realistic digital duplicates that cover appearance, voice and movement, with a delivery cycle compressed to 1 business day. Leveraging customers' industry-specific knowledge bases, our solutions also support mind cloning based on large model learning capabilities, ultimately producing industry-aware and knowledge-enabled GJ AI workforces for customers. We also offer a scenario-based API marketplace, providing pre-built scenario interfaces that allow SMBs to efficiently integrate relevant functions, significantly improving the standardization and efficiency of solution deployment. We are actively positioning digital human agent technology as the foundation of our growth, constantly exploring business opportunities across a wide range of industries.

Visionary founder and outstanding R&D talent with superior industry experience and insights

Our talent is the most valuable asset, driving our technological advancement and securing our long-term growth. We believe that our success is in part attributable to our visionary management and R&D talent with superior industry insights.

Founder with global vision and deep technical expertise

Our Founder and chief executive officer, Mr. Sima Huapeng (司馬華鵬), is a pioneer in China's AI interaction application field. With over 10 years of experience in AI and over 20 years of experience in internet entrepreneurship, he has personally led our whole journey from technological development to commercial implementation. As an accomplished inventor, as of the Latest Practicable Date, Mr. Sima has been named as an inventor in 129 patents globally, including 98 registered patents in China, 21 registered patents in the U.S., 4 registered patents in Europe, 4 registered patents in Singapore and 2 registered patents in Japan, which are owned by our Group and primarily related to AI interaction and computer vision technologies. Mr. Sima has also held various social positions in well-known industrial and social organizations, including a member of Jiangsu Artificial Intelligence Standardization Technical Committee (江蘇省人工智能標準化技術委員會委員) since 2023, a member of the Artificial Intelligence Committee of All-China Federation of Industry and Commerce (全國工商聯人工智能委員會) since 2024 and a vice chairman of the Artificial Intelligence Committee of Jiangsu Federation of Industry and Commerce (江蘇省工商聯人工智能委員會) since 2025. See "Directors and Senior Management — Board of Directors — Executive Directors" for further details of his biography. Mr. Sima's keen insight into the evolution of large models and his steadfast commitment to the mission of digital human agents have charted a clear strategic direction for our Company, making him the key figure behind our market leadership.

An experienced and stable core R&D team

We have built a well-structured and seasoned R&D team consisting of 63 members as of December 31, 2025. Among our core R&D employees that focus on algorithm research as of December 31, 2025, approximately 90% held master's degrees or above. Our core R&D team members possess an average of over 8 years of research and productization experience in key fields such as digital human algorithms, speech synthesis and natural language processing. Under the leadership of Mr. Sima, our R&D team has authored two influential publications, namely, *The Era of Large Models: ChatGPT and the Genesis of a Silicon-based Civilization* (《大模型時代 — ChatGPT拉開硅基文明序幕》) and *The Essential Guide to Large AI Models* (《大模型通識課》), demonstrating our thought leadership in the industry.

Our senior vice president, Dr. Tang Yiping (湯毅平), is a seasoned expert in the field of AI, with long-term dedication to both AI technology research and its industrial applications. He obtained his master's degree and doctoral degree majoring in basic science from Chiba University in Japan (日本千葉大學) and bachelor's degree in computer science and technology from Northwestern Polytechnical University (西北工業大學). His research spans multiple key areas, including natural language processing, machine learning, deep learning, causal inference and model selection. He has 6 published papers in academic journals, two authored books, 23 registered patents and several patent applications related to AI technologies. With substantial experience in industrial implementation and technical team leadership, Dr. Tang has guided our R&D team to achieve several notable achievements in areas such as conversational AI, knowledge graphs, data modeling, financial anti-money laundering and anti-fraud and public safety. His work has consistently driven breakthroughs in core algorithms and system solutions, enabling their successful deployment and applications in real-world settings. See "Directors and Senior Management — Senior Management" for further details of his biography.

We have established a robust system for talent development and incentive mechanisms, ensuring the stability of our core R&D team. This strong R&D team serves as the fundamental driver of our continuous technological iteration.

As the pioneer in advancing AI technologies and offering digital human agents in China's digital human agent market, we believe that the diverse experience and expertise of our management and R&D team will continue to lead our future growth, while entrenching our competitive advantages in the industry.

BUSINESS STRATEGIES

Our mission is to emerge as the global leader in the digital human agent industry (成為全球數字人智能體領域的領導者). We exist to drive customer success. We deploy AI-powered digital human agents to amplify our customers' capabilities, building the foundation for mutual growth through long-term partnerships (以客戶成功為中心，運用AI數字人智能體賦能客戶，致力於陪伴客戶共同成長). We intend to implement the following strategies in pursuit of our vision.

Continuously investing in R&D to enhance our multimodal technological capabilities while integrating industry-specific insights from leading enterprises across industries to build a robust competitive moat.

Computing power enhancement

We are scaling up investment in computing infrastructure, including the establishment of a high-performance AI computing center. Through deepened collaboration with leading cloud service providers, we secure long-term computing procurement agreements. We also plan to co-develop elastic resource scheduling systems with cloud service providers to ensure efficient and stable support for large model and algorithm training and inference, laying a solid hardware foundation for continuous model and algorithm advancement.

Industry adaptation and iteration

Leveraging massive industry-specific insights, we have been building high-quality training datasets for specialized scenarios. We introduce our GJ AI workforce solutions to enterprises in culture, financial, education and healthcare industries by developing tailored model modules accommodating industry-specific needs. By integrating expert knowledge graphs and enhancing human-AI collaborative annotation, we continuously improve model generality and accuracy, elevating customer satisfaction and entrenching our industry leadership.

Top-tier talent development

We will launch a global AI talent recruitment initiative to attract world-class talent in multimodal architecture, large model training and solution implementation in specific industries. We plan to establish partnerships with universities and research institutions, establishing postdoctoral stations and internship bases. We plan to build a multi-tiered talent structure integrating R&D specialists, industry advisors and emerging young professionals to provide sustained intellectual support for our continuous model iteration.

Accelerating worldwide business exploration and developing internationally competitive AI solutions under our global expansion strategy.

Global expansion of AI platforms

We will establish a new platform accommodating the specific needs and usage patterns of customers in the non-domestic markets, strengthening our brand presence as we expand our global footprint.

Leveraging our industry-leading technological capabilities, we seek to entrench our robust AI technology foundation and build a global service network. We have been delivering high-performance intelligent services to overseas enterprises through adapting multimodal technologies.

Capitalizing on our GJ AI workforce platform, we provide high-value digital human agents across professions, including physicians, teachers, lawyers and therapists, integrating digital human agents into overseas professional environments. Our integrated GJ AI workforce solutions help customers streamline and automate business processes with intelligence.

Global promotion of AI-driven culture

We will fuse our leading technological capabilities and extensive cross-market expertise with resonant elements of Chinese culture, using AI to bring cultural content vibrantly to global audiences.

We will diversify and enhance creative offerings, such as AI-powered short dramas and animations. By adapting traditional cultural elements through AI technologies, we achieve the dual export of products and cultural value, attracting diverse global customers.

We will refine localized operational strategies for the non-domestic markets, including Japan, South Korea, Southeast Asia, Europe and North America, emphasizing offerings such as digital human twins for immortality, AI-powered live streaming, short videos, short dramas, animations and films. These efforts are designed to boost customer engagement, payment conversion and our overall market penetration.

We will continue to advance our AI global exploration strategy by strengthening local technical adaptation and building cross-regional ecosystem partnerships to drive our worldwide business growth. We are committed to aligning our independently developed GJ AI workforce solutions with international standards, empowering diverse non-domestic market demands, and systematically enhancing our global competitiveness and brand influence.

Constructing a fortified IP ecosystem to power the next growth engine for AI-driven cultural industries.

We have delivered GJ AI workforce solutions for renowned IPs and achieved tangible commercial results. Moving forward, we will continue to pioneer collaborations while deepening the value delivered through our GJ AI workforce solutions.

We are committed to driving industrial upgrading in the short video self-media and livestreaming e-commerce industries. With the advancement of generative AI, content production is evolving from the traditional manual production model to an automated, scalable and intelligent model. We strive to build industrial infrastructure centered on digital human technology and GJ Autopilot AIGC Agent, enabling fully automated content production and operation, reshaping content creation, distribution and commercialization methods. Through automated generation and scalable operation of short videos, live streams and short dramas, etc., we enhance content production efficiency, expand content supply scale, and strengthen commercialization capabilities.

Under a dual-track IP strategy of "collaboration and original development," we collaborate with renowned IPs, including entrepreneurs, media companies, cities, and celebrities, empowering them with automated content production, digital human marketing, multilingual content distribution, and livestreaming operations. Meanwhile, we develop original IPs and digital persona assets to continuously validate the feasibility of AI-driven industrial-scale content production and commercial operations.

As of the Latest Practicable Date, we have established collaboration relationship with a renowned financial KOL, empowering the content production and digital IP operation through AI technology. As of the same date, we were also exploring collaboration relationships with cultural celebrities in terms of digital persona and content ecosystem development. As of the same date, we established collaboration with a globally renowned Chinese-language news media company across several strategic domains, including multilingual content production and distribution, AI-driven image and text generation, and the development of entrepreneurial IP matrixes. Leveraging our AI technologies and digital content operation capabilities, as of the Latest Practicable Date, we were exploring collaboration opportunities with several developed cities in the Yangtze River Delta region to transform their historical and cultural heritage as well as industrial characteristics into distributable, operable, and commercially sustainable digital assets, thereby enhancing the cities' brand influence and cultural tourism appeal.

We have been optimizing our original IP design and operation capabilities to establish an AI-driven content production and traffic operation system. We aim to achieve precise content distribution and commercial conversion through social media, short video, and livestreaming platforms, while gradually building an industry-scale AI ecosystem that covers content production, IP operation, traffic growth, and commercial monetization.

Expanding strategic partnerships and pursuing targeted investments and acquisitions to complete our AI industrial layout.

Strategic collaborations

We have been exploring collaboration opportunities with world-leading universities and institutions in the fields of large models and AI content production, including global leading universities and tech conglomerates. Moving forward, we will establish new collaborations to advance our exploration in multimodal technologies and digital human agents, propelling complementary resources and shared expertise.

Targeted investments and acquisitions

We will conduct investments and acquisitions according to targeted plans in the following aspects.

Technology. We will target startups with cutting-edge AI algorithms to enhance our large model reasoning capabilities, video and audio processing performance, and reduce hallucination rates.

Computing Power. We plan to acquire computing power providers to strengthen our AI computing infrastructure. We will invest in the construction of high-performance AI data centers. Besides, we will secure long-term computing procurement agreements to ensure efficient and stable support for large model training and inference, providing a solid hardware foundation for our model upgrades.

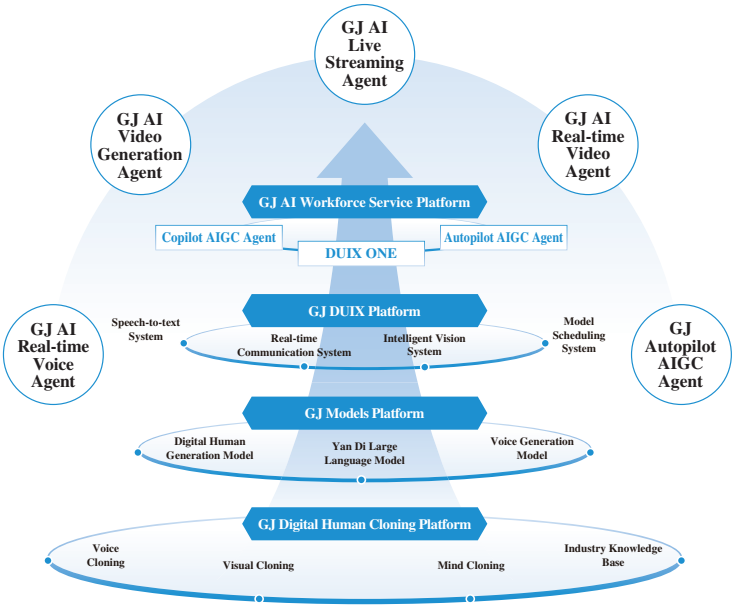
Market Expansion. We will invest in or acquire marketing companies, well-known IPs and MCNs in the non-domestic markets to increase the value of our AI-driven cultural products, expand our ecosystem and enhance our global market presence.

Leveraging both strategic collaborations and targeted investments and acquisitions as dual drivers, we will continuously enhance our core capabilities in multimodal technologies, accelerate the commercialization of GJ AI workforce solutions and build a stronger academia-industry cooperation network. This approach will entrench our global leadership in the digital human agent market.

OUR BUSINESS MODEL

We provide comprehensive GJ AI workforce solutions to customers across multiple industries, such as healthcare, education, legal services, finance, culture, entertainment and elderly care. Our integrated offerings include GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent, as well as the GJ Autopilot AIGC Agent. Leveraging our independently developed Yan Di Large Language Model and DUIX ONE, we engage in the R&D and commercial application of GJ AI workforces and human-like multimodal intelligent interaction technologies, mainly encompassing speech recognition, natural language processing and computer vision. We generally serve key account customers by project, who typically pay us one-off license fees, customized development fees, implementation fees and maintenance service fees. For other customers, we charge fixed subscription fees and pay-as-you-go fees based on their actual usage duration. Through constantly advancing GJ AI workforces, we empower enterprises of various scales and drive industrial advancement, establishing a new paradigm for Chinese AI companies in pioneering the global services trade market.

The diagram below illustrates the composition of our GJ AI workforce solutions as well as the underlying capabilities and technologies.



Our GJ AI workforce solutions encompass GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent, and GJ Autopilot AIGC Agent. Our multimodal solution portfolio unlocks the application value and commercial potential of GJ AI workforces. This robust capability of GJ AI workforce solutions is built upon our substantial AI expertise and sophisticated algorithms and models. Specifically, our GJ AI Workforce Service Platform serves as the application layer and covers multiple interfaces to customers, such as GJ AI Real-time Voice Agent Platform (硅基智能語音平台), GJ AI Video Generation Agent Platform (硅基數字人視頻平台) and GJ AI Live Streaming Agent Platform (硅基數字人直播平台), offering enterprises across industries and scales flexible deployment options, including localized project-specific implementation and cloud-based productized solutions. Equipped with speech recognition, real-time dialogue, intelligent vision, and model orchestration capabilities, our GJ DUIX Platform routes application-layer requirements from GJ AI Workforce Service Platform to appropriate underlying models. This enables fluid generation of voice, images, and videos through dedicated models, precisely supporting diverse scenario-specific needs. Our GJ digital human cloning platform forms the technological cornerstone, enabling trinity cloning of voice, appearance, and cognitive patterns while embedding industry-specific knowledge bases. This integration allows GJ AI workforces to interact expressively in real-time while operating with expert-level cognitive proficiency.

Through a multi-layered strategic layout, our GJ AI workforces are progressively empowered with foundational technical capabilities, advanced algorithms and models, and specialized application competencies. This tiered architecture establishes our robust competitive advantages in the market. Specifically, our underlying cloning capabilities facilitate efficient technology accumulation and reuse. The middle layer of algorithms and models enhances our technical agility and R&D efficiency, allowing us to respond to market demands with precision and speed. The top-tier application platform serves enterprises across industries and scales, enabling us to deliver expert-level and targeted solutions through flexible combinations of underlying technologies for key account customers while simultaneously extending cloud-based productized solutions to other enterprise customers. This dual approach positions us as the pioneer and leader in the digital human agent industry, shaping future industry trajectory while actively paving the way for its evolution toward AI Autopilot.

GJ AI Workforce: AI-navigated Growth

We have seized the historic opportunity presented by AI to pioneer the development and application of GJ AI workforces, establishing ourselves as a vanguard in China's digital human agent industry. Through years of technological advancement and market validation, our GJ AI workforces have undergone continuous iteration and refinement, emerging as a versatile and intelligent workforce capable of performing numerous roles, including physicians, teachers, lawyers, psychological counselors, virtual hosts, virtual idols and other digital employees in enterprises. Along with the ongoing AI technology upgrades, algorithmic refinements, and computing power enhancements, our GJ AI workforce solutions have consistently expanded from GJ AI Real-time Voice Agent to GJ AI Video Generation Agent, GJ AI Live Streaming Agent and GJ AI Real-time Video Agent. Furthermore, based on years of practical experience in serving enterprises and continuous technological accumulation, we have strategically transitioned from competing in the saturated red ocean of pure AI tools. By establishing a flywheel powered by electricity, computing power and financial resources, we continuously enhance the value of our GJ AI workforces and provide the outcome-based GJ Autopilot AIGC Agent. This transition progressively forms the self-organizing, self-adaptive, and self-evolving capabilities of our GJ AI workforces, positioning us at the forefront of enterprise intelligentization. Capitalizing the steady increase in value proposition of our offerings, we create greater value to customers, simultaneously unlocking new monetization pathways for AI technologies.

Our GJ AI workforces deliver transformative value to enterprises by revolutionizing customer engagement, service mode and operational efficiency. By delivering instant interactions with users, such hyper-realistic digital human agents significantly reduce response times and handle inquiries in various scenarios. This not only saves labor costs for enterprises in handling high-volume interactions in multiple languages but also maintains service quality and keeps consistent image. Beyond customer services, GJ AI workforces can also act as tireless sales consultants and educators, offering personalized product demonstrations and popularizing knowledge. Most strategically, GJ AI workforces learn from extensive customized digital human agents training, creating a self-organizing, self-adaptive and self-evolving loop that continuously optimizes customer experience and provides unparalleled industry-specific insights into the business model and operational needs of enterprises, ultimately enabling AI technologies to drive business growth and industrial progress.

Our GJ AI workforces consistently expanded into new application scenarios underpinned by the strengthened algorithmic capabilities and computing power. As of the Latest Practicable Date, we offered over 100,000 digital human agents to customers across multiple industries, such as telecommunication, financial, healthcare, education and public service industries.

GJ AI WORKFORCE SOLUTIONS

Driven by our core philosophy that "every challenge presents an opportunity, and technology provides the solution (問題是機會，科技是答案)," we observe real-world business scenarios to accurately identify key pain points across industries undergoing intelligent transformation. Building on our strong technical expertise and keen market insight, we deliver a matrix of GJ AI workforce solutions.

Specifically, to address challenges in the media, self-media, and MCN industries, such as low content production efficiency, instability among KOLs/KOCs and live streamers, and limited global outreach capabilities, we have introduced GJ AI Video Generation Agent and GJ AI Live Streaming Agent. Our customers utilize digital avatars to enhance productivity, GJ Digital Human Cloning Platform to mitigate stability risks, and voice cloning technology to enable multilingual communication. For knowledge-based experts in industries such as finance, education, healthcare, insurance and legal services, who face constraints in scaling their reach due to time and availability limitations, we offer GJ AI Real-time Voice Agent and GJ AI Real-time Video Agent, breaking the "80/20 rule" of resource allocation by deploying digital avatars that extend their professional presence and impact. In response to the continued reliance on human intervention in Copilot AIGC, we have developed Autopilot AIGC Agent. The self-organizing, self-adaptive and self-evolving automated content generation enables enterprises to break through production efficiency barriers.

By delivering a comprehensive suite of GJ AI workforce solutions, we help enterprises overcome critical development bottlenecks and pain points, establishing long-term, stable partnerships with large-scale enterprises in key industries, such as telecommunications and finance. Their extensive user bases and complex operations provide a broad arena for practical application and exploration of GJ AI workforces, driving our continuous algorithmic optimization, industry-specific knowledge accumulation, and strengthened competitive advantages. We distinguish ourselves from technology conglomerates in the industry as our core technological advantage lies in commercialization-oriented, integrated digital human agents, according to CIC. Specifically, rather than relying on general-purpose large models or single-point capabilities or positioning digital human agents merely as an application-layer extension, we developed a multimodal interaction engine, DUIX ONE. Such engine enables digital human agents to evolve from mere content generation tools into AI workforces capable of autonomous task execution through capability covering "perception, cognition, decision-making and expression." We accumulate substantial industry-specific insights under enterprise-level scenarios, thereby forming stronger scenario adaptability and algorithm iteration. Meanwhile, instead of focusing on video generation or virtual avatars, we strive to enhance real-world deployment capacity in areas such as voice interaction, task execution and large-scale implementation. As digital human agents transition from display-oriented tools to productivity-enhancing solutions, we are well-positioned to achieve differentiated growth in competition with technology conglomerates by focusing on vertical scenarios and outcome-oriented delivery.

Our Offerings

We deliver GJ AI workforce solutions driven by our proprietary AI technologies, building core operational infrastructure for enterprises across industries. Our GJ AI workforce solutions consist of GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, GJ AI Real-time Video Agent, as well as the GJ Autopilot AIGC Agent, helping customers significantly reduce expenditure on communication, content creation and marketing, while boosting efficiency and enabling improved customer experiences.

We provide GJ AI workforce solutions through GJ AI Workforce Service Platform, which supports both private localized deployment and cloud-based deployment. We mainly provide tailored, localized deployments for enterprises in telecommunication, financial, information technology, healthcare, education and public service industries. Localized deployment enables enterprises to host the solution within their own on-premises environment. By eliminating dependence on external networks or cloud services, localized deployment not only enhances data security and privacy protection but also provides greater operational autonomy for these key account customers. Our GJ AI workforce solutions support real-time interactions through multiple terminals, creating engaging user experiences. Such terminals combine reliable hardware with embedded software and intuitive interface design, allowing for immediate data processing and visual feedback during interactions. For the years ended December 31, 2023, 2024 and 2025, revenue generated from localized deployment amounted to RMB485.4 million, RMB629.4 million and RMB778.2 million, respectively, representing 91.4%, 96.0% and 98.7% of our total revenue for the same years, respectively. Besides, we have customers that receive our GJ AI workforce solutions through cloud-based deployment. We offer these customers transformative enterprise-grade AI capabilities on a flexible, pay-as-you-go model. For the years ended December 31, 2023, 2024 and 2025, revenue generated from cloud-based deployment amounted to RMB45.4 million, RMB26.0 million and RMB10.6 million, respectively, representing 8.6%, 4.0% and 1.3% of our total revenue for the same years, respectively.

GJ AI Real-time Voice Agent

In 2017, we developed and launched GJ AI Real-time Voice Agents. We deliver AI real-time voice services to enterprises through GJ AI Real-time Voice Agent Platform (硅基智能語音平台). This system allows for the configuration of customized dialing strategies and interactive conversation scripts, designed to meet specific business objectives and scenario characteristics. In addition, it automatically tracks and records call content for analysis and compliance. We leverage real-time recording synchronization and a silent pre-filtering mechanism to complete interference-free capture of valid call content. Our semantic listening technology identifies user intent from speech and improves vertical domain recognition accuracy via transfer learning, enabling real-time and precise semantic tracking

throughout the call. Through real-time monitoring of agent speaking speed and non-compliant scripts during calls with instant alerts, coupled with tamper-proof retention of call recordings, we enable real-time compliance risk control and end-to-end post-event traceability, meeting the regulatory compliance requirements. Our voice tracking and recording technologies are protected by multiple registered patents. Furthermore, the system also supports automated dialing tasks to facilitate efficient customer outreach and optimize productivity by handling routine outbound calls. Our GJ AI Real-time Voice Agents serve enterprises across key industries, including finance, telecommunication, retail, and public services. The solution supports various functions such as customer services, customer relationship management, overdue payment reminders and government service.

We identified the critical challenges in the financial, telecommunication and public service sectors: the heavy emotional toll and persistent inefficiency of manual calling operations. Furthermore, enterprises in these industries may face the persistent challenge of efficiently and cost-effectively reaching and serving users in lower-tier markets, which could affect their user satisfaction and retention. Pioneering in the digital human agent industry in China, we developed and introduced the GJ AI Real-time Voice Agent Platform to the market, leveraging AI to transform how financial institutions and telecom operators serve their end-users. GJ AI Real-time Voice Agents support standardized and intelligent execution of outbound calling tasks, effectively addressing the significant emotional and physical exhaustion typically associated with traditional manual calling operations. Simultaneously, it substantially enhances operational efficiency in customer outreach and service delivery while reducing response times. It also helps enterprises expand their reach to end-users and alleviates the workload of human employees. Furthermore, our solution helps standardize service procedures, modernize management practices, and mitigate compliance risks. AI-powered voice interactions not only replicate but significantly surpass human capabilities in consistency and endurance. Underpinned by automatic speech recognition technology, text-to-speech technology and NLP, our GJ AI Real-time Voice Agents effectively address challenges faced by enterprises in financial and public service sectors, transforming customer outreach from a labor-intensive burden into a scalable, measurable and sustainable business process.

Set forth below is a system demonstration illustrating the GJ AI Real-time Voice Agent:

GJ AI Video Generation Agent

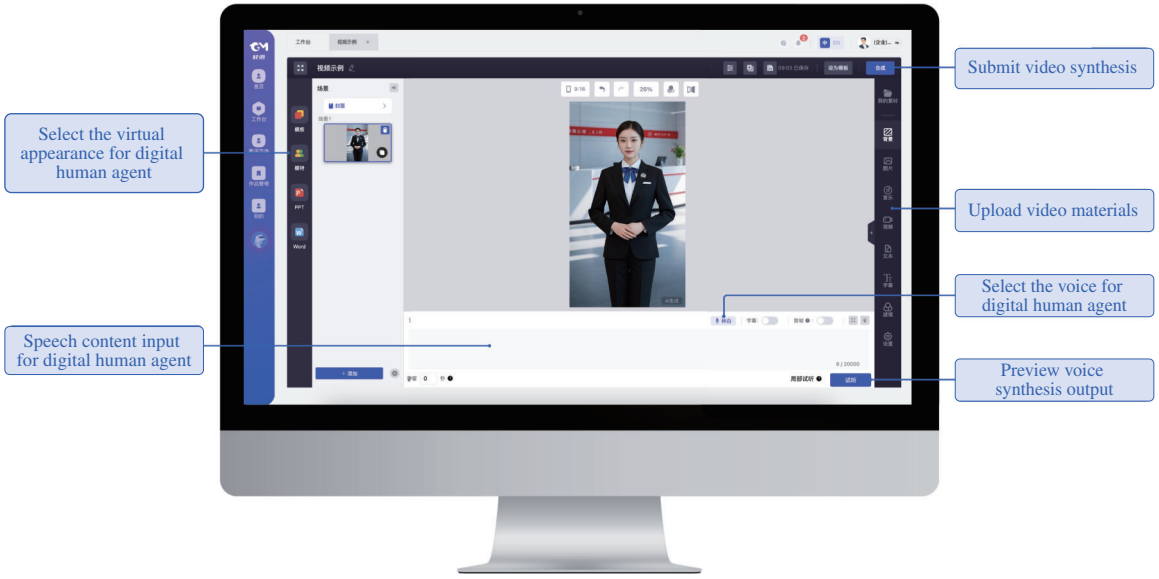
We provide GJ AI Video Generation Agents, fundamentally reshaping our customers' content production workflows. As user reading preferences shift from text and images to video, the video production industry faces pressing challenges in creative inspiration, workload management, and output quality. At the same time, enterprises from traditional industries are increasingly seeking to leverage videos to enhance their market outreach and engagement. Having observed the market demands, we introduced GJ AI Video Generation Agents through an AI-powered automated video production system,

GJ AI Video Generation Agent Platform (硅基數字人視頻平台). Our GJ AI Video Generation Agents serve a wide range of sectors, including education, media, healthcare, finance, and public services. Specifically, we offer digital human models for voice-over video production and premium cloning services for custom digital human twins and voices. Customers can efficiently synthesize videos by simply providing text or voice input, enabling scalable and high-quality video synthesis.

By eliminating the requirement for live-action presence and professional filming sessions, enterprises can efficiently produce high-quality voice-over videos, significantly enhancing video production efficiency, solving the pain points for enterprises in both video production and traditional industries. This effectively addresses the growing demands for scalable production of product narration videos, news presentation videos, course videos and instructional narration videos from e-commerce operators, news media, educational institutions, and public service providers.

Underpinned by visual cloning technology, voice cloning technology, digital human video technology and text-to-speech technology, GJ AI Video Generation Agents enable the rapid, large-scale production of high-quality video, eliminating the need for live actors and film crews, and the traditional constraints of time, location, and specialized expertise. By leveraging digital human agents and intelligent synthesis, our customers maintain a consistent brand image while dynamically personalizing content. Using digital human agents and intelligent synthesis, customers can tailor content in real-time to suit different business scenarios, languages, or audience profile, including their comprehension capabilities, habits and preferences. The solution significantly shortens production timelines from weeks to minutes and reduces costs for video production compared to traditional manual methods. Furthermore, efficient and cost-effective video production and delivery help enterprises to maintain agile, data-driven operations by instantly updating visual promotional materials, training materials, and after-sales communications in response to market feedback, propelling their business growth and efficiency improvement.

Set forth below is the system demonstration illustrating the GJ AI Video Generation:



GJ AI Live Streaming Agent

The rapid expansion of the live streaming industry has strained content creators' production capacity, while traditional industry players, though eager to adopt interactive streaming for user engagement, are facing technical and resource constraints. We launched GJ AI Live Streaming Agent as a solution to such constraints in June 2022. Through our GJ AI Live Streaming Agent Platform, we provide customers with GJ virtual hosts that can be configured with customized live streaming scripts, streaming strategies, and virtual scene settings to achieve automated broadcasting across multiple

platforms. Our GJ AI Live Streaming Agents are underpinned by multiple advanced AI technologies, such as text-to-speech technology, LLM and real-time communication technology. Designed for diverse applications, from e-commerce, local lifestyle services and private domain marketing to agricultural promotion, this solution empowers businesses to run professional, cross-border live streaming. GJ AI Live Streaming Agents support 24/7 continuous live streaming operations while delivering high stability, a premium visual presentation, multilingual support, and intelligent interactions. These features significantly reduce enterprise broadcasting costs while maintaining professional live streaming quality.

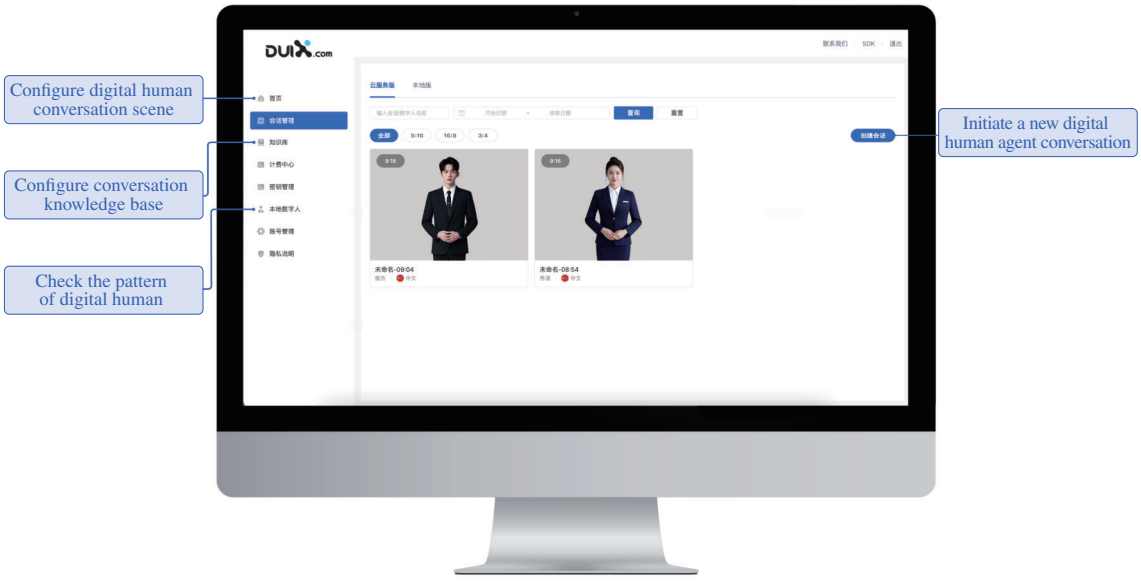
We provide customers with a library of live streaming templates. Customers can select a template and import various media materials, such as images, videos, text, and audio, to build their livestreams. Customers can simply input the livestream's title, type and description to complete the setup. Our GJ AI Live Streaming Agents support both single-host and dual-host live streaming formats. In single-host mode, the virtual host is available to respond to viewer interactions. In dual-host mode, a virtual assistant who remains off-camera automatically engages the viewers at set intervals according to predefined rules, encouraging actions such as liking and following the livestream.

Set forth below is a system demonstration illustrating the GJ AI Live Streaming Agents:

GJ AI Real-time Video Agent

Launched in June 2022, our GJ AI Real-time Video Agents enable real-time personalized interactions. Underpinned by multimodal interaction technology, automatic speech recognition technology, text-to-speech technology, LLM and DUIX ONE, the latter of which was launched in November 2024, GJ AI Real-time Video Agents address the real-time interaction demands from multiple industries. GJ AI Real-time Video Agents deliver a comprehensive simulation of human appearance, behavior, and cognition. GJ AI Real-time Video Agents support on-demand customization and flexible integration with customers' existing AI infrastructure, including compatibility with customers' locally deployed LLMs and knowledge bases. Through standardized interfaces compatible with the APIs of multiple systems, such as H5, Android and iOS systems, customers can integrate these interactive capabilities into their existing websites, applications and hardware displays to upgrade their intelligent services. This flexible integration significantly enhances the adaptability, efficiency and cost-effectiveness of our solutions while facilitating personalized and intelligent interactions.

Set forth below is a system demonstration illustrating the GJ AI Real-time Video Agent:



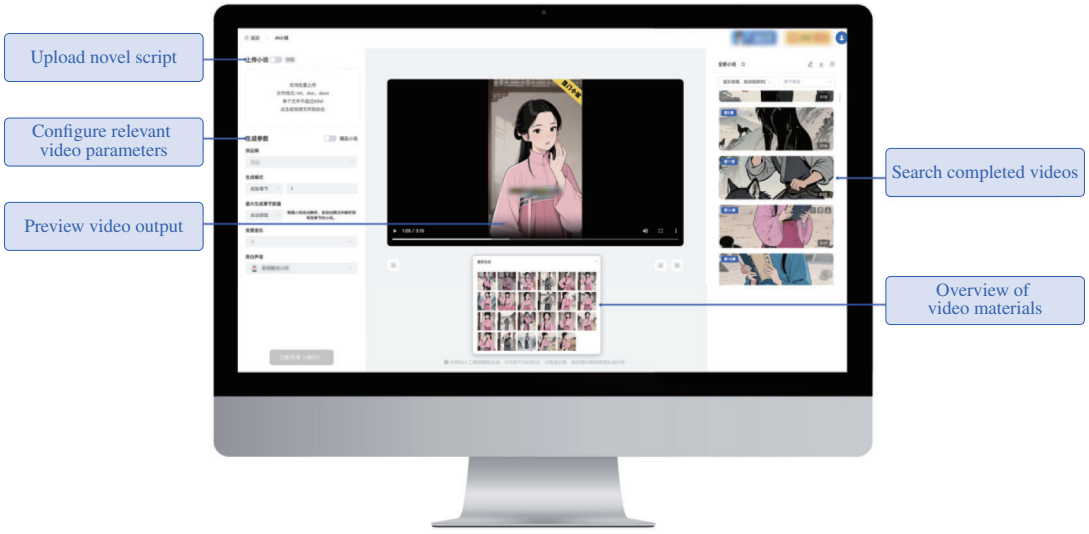
GJ Autopilot AIGC Agent: Evolving Towards Outcome-based Solutions

Intelligent Content Production

Leveraging our key technological breakthroughs and long-term strategic accumulation, GJ AI workforces have evolved to offer AI Autopilot outcome-based solutions, which provide our customers with intelligent and scalable content production.

In August 2025, we tapped into the field of Autopilot AIGC. This demonstrates the evolution of our GJ AI workforce solutions from AI Copilot model, where interactive AI system empowers human productivity by providing real-time suggestions and automation within a collaborative workflow, to AI Autopilot model, where self-directed AI system executes end-to-end content production independently. By inputting the summary of novels or scripts, our GJ Autopilot AIGC Agents enable fully automated synthesis of complete video content, including characters, scenes, dialogues, voice-overs, subtitles, sound effects and visual effects. Through this text-driven process, the system autonomously completes copywriting, character selection, text-to-speech conversion and video synthesis to deliver finished videos. This end-to-end AI-driven mode ensures high-quality content production while dramatically increasing production efficiency and reducing operational costs for enterprises across short drama, short video and advertising industries.

We utilize multiple large models and AI technologies to support GJ Autopilot AIGC Agents, such as LLMs, text-to-image large model, image-to-video large model and digital human lip-sync driving technology. Set forth below is the system demonstration illustrating the GJ AI-driven content production:



Integration of AI with IP

While advancing GJ Autopilot AIGC, we leverage the established value of renowned IPs to promote the attractiveness and influence of our GJ AI workforce solutions. Driven by renowned IPs' high recognition as well as their rich background information, AI-empowered content achieves greater audience engagement. For instance, leveraging the well-established recognition of Mr. Sima, GJ Dasima received 345.9 thousand likes for the first two months of 2026 and ranked the third in the Top 100 Entrepreneur Video IP Rankings, reflecting viewers' sense of identification with the renowned IP and the content it produces. The combination of AI and IP opens new pathways for premium monetization of our solutions. As we pursue global expansion opportunities, we are strategically positioned to capitalize on the growing markets for IP-driven intelligent content. With the popularity of various types of IPs such as renowned KOLs and online celebrities, and the growing IP commercialization capabilities in the industry, the market size of China's IP digital human agent market in terms of revenue is expected to reach RMB3.9 billion in 2030, according to CIC.

Our self-developed IPs and renowned licensed IPs form a rich IP portfolio. We have successfully developed and launched Dasima IP series, such as GJ Dasima, Technology Dasima, Dasima Technology Chat, Dasima Technology Analysis and Dasima Technology Talk, propelling the commercialization of AI MCN. Besides, we have been spending efforts to collaborate with renowned IPs, including entrepreneurs, media companies, cities, and celebrities, empowering them with automated content production, digital human marketing, multilingual content distribution, and livestreaming operations. We expect a rich IP portfolio to help us reach customers across different industries with various cultural backgrounds and preferences. See "— Business Strategies — Constructing a fortified IP ecosystem to power the next growth engine for AI-driven cultural industries" for details of our dual-track IP strategy.

As of the Latest Practicable Date, our GJ AI workforce solutions fully automatically authored numerous videos, including 40,198 videos measured by count, plus additional 63,375 minutes of videos measured by duration, while our in-house cultivated Dasima IP series have amassed over 11 million followers online.

Cornerstone Underpinning AI Autopilot Content Production

Technological breakthroughs and foundational advantages accumulated over years of operations pave the way for GJ AI workforces' AI Autopilot content production.

We have transformed the video production process from human-dependent to AI-driven autonomous creation, with key technological breakthroughs mainly in following areas:

Embedded Intelligent Decision-making. We have progressed from providing basic capabilities for video production to developing an integrated AI-driven content creation system. The system autonomously performs market analysis, topic selection, script generation and stylistic decisions, substantially liberating humans from traditional roles in strategy, scripting and direction.

End-to-end Automated Production Pipeline. Through our self-developed video workflow engine, we integrate script comprehension, digital human driving, scene generation, voice synthesis, video editing, and special effects. This enables a fully automated production platform where text input directly yields finished videos, significantly reducing manual intervention.

Data-driven Self-evolution Flywheel. The fully automated production platform captures real-time performance data and feeds it back into the underlying models. This creates a closed-loop self-optimization system that continuously enhances content relevance and increases the potential for high-performing outputs.

Over eight years of deep industry engagement, we accumulated foundational advantages in terms of industry knowledge and data assets, integrated engineering and product systems, as well as broad customer base and brand influence.

Rich Industry Knowledge Base and Data Assets. Serving numerous customers helps us structurally refine market-validated content templates, user preference models and creative methodologies across industries. This unique and high-value dataset accumulated over long-term practices fuels the diversification and upgrade of our solutions.

Deeply Integrated Engineering and Product Systems. Rather than simply integrating external technologies, we consistently align technology architecture with the core objective of content production. Unified engineering capability and synchronized technology stack drive output quality, system stability and user experience.

Established Customer Base and Brand Trust. As a pioneer in digital human agent industry in China, we built strong collaborative relationships with numerous customers. As early adopters of digital human agent solutions, our customers witness and benefit from the rapid market validation of AI technologies.

Moving beyond the red ocean of pure AI tools, we have been systematically moving towards directly offering outcome-based solutions under the AI Autopilot model. This transition is underpinned by industry insights and algorithmic assets accumulated over years of operations, positioning us with significant first-mover advantage and competitive moats in the global digital human agent industry towards intelligent and scalable content production. Looking forward, we plan to further enhance the value-added potential of our GJ Autopilot AIGC Agents through strategic IP development, while actively pursuing collaborations with renowned IPs. Meanwhile, we expect our global expansion initiatives to accelerate the global content popularization.

How GJ AI Workforces Work

Our GJ AI workforce solutions specialize in the generation and application of digital human agents. Once equipped with a digital human cloning model, customers simply input multimodal content such as text scripts and voice data for video generation, live streaming, and real-time interaction. GJ AI workforces deliver commercial value across diverse scenarios including intelligent customer service, product demonstrations, brand promotion, training, and lifestyle education, providing enterprises with a coherent "input-to-output" experience.

GJ AI Real-time Voice Agent. GJ AI Real-time Voice Agent Platform conducts outbound calls for business dialogues based on predefined scripts and phone numbers provided by the customer, enabling routine, real-time interactive voice communication.

GJ AI Video Generation Agent. GJ AI Video Generation Agent Platform synthesizes digital human videos by combining digital human avatar models chosen by customers with multimodal inputs such as voice and text.

GJ AI Live Streaming Agent. GJ AI Live Streaming Agent Platform synthesizes real-time video streams for live broadcasting based on the scripts input from customers, supplemented with pre-configured product images and other information. It also provides selective responses to viewers' comments and inquiries.

GJ AI Real-time Video Agent. Our DUIX ONE conducts comprehensive recognition and analysis of real-time voice and visual input from customers. Leveraging large language model reasoning, it delivers one-on-one real-time interactive video sessions, enabling smooth communication between humans and digital human agents.

GJ Autopilot AIGC Agent. A virtual team consisting of production agent and operations agent works in tandem. Production agent decomposes text elements, determines scenes based on the script, and generates videos according to character roles and narratives. The latter uploads and publishes the videos to public platforms, then periodically collects feedback to propose iterative improvements, driving the automated content update and leading to GJ Autopilot AIGC.

The table below sets forth the average deployment cycle for our GJ AI workforce solutions.

	GJ AI Real-time Voice Agent	GJ AI Video Generation Agent	GJ AI Live Streaming Agent	GJ AI Real-time Video Agent	GJ Autopilot AIGC Agent
Average deployment cycle[(1)] *(Days)*	Around 105	2 to 3	2 to 3	120 to 180	Around 15

Note:

(1) The average time typically required to complete a deployment cycle (i.e. from entering into contracts with customers to completing delivery of solutions).

Operation and Fund Flows

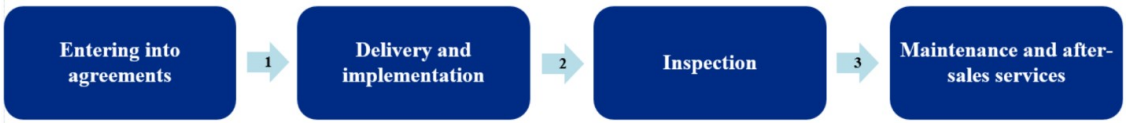
The following flow charts illustrate the operation and fund flows of our GJ AI workforce solutions.

- *GJ AI Real-time Voice Agent, GJ AI Video Generation Agent and GJ AI Live Streaming Agent*

Notes:

(1) We enter into agreements with solution-deploying customers or distributors, from whom we collect payments.
(2) We initiate accounts for solution-deploying customers or distributors, including access to GJ AI Video Generation Agent Platform accounts and live streaming accounts, offering dedicated login websites and software installation packages.
(3) Upon successful account configuration with corresponding resources, such as connections to GJ AI Real-time Voice Agent Platform and live streaming computing resources, our solutions are delivered.
(4) We provide comprehensive training to customers online, guiding them to properly utilize our solutions. For any inquiries during daily operations, customers can seek assistance through our service support WeChat group or contact our customer service team directly.

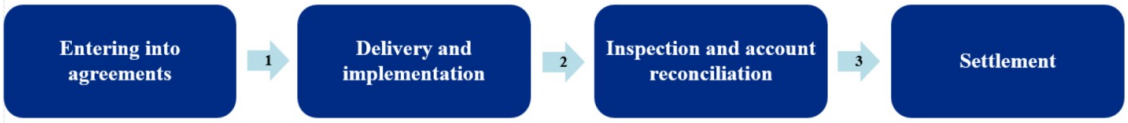
- *GJ AI Real-time Video Agent*



Notes:

(1) We enter into agreements with solution-deploying customers (including integrators and other key account customers) and collect corresponding payments. We conduct on-site installation, deployment and implementation for customers.
(2) During the project implementation process, we collect progress payments according to the milestones in the signed agreements. Upon completion of implementation, customers conduct an acceptance review.
(3) Following successful acceptance, we collect the final project payments. Based on specific terms in agreements with customers, we subsequently provide maintenance and after-sales services.

- *GJ Autopilot AIGC Agent*



Notes:

(1) We enter into content production agreements with customers. Customers then provide detailed production specifications and raw materials, including literary works such as novels and scripts.
(2) Our system proceeds with automated video production and delivers the completed content to customers for acceptance review.
(3) Upon successful acceptance of the delivered materials, customers conduct account reconciliation and process payment settlement according to their agreements with us.

Pricing

There are no prescribed mandatory pricing mechanisms set by regulatory authorities on our solutions hence we are entitled to set the prices of our services at our own discretion. Prices of our GJ AI workforce solutions vary significantly, depending on the type of offerings, as well as industries, scales and business complexity of enterprise customers. Due to the variations in pricing model of different type of solutions and complexity of deployment requirements of customers from different industry verticals, the overall price range we set for GJ AI workforce solutions is relatively wide. In particular, the price range of (i) GJ AI Real-time Voice Agent typically range from RMB20,000 to RMB691,400 annually, (ii) GJ AI Video Generation Agent and GJ AI Live Streaming Agent typically range from RMB55,000 to RMB650,000 annually; (iii) GJ AI Real-time Video Agent typically range from RMB24,000 to RMB800,000 annually; and (iv) GJ Autopilot AIGC Agent typically range from RMB1,000 per minute to RMB80,000 per minute.

Leveraging our deep insight into enterprises in different growth stages with diverse service demands, we adopt differentiated pricing strategies. The following table summarizes the typical pricing model, and key factors affecting pricing of our GJ AI workforce solutions during the Track Record Period.

	Typical pricing model		Key factors affecting pricing	
	Localized deployment	Cloud-based deployment	Localized deployment	Cloud-based deployment
GJ AI workforce solutions	Project-based pricing (one-off license fees, customized development fees, implementation fees and maintenance service fees)	Solution-deploying enterprises: monthly/quarterly/annual fixed subscription fees and pay-as-you-go fees based on actual usage duration Distributors: a fixed authorization fee, and procurement fees (typically a certain percentage of our market guidance prices) based on the actual demands arising from distributors' contracts with end users	The scale and complexity of project, system integration level, required human resources, implementation scenarios, hardware computing needs, customization and deployment coordination requirements. We would also consider the general project profitability and strategic cooperation with the customers within the prices mentioned in the tender from time to time	Solution-deploying enterprises: number of GJ AI workforces and concurrent instances in need, API call volume and complex interface requirements, degree of customization needs, and computing power adaptation with computational resource consumption Distributors: operational scale, industry-specific expertise, experience and market resources, localized expertise, experience and market resources, availability of in-house technical team for solution implementation
GJ AI Real-time Voice Agent	Project-based pricing (platform procurement fee, concurrent license fee, AI voice scenario customization fee, implementation fee, and maintenance service fee)	Monthly/annual fixed subscription fees, or pay-as-you-go fees based on actual usage duration and the number of customized scenarios	System concurrency scale, degree of customization, complexity of system integration, complexity of deployment, human resource investment, and adaptation and integration requirements	Concurrency scale, number of customized scenarios, and consumption of voice communication resources
GJ AI Video Generation Agent & GJ AI Live Streaming Agent	Project-based pricing (one-off license fee, custom development fee, implementation fee, maintenance service fee, digital human agent customization fee (based on quantity), and operations support service fee)	Monthly/quarterly/annual fixed subscription fees, pay-as-you-go fees based on actual usage duration of livestreaming and the number of digital human agent, and operations support service fee	Project scale and complexity, level of platform integration, human resource investment, application scenarios, hardware computing power requirements, and customization, deployment, and joint commissioning needs; Project profitability and future collaboration	Concurrency scale, API integration requirements and volume, system customization degree, computing power adaptation and computing resource consumption

	Typical pricing model		Key factors affecting pricing	
	Localized deployment	Cloud-based deployment	Localized deployment	Cloud-based deployment
GJ AI Real-time Video Agent.	Project-based pricing (one-off license fee, custom development fee, implementation fee, maintenance service fee, and digital human agent customization fee (based on quantity))	Monthly/quarterly/annual fixed subscription fees, and pay-as-you-go fees based on actual usage duration of real-time videos and the number of digital human agent	Project scale and complexity, level of platform integration, human resource investment, application scenarios, hardware computing power requirements, and customization, deployment, and joint commissioning needs; Project profitability and future collaboration	Concurrency scale, SDK/API integration requirements and volume, system customization degree, computing power adaptation and computing resource consumption
GJ Autopilot AIGC Agent	Project-based pricing (one-off license fee, custom development fee, implementation fee, maintenance service fee, and video generation & delivery operations service fee)	Pay-as-you-go fees based on the number of videos delivered or the video duration	Project scale and complexity, level of platform integration, human resource investment, application scenarios, hardware computing power requirements, customization, deployment, and joint commissioning needs, and requirements on video generation, delivery, and operations support; Project profitability and future collaboration	Concurrency scale, video content complexity, quality requirements, model types consumed, and computing resource consumption

According to CIC, the pricing of our solutions is generally consistent with the industry norm of digital human agent industry in China.

Case Studies

Customers in Telecommunication and Financial Industries

Case Study A

In 2022, we became a supplier for a large state-owned telecom operator ("**Customer A**") through a competitive bidding process to provide an integrated GJ AI Real-time Video Agent solution for Customer A. We deeply embedded our solution into Customer A's existing operating system and business processes. Deployed across Customer A's multiple critical operational areas, including customer services, network operations and maintenance, intelligent community management, and operational support services, our solutions helped Customer A achieve effective control over operational and maintenance costs, optimized human resource allocation, and improved service response times and task processing rates. The successful deployment and proven results of this project have significantly elevated our brand profile, especially in the telecommunication industry. This landmark achievement has created a referenceable case study that is instrumental in securing new contracts with other large-scale enterprises, directly fueling our business expansion.

Case Study B

In July 2025, we provide GJ AI workforce solutions to a large-scale joint-stock bank in China ("**Bank B**"). We designed and implemented an industry-specific offline-deployed GJ AI workforce solution within Bank B's private infrastructure for enhanced data security, regulatory compliance and operational independence. We specifically customized our solutions to be compatible with Bank B's requirements. Our solutions enabled Bank B to utilize multiple advanced AI capabilities including digital human twins for employees, automated video production and AI-powered live streaming. Meanwhile, comprehensive deployment within Bank B's private environment mitigates data security concerns. Leveraging batch cloning of digital human twins for employees and automated video production, Bank B achieved substantial business growth. Specifically, compared to traditional operational models, Bank B increased video content production efficiency by approximately 80% while significantly reducing operational costs. Furthermore, the introduction of 24/7 AI-powered live streaming established a digital marketing channel for Bank B, driving over 15% growth in its online business. This success underscores the benefits of intelligentization of financial institutions.

Healthcare Enterprise Customer

Case Study C

In November 2024, we delivered GJ AI workforce solutions for a large-scale domestic internet-based healthcare enterprise ("**Healthcare Enterprise C**"). We provided multiple digital human twins for renowned physicians as AI medical assistants. These AI medical assistants enable Healthcare Enterprise C to provide comprehensive online health consultation services, medical report interpretation and intelligent consultation triage guidance to the public. AI medical assistants break the time and spatial constraints of traditional offline healthcare services, achieving 24/7 service accessibility for patients. With the help of AI medical assistants, Healthcare Enterprise C effectively alleviates the workload burden on senior physicians while intelligentizing health consultation and standardizing online service processes. This digital transformation has not only improved healthcare accessibility but also established a scalable model for delivering premium medical resources to underserved regions. In addition, the AI medical assistants maintain consistent service quality in handling routine inquiries, allowing senior physicians to focus on technical advancement, diagnosing and treating complex or systemic symptoms.

GJ AI Workforce Solutions with Social Benefits

Case Study D

In August 2023, we delivered GJ AI Live Streaming Agent solution to an agricultural development group operating in a remote region of China. Local tea farmers had historically relied on manufacturing for other brands due to less proficiency with internet-based marketing tools, resulting in underdeveloped sales channels and limited market recognition. Our GJ AI Live Streaming Agents enabled local tea farmers to conduct effective product sales broadcasts, supplemented by specialized training programs on leveraging digital human agent technology to transform traditional tea industry practices. This transformation created accessible pathways for tea farmers to adopt modern marketing approaches and strengthen revenue streams. We provided over 50 standardized GJ virtual hosts and 3 customized GJ virtual hosts who conducted 67 automated live streaming sessions. These efforts significantly enhanced the visibility of local tea products in broader markets and directly contributed to sales growth, constituting technological infrastructure and cultivating a sustainable intelligent e-commerce model for local tea farmers.

Case Study E

In March 2025, we delivered GJ AI workforce solutions to a teacher specializing in hearing-impaired education in China. Due to congenital hearing impairment, this teacher faced challenges in achieving precise speech pronunciation, which limited effectiveness in creating instructional videos and delivering live online courses. Utilizing our digital human cloning and voice synthesis technology, this teacher created a personalized digital human twin, who represents this teacher in short videos and real-time live interactions, delivering natural and fluent verbal communication that effectively reduces barriers to conducting educational content creation and online teaching. This case demonstrates GJ AI workforce solutions' significant value in breaking communication barriers, expanding career opportunities for the hearing-impaired community, and promoting educational inclusivity. By enabling individuals with hearing impairments to participate in emerging AI-powered applications, such as short video production and live streaming, we have not only expanded our potential customer base but more importantly showcased how AI technology can advance social inclusivity and corporate responsibility objectives.

KEY OPERATING DATA

The following table sets forth our key operating metrics for the years indicated.

	Year ended/As of December 31,		
	2023	2024	2025
Total revenue *(RMB'000)*	530,806	655,438	788,818
Number of new customers[(1)]	890	461	254
Average customer acquisition cost[(2)] *(RMB'000)*	123	184	222
Number of customers[(1)]	1,009	680	431
Average revenue per customer[(3)] *(RMB'000)*	526	964	1,830
Average contract value[(3)] *(RMB'000)*	92	449	1,230
Number of projects	260	381	305
Average project value[(4)] *(RMB'000)*	1,872	1,669	2,595
Net dollar retention rate[(5)] *(%)*	254.4	115.6	82.2

Notes:

(1) Both the number of new customers and the total number of customers decreased in 2024 and 2025, primarily as we strategically focused more resources on deepening partnerships with key account customers, while reducing marketing efforts on customers with less promising business operations or less stable capital flows. This strategy contributed to the continuous increase in both average customer value and average project value throughout the Track Record Period. We expect that concentrating resources on serving key account customers in projects will further allow us to maintain stable relationships with them, accumulate deep vertical industry insights, and advance our solutions. The number of our customers was substantially larger than the number of our projects in each year during the Track Record Period. This

discrepancy stems from our dual customer base: while some enterprise customers purchase our project-based solutions, we also serve customers (typically SMBs) who procure productized GJ AI workforce solutions with highly standardized configurations and flexible platform architecture.

(2) Calculated by dividing the total customer acquisition costs in a given year by the number of new customers in the same year. The total customer acquisition costs refer to our selling and marketing expenses in a given year. Our average customer acquisition cost increased throughout the Track Record Period, primarily due to the increase in our marketing efforts and procurement of marketing services to attract customers.

(3) Average revenue per customer is calculated by dividing the total revenue in a given year by the total number of customers in the same year. Average contract value is calculated by dividing the total contract value of the contracts with our customers in a given year by the total number of contracts in the same year. Our total contract value represents the aggregate amount of contracts with our customers, including both framework agreements and purchase orders, while our total revenue represents the amount of income recognized as revenue following our revenue recognition policies.

(4) Calculated by dividing the total revenue in a given year by the total number of projects in the same year.

(5) Calculated by using revenue for the current year attributable to customers that subscribed for our solutions for both the current year and the previous year as numerator, and using revenue for the previous year attributable to the same group of customers as denominator, expressed as a percentage. Our net dollar retention rate decreased throughout the Track Record Period, primarily due to the decrease in customers that repurchase our GJ AI Video Generation Agent and GJ AI Live Streaming Agent as we focused more on introducing and promoting GJ Autopilot AIGC Agent.

The following table sets forth breakdowns of our revenue by type of deployment, type of digital human agent, and industry vertical of customers for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Total revenue	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**
By type of deployment						
Localized deployment	485,363	91.4	629,445	96.0	778,235	98.7
Cloud-based deployment	45,443	8.6	25,993	4.0	10,583	1.3
By type of digital human agent						
Native digital human agent	530,623	100.0	655,430	100.0	787,813	99.9
IP digital human agent	183	0.0	8	0.0	1,005	0.1
By industry vertical of customers						
Communications	251,150	47.3	440,117	67.1	546,657	69.3
Internet technology	238,193	44.9	195,825	29.9	197,384	25.0
Finance	16,784	3.2	8,156	1.2	21,501	2.7
Others[(1)]	24,679	4.6	11,340	1.7	23,276	3.0

Note:

(1) Mainly representing manufacturing, retail, education, and healthcare industries.

The following table sets forth breakdowns of our revenue by type of solution for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
GJ AI Real-time Video Agent[(1)]	460,051	86.6	612,656	93.4	722,872	91.6
GJ Autopilot AIGC Agent	—	—	—	—	51,388	6.5
GJ AI Video Generation Agent and GJ AI Live Streaming Agent[(2)]	45,443	8.6	25,993	4.0	10,583	1.3
GJ AI Real-time Voice Agent[(2)]	25,312	4.8	16,789	2.6	3,975	0.5
Total	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**

Notes:

(1) The continuous increase in our revenue generated from GJ AI Real-time Video Agent throughout the Track Record Period was mainly attributable to our efforts in developing GJ AI Real-time Video Agent to address the demands for key account customers along with the growth of digital human agent industry in China.

(2) The continuous decrease in our revenue generated from GJ AI Video Generation Agent and GJ AI Live Streaming Agent throughout the Track Record Period was mainly caused by the more favorable discount terms we offered for these matured solutions with the shift of our focus to developing GJ AI Real-time Video Agent and GJ Autopilot AIGC Agent. Due to the same reason, our revenue generated from GJ AI Real-time Voice Agent decreased during the same years.

The following table sets forth breakdowns of our gross profit and gross profit margin by type of solution for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
GJ AI Real-time Voice Agent	7,727	30.5	6,900	41.1	1,023	25.7[1]
GJ AI Video Generation Agent and GJ AI Live Streaming Agent[2]	36,653	80.7	17,429	67.1	2,444	23.1
GJ AI Real-time Video Agent	199,123	43.3	201,459	32.9[3]	240,647	33.3
GJ Autopilot AIGC Agent	—	—	—	—	28,236	54.9
Total	**243,504**	**45.9**	**225,789**	**34.4**	**272,349**	**34.5**

Notes:

(1) The decrease in gross profit margin of GJ AI Real-time Voice Agent in 2025 was mainly as we spent efforts to attract customers through offering discounts with the maturity of such solutions.

(2) The decrease in gross profit margin of GJ AI Video Generation Agent and GJ AI Live Streaming Agent throughout the Track Record Period was mainly caused by our product iteration initiatives and more favorable discount terms we offered for GJ AI Video Generation Agent and GJ AI Live Streaming Agent to support our business expansion in the lower-tier market.

(3) The decrease in gross profit margin of GJ AI Real-time Video Agent in 2024 was mainly as we spent efforts to introduce such solution to the market and attract customers through offering discounts.

OUR GLOBAL BUSINESS EXPLORATION

While solidifying our leadership in the domestic market, we are actively pursuing strategic global expansion in the non-domestic markets. Our initial success in business exploration in East Asian countries and regions outside China and Southeast Asia validates this approach.

As a pioneer among domestic digital human agent providers to introduce and promote digital human agents in the non-domestic market, we identified East Asian countries and regions outside China and Southeast Asia as our inaugural international market. Most digital human agent providers only began expanding into overseas markets in or after 2025, according to CIC. Leveraging regional proximity and our existing competitive advantages and proven market expertise in domestic market, we successfully established and maintained business presence in multiple countries and regions, introducing the unique value proposition of our GJ AI workforce solutions tailored for local scenarios. We deliver services tailored to the industrial structures of specific countries and regions, significantly enhancing the penetration of digital human agents in Asia. In South Korea, we proactively explore business opportunities, delivering GJ AI Live Streaming Agents in a pilot program to significantly enhance the efficiency and user engagement of live e-commerce operations. We expect our GJ AI workforce solutions to enable more local enterprises to capture emerging internet marketing opportunities, leveraging advanced AI live streaming technology. In Japan, we noticed the rising demands for digital immortality among the aging population. We offer GJ AI workforce solutions to enable real-time video communication with digital human twins of deceased family members. Such

digital immortality services have witnessed substantial market potential across countries and regions with demographic aging. As we are still in the pilot stages of exploring non-domestic markets, the revenue generated from these markets during the Track Record Period was negligible to our Group as a whole.

Furthermore, we have been accelerating our expansion in the non-domestic markets by establishing subsidiaries as regional offices in Hong Kong and Singapore, forming a direct business presence to local customers and covering key markets across Asia. Through deploying offices and infrastructure in non-domestic markets, our staff utilize localized expertise to support marketing and promotion, pre-sales communication on customization, project implementation, as well as after-sales customer services, ensuring uniformly superior solution delivery. Leveraging our strong domestic R&D capabilities, localized market presence and vertical industry expertise gained from serving large-scale domestic enterprises in complicated projects, we expect to witness efficient global business expansion.

As our early-stage global expansion strategy continues to prove successful in the market, we plan to further strengthen our business presence by establishing local subsidiaries over the next few years. Our representative projects in the non-domestic markets will drive in-house R&D and model iterations in China while unlocking the market opportunities of GJ AI workforce solutions in Europe and North America. This will drive broader popularization of AI-powered live streaming, short videos, short dramas, animations and films worldwide, thereby establishing a powerful and enduring Chinese cultural presence on the global stage.

MARKET OPPORTUNITY AND COMPETITION

According to CIC, we operate in the highly competitive and rapidly evolving digital human agent market. The market size of the global digital human agent market in terms of revenue generated by digital human agent providers is expected to reach RMB47.0 billion in 2030, at a CAGR of 50.4% from 2024 to 2030. The market size of the digital human agent market in China in terms of revenue increased at a CAGR of 55.8% from RMB0.5 billion in 2021 to RMB2.0 billion in 2024, and is projected to further increase to RMB15.5 billion in 2030, at a CAGR of 40.3% from 2024 to 2030. According to CIC, we ranked first among all market players in the digital human agent industry in China in terms of revenue generated from digital human agents in 2024. Among the global digital human agent providers, we secured second position in terms of revenue generated from provision of digital human agent solutions in 2024. We primarily compete with our competitors on the following key aspects: (i) the reliability, effectiveness and efficiency of solutions; (ii) the brand recognition and brand influence; (iii) pricing; (iv) the capabilities of cost management and cost control; (v) the capabilities of incorporating cutting-edge technologies to the solution offerings, such as AI technologies and big data analytics; and (vi) the scale of sales network and collaborations with distributors and channel partners.

CORE AI TECHNOLOGIES AND SELF-REINFORCING FLYWHEEL

Our Core AI Technologies

We proactively integrate advanced multimodal intelligent interaction technologies in our GJ AI workforce solutions, consistently enhancing the performance of GJ AI workforces through targeted technological refinements. Our core AI technologies, along with models and technical modules underlying such technologies were independently developed by us. We have built a complete technology stack covering digital human agents, speech recognition, natural language processing, computer vision, and multimodal interaction, establishing a strong technological barrier. Our patent portfolio, centered on digital human agents, provides solid protection for our in-house technological competitive strengths.

DUIX ONE

Our self-developed multimodal interaction engine, DUIX ONE, is designed for orchestration of the system, integrating multimodal information flows including speech understanding, visual recognition, language generation, and affective computing to construct a unified semantic representation

space. DUIX ONE empowers our GJ AI Real-time Video Agents by multi-threaded asynchronous processing and cross-modal attention fusion, achieving efficient communication between different perceptual modalities. Equipped with dynamic reasoning strategies, DUIX ONE can adaptively switch between models of varying precision based on contextual cues and task complexity, thereby achieving optimal balance between performance and cost efficiency. Functioning as a cognitive and decision-making brain, our DUIX ONE provides GJ AI workforces with unified capabilities for information fusion, decision-making, and behavioral planning, enabling human-like comprehension and execution logic. Through dynamic reasoning and context-aware mechanisms, GJ AI workforces can respond flexibly and promptly according to task requirements. With low-latency, real-time interaction, GJ AI workforces become genuinely intelligent participants in complex business operations, leveraging contextual awareness and cognitive abilities to handle tasks.

Speech Recognition Technology

Our speech recognition technology supports both Chinese and English accent identification, with models capable of real-time streaming recognition and an average response latency of under 150 milliseconds, making it suitable for digital human agents under real-time dialogue scenarios. The speech recognition technology provides auditory perception capabilities for our GJ AI workforces. GJ AI workforces can utilize automatic speech recognition technology to obtain human language input in real time, then perform intent understanding and task execution based on contextual analysis. The precise recognition of multiple accents and languages enables GJ AI workforces to collaborate naturally in global multilingual work environments. Speech recognition technology serves as an essential technology for communication between GJ AI workforces and human counterparts.

Natural Language Processing Technology

Our natural language processing technology is fundamentally built upon LLMs, which are further enhanced through domain-specific fine-tuning to significantly improve capabilities in open-domain dialogue and multi-turn contextual understanding. The system integrates dedicated modules for intent detection, enabling adaptive responses based on both vocal tone and semantic meaning. Our natural language processing technology enables automatic semantic correction and completion after speech-to-text conversion, substantially improving GJ AI workforces' comprehension ability on unstructured spoken data. The natural language processing technology serves as the central cognitive engine and language processing capabilities of our GJ AI workforces. It equips GJ AI workforces with contextual comprehension, knowledge retrieval, and logical expression capabilities, allowing them to perform human-like thinking and reasoning in complex tasks such as customer support, document generation, and report analysis. This technology enables an autonomous cycle from comprehension to expression.

Computer Vision Technology

Our computer vision technology enables joint reasoning of visual recognition results and voice inputs to interpret conversational contexts, including human personal conditions, environmental changes, and human emotions. Through our vision-voice coordination and alignment module, computer vision technology promotes real-time consistency between GJ AI workforces' facial expressions, vocal delivery, and semantic meaning. Computer vision technology provides our GJ AI workforces with visual perception and spatial understanding, allowing GJ AI workforces to comprehend their operational environment, recognize human behavior and expressions, and integrate visual cues with voice information to form a closed-loop multimodal perception system. This integrated approach enables GJ AI workforces to participate in tasks requiring perceptual feedback, such as visual inspection, remote monitoring, virtual hosting, and digital training instruction. By combining visual understanding with other sensory inputs, our computer vision technology creates a foundation for sophisticated human-machine collaboration in increasingly complex operational environments.

Other Technologies

Our GJ AI workforces are also supported by real-time communication technologies. In particular, RTC facilitates cross-platform, low-latency data transmission. These technologies support retrieval-augmented generation and multi-turn reasoning capabilities, significantly enhancing GJ AI workforces' ability to provide in-depth responses and analysis to complex questions. These technologies accommodate both on-device and remote model inference, collectively forming ecological support for GJ AI workforces.

RTC establishes real-time interactive channels, while LLM deliver knowledge processing and linguistic reasoning capabilities. Within our comprehensive digital human architecture, these core algorithms enable GJ AI workforces to comprehend tasks and perceive environments, express personality, and execute decisions, ultimately achieving human-machine collaboration and autonomous operation within authentic business workflows.

Benefiting from the high reliability of our engines and technologies as well as our highly available network server architecture, we had not experienced any material service interruption during the Track Record Period and up to the Latest Practicable Date. We expect to continuously invest in our engines and technologies to empower our GJ AI workforce solutions and accommodate the growing demands from customers.

Self-reinforcing Flywheel

We benefit from a powerful flywheel that continuously fuels our R&D activities, achieving model iteration and application refinement. This flywheel gives our solutions unique strengths in high-complexity and compliance-sensitive scenarios. In the process of learning and validation, algorithm, computing power and data, which are the core elements of AI, can enhance each other and continually strengthen our solutions. Our business flywheel has evolved through three strategic phases.

Initial Exploration and Foundation Phase. During the initial exploration and foundation phase, we operated through a project-product cycle that validated market demand, accumulated industry knowledge, established brand recognition and generated initial cash flow. Through targeted project implementations for key account customers, we developed deep understanding of industry-specific requirements and correspondingly accumulated vertical expertise. Simultaneously, we summarized and productized reusable AI capabilities from these projects to serve other customers in need.

Reinforcement and Expansion Phase. Driven by a product-computing power cycle, we enhanced delivery efficiency and optimized user experience to prepare for scaled growth. As our solutions gained market acceptance, we witnessed growing demands for stable, scalable computing capacity. Therefore, we made strategic investments in computing infrastructure to optimize user experience and solution delivery.

Scaling Phase. We have entered into the scaling phase where electricity, computing power, and financial resources form a self-reinforcing flywheel that drives our business expansion, operational efficiency, and profitability enhancement. In this flywheel, computing power is directly monetized through outcome-based solutions, generating cash flows that enable procurement of electricity for strengthening computing power. Transforming from a traditional project-based solution provider into an AI-native enterprise driven by flywheel dynamics and economies of scale, we expect to expand our market share and entrench our leadership in digital human agent industry both in China and globally.

RESEARCH AND DEVELOPMENT

We maintain vigilant oversight of the accelerated advancements in AI technologies, ensuring our offerings remain aligned with cutting-edge technological advancements. Our R&D activities are focused on the development and application of AI technologies, especially digital human agent technology, to advance GJ AI workforce solution and address demands arising from our business operations.

Our Research and Development Team

The expertise of our R&D talents is vital to us and our business success. As of December 31, 2025, there were 63 R&D employees, accounting for approximately 63.6% of our total employees as of the same date. Identifying, recruiting and retaining sufficient R&D talents have material impacts on the implementation of our business strategies, the progress of our technological advancement and our competitiveness. In recruiting new R&D talents, we assess, among others, their academic background, technical expertise, problem-solving ability, as well as their character and integrity. Among our core R&D employees that focus on algorithm research as of December 31, 2025, approximately 90% held master's degrees or above, and the majority of our R&D employees had expertise or previous working experience in computer science, machine learning, natural language processing, computer vision and mathematical modeling. Our dedicated in-house R&D team continuously enhances functionality and diversifies application scenarios for GJ AI workforce solutions, efficiently responding to variations in market preferences of enterprises of different scales while addressing industry-specific requirements. We improve the stability of our R&D team through a multi-faceted strategy encompassing competitive salaries, performance-based bonuses, the **[REDACTED]** Share Option Plan and well-rounded talent development opportunities. To drive sustained growth, we have implemented structured talent development initiatives that include ongoing professional training and participation in industry exhibitions, seminars, and technical symposia. For the years ended December 31, 2023, 2024 and 2025, we incurred research and development expenses of RMB129.6 million, RMB150.1 million and RMB163.3 million, respectively, representing 24.4%, 22.9% and 20.7% of our total revenue for the same years, respectively. As we will further upgrade our solutions and enrich the application scenarios along with global business exploration, we will continue to allocate resources to R&D activities. Meanwhile, with the advancement of our Yan Di Large Language Model and DUIX ONE, we expect to witness further improvement in R&D efficiency and elevated cost-effectiveness of R&D activities.

Our Development Process

Our in-house R&D team employs a standardized R&D framework that systematically analyzes customer demand, technological feasibility and global market trends. Our algorithm model development cycle typically spans 2 to 5 months, foundational feature iteration cycles generally take 1 to 2 months, while functional optimizations are typically completed within just 1 to 2 weeks. We strive to enhance our development efficiency to meet the shifting market demands in a timely manner.

- ***R&D Planning***. Our R&D team formulates development plans in alignment with our Company's strategic business objectives. The R&D project plans and budgets are prepared annually to determine development types and priorities. Our chief technology officer then reviews and approves the R&D project plans and budgets. The vice president of our R&D team periodically monitors the progress of R&D projects. Based on the actual business needs, we may also initiate additional R&D projects, subject to completion of the internal planning and approval process.

- ***Project Initiation.*** Our R&D team members collect requirements both from the R&D team and our other departments and then analyze the cross-departmental feedback from both market and technical perspectives to form a technical feasibility analysis report. Upon the internal review and approval process, our R&D team prepares a detailed technical development project proposal. The vice president of our R&D team submits the R&D project initiation application, which undergoes our internal tiered reviews and finally receives the approval by our chief executive officer. Upon approval, our financial department creates a project code for cost accounting, while the R&D team establishes a project on the computing platform for resource cost allocation.

- ***Development.*** We designate the project leader responsible for our R&D projects. The project leader prepares project schedules and requirement documents, organizes kickoff meetings to clarify tasks, timelines and assignments. Through weekly project meetings, phase reviews and specialized sessions, we ensure timely communication during the development process. We also record testing in detail and form post-testing reports to systematically optimize

newly developed functions, features or modules to enhance performance and reliability. Our chief executive officer and chief technology officer closely track and monitor the R&D progress by reviewing monthly progress reports.

- ***Adjustment***. We make timely modifications on the objectives, budgets and scheduling of R&D activities to ensure cost-effectiveness and mitigate R&D risks. We may discontinue development projects if, after multiple optimization cycles, the upgrades neither achieve the expected objectives in the design proposal nor comply with our quality requirements.

- ***R&D Outcomes Transition and Acceptance***. For R&D outcomes that passed our development and modification process, our R&D team prepares for testing and forms internal reports for acceptance. Following the acceptance and transition of R&D outcomes, we initiate the launch process upon internal review and approval. We form R&D project closure reports and organize review meetings for project reporting, where our management provide evaluation feedback.

- ***Periodic Review and Summary***. Project leaders monitor progress weekly and report quarterly. Our financial department reports on the budget execution statistics quarterly. After the commercial launch, we proactively monitor market feedback to rapidly identify and resolve unidentified issues during the R&D process. The chief technology officer integrates project and budget performance, summarizing R&D implementation at least quarterly and reporting to our chief executive officer.

Apart from in-house R&D, we also actively pursue collaborations with educational institutions and research institutes to advance R&D in digital human twins, machine audition and vision, virtual reality, human-machine interaction, and the research, training, and application of models and algorithms. As of the Latest Practicable Date, we established collaboration relationships with multiple educational institutions and research institutes for R&D collaborations:

- In partnership with a provincial industrial technology research institute, we have been co-establishing a joint development center. Under a three-year cooperation agreement, this center conducts strategic research, promotes cooperation with companies across the industrial chain, identifies technical challenges, carries out corresponding collaborative research, and jointly cultivates industrial talent. We jointly provide the joint development center with funding for its operations with the research institute. We appoint the manager responsible for the daily management and operations of the center. We also lead the research on industry demands through field studies and expert consultations, preparing industry research reports. Furthermore, we facilitate joint R&D and talent development initiatives in collaboration with universities that have established partnerships with the center.

- In collaboration with a prestigious national research university in Nanjing with a term of 33 months, we conduct joint R&D on a deep learning-based hyper-realistic digital human generation platform, which enables us to enhance core technology capabilities, accelerate product iteration, and strengthen our academic-industry validation credentials. In this joint R&D project, both parties agree to leverage the research results to apply for the provincial research project. If funded, we shall pay the university a percentage of the project funds received.

- We established collaboration with a technology college in Nanjing with a term of 10 years. We commissioned the college to conduct research on image processing-based digital human modeling and pose estimation technology. In accordance with the agreed R&D plan, the college develops and delivers the algorithms, provides corresponding usage documentation, and offers technical guidance as well as on-site training. In return, we pay the college phased fixed service fees.

- We also established collaboration with a provincial engineering university in Nanjing with a term of 10 years. We commissioned the university to conduct R&D on a digital twin-based heterogeneous multi-modal data fusion method for microgrids. The university prepares the R&D plan to research and subsequently deliver the model framework, operational parameters and technical requirement specifications, alongside providing technical guidance and on-site training. Correspondingly, we pay the university phased fixed service fees.

Collaborating with these universities and college enables us to integrate latest results of academic research into our solution development and stand at the forefront of advanced digital human agent technologies, such as hyper-realistic digital human generation, image processing-based digital human modeling and pose estimation technology, as well as digital twin-based heterogeneous multi-modal data fusion method for microgrids. According to our collaboration agreements with the above universities and college, all intellectual properties generated during the collaboration are owned solely by us. We expect such intellectual properties to consistently drive enhancements to GJ AI workforce solutions and the enrichment of application scenarios, effectively improving the technical competitiveness and market adaptability and ultimately contributing to our revenue growth through solution upgrades.

We will maintain our strategic focus on attracting R&D talent and sustaining targeted investment in R&D activities to strengthen our competitive position and drive sustainable growth. By remaining at the forefront of digital human agent advancements and their commercial applications, and through continued commitment to iterating large models and intelligent algorithms, we have been proactively adapting to the market trends and shaping the future of digital human agent industry. See "Future Plans and Use of **[REDACTED]**" and "— Business Strategies."

INTELLECTUAL PROPERTY

Intellectual property is essential to our success and competitiveness. Our future commercial success hinges significantly on (i) our capacity to continuously secure and sustain intellectual property protections, especially patents, software copyrights and trade secrets, for our core technologies and proprietary know-how; (ii) vigorously defend and enforce our intellectual property rights; and (iii) avoid infringement of third-party intellectual property rights. As of the Latest Practicable Date, in the PRC, we had (i) 25 registered patents; (ii) 12 registered copyrights; (iii) 16 registered trademarks; and (iv) 1 registered domain name, which were material to our business. As of the same date, in jurisdictions outside the PRC, we had (i) 3 registered patents; and (ii) 1 registered trademark, which were material to our business. See "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group" for more details. Our extensive patent portfolio demonstrates our strong R&D capabilities, while robust intellectual property protection safeguards our development and further fuels sustained technological advancement.

We have established a comprehensive patent pool by proactively filing domestic and non-domestic applications for core technologies. All employees in our R&D team sign non-disclosure and non-competition commitment, with strict enforcement by our human resource department regarding employees' access to technical documents. We arrange internal training sessions and meetings to visually showcase our patent achievements and the importance of intellectual property right protection while promoting a dynamic and creative culture. Our internal training also covers patent prosecution, commercialization strategies, and intellectual property infringement prevention.

During the Track Record Period and up to the Latest Practicable Date, we had not been sued on the basis of, and had not undergone arbitration in respect of, nor had we received any notification from third parties claiming infringement of any intellectual property that has had a material adverse effect on our business. In addition, during the Track Record Period and up to the Latest Practicable Date, we had

not been the subject of any adverse finding in an investigation or audit by any government authorities in respect of infringement of any intellectual property of third parties that had a material adverse effect on our business.

QUALITY ASSURANCE AND WARRANTY

We have implemented a comprehensive quality management system that spans the entire solution lifecycle, from initial design to after-sales support. We generally provide comprehensive operational support for key account customers throughout the entire project cycle. During implementation, we maintain close communication with customers to coordinate issue resolution, execute project deployment and testing, and regularly submit progress reports and milestone achievements in accordance with the overall project plan to ensure timely acceptance and delivery. During the post-project service phase, our support generally covers system inspections, fault resolution, warranty expiration alerts, and warranty renewal notifications. We have established standardized maintenance management procedures to propel structured handling of service requests and other maintenance activities. Customers typically enjoy a warranty period ranging from one to three years. Our technical maintenance and essential platform support services to other customers typically include operational guidance, issue troubleshooting, fault analysis, and resolution. In the event of system failures or anomalies, we commit to addressing them proactively and ensuring an initial response within 24 hours during business days. Additionally, to enhance customer experience and maintain service security, we conduct periodic system upgrades and offer upgrade support to our customers free of charge.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return, nor had we experienced quality liability claims, safety accidents or legal proceedings related to product quality that materially and adversely affected our business.

MARKETING AND PROMOTION

Our Sales Network

We have established a broad sales network for sales of GJ AI workforce solutions, consisting of direct sales and distributors. The following table sets forth a breakdown of our revenue by type of sales channel for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Revenue	% of total	Revenue	% of total	Revenue	% of total
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct sales	509,987	96.1	640,570	97.7	782,246	99.2
Distributors	20,819	3.9	14,868	2.3	6,572	0.8
Total revenue	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**

Direct Sales Network

Under our direct sales model, we provide GJ AI workforce solutions to enterprises pursuing trustworthy AI solutions for their business operations, to utilize digital human agents as a new form of workforce and address challenges brought by inefficient manual manipulation, rising staff costs and labor shortages. We design and deploy our solutions based on the operational scale, business complexity and particular demands of enterprises.

Direct sales form the cornerstone of our customer engagement strategy, allowing us to directly reach out to the market and maintain a strong market presence, strengthen our brand influence and independently demonstrate our capabilities. Direct market outreach is essential for receiving first-hand feedback and continuously refining our solutions, as we analyze customer feedback and understand customers' complex value propositions and drive solution evolution. Real-time feedback inspires our

R&D roadmap, ensuring continuous technological advancement aligned with actual market demands. Multiple industry-specific insights and enhancements in our GJ AI workforce solutions originated from direct customer feedback captured through direct sales network. Meanwhile, our extensive direct sales network enables omnichannel relationships with diverse enterprises, ensuring tailored demonstrations and comprehensive technical training for them. This is complemented by our timely technical support and after-sales services, which enable us to improve customer satisfaction and build enduring, trust-based partnerships with customers.

Our Contracts under Direct Sales

Salient terms of project-based contracts we entered into with key account customers are as follows:

- *Term*. The contract duration typically ranges from less than 1 year to 3 years.

- *Offerings*. Our offerings typically encompass GJ AI Real-time Voice Agent, GJ AI Video Generation Agent (including cloning services for custom digital human twins and voices), GJ AI Live Streaming Agent and GJ AI Real-time Video Agent.

- *Maintenance and services*. Our technical support encompasses (i) pre-sales activities, such as technical introduction, (ii) implementation and maintenance services, such as on-site surveys, project design, plan formulation, and specialized technical execution, and (iii) post-sales support, such as project inspections, fault resolution, and proactive warranty expiry alerts and notifications.

- *Pricing.* Prices are determined based on project details, typically including one-off license fees, customized development fees, implementation fees and maintenance service fees. See "— GJ AI Workforce Solutions — Pricing."

- *Payment and credit terms.* The customer shall make payments through the designated bank. In line with our credit risk management policy, our contracts with key account customers typically do not have credit terms, which is not uncommon in the industry, according to CIC.

- *Intellectual property.* Any concepts or techniques related to our solutions, developed independently or jointly during the project, may be used freely by either party, provided such use does not infringe valid patents or copyrights.

- *Confidentiality.* Each party shall maintain the confidentiality of all information related to the contract and shall not disclose any such information to any third party.

Salient terms of contracts we entered into with other customers (typically SMBs) are as follows:

- *Offerings*. Our offerings typically encompass GJ AI Real-time Voice Agent, GJ AI Video Generation Agent (including cloning services for custom digital human twins and voices), GJ AI Live Streaming Agent and GJ AI Real-time Video Agent.

- *Maintenance and services*. We provide necessary technical support to our customers, encompassing system operation guidance, issue troubleshooting, fault analysis, and repairment.

- *Pricing.* We typically charge customers fixed subscription fees and pay-as-you-go fees based on actual usage duration. See "— GJ AI Workforce Solutions — Pricing."

- *Payment and credit terms.* We generally require customers to make prepayment to us. We provide solutions upon the customer's full payment.

- *Intellectual property.* Customers warrant that they possess the legal rights or authorizations for the portrait and voice they provide and are responsible for ensuring no third-party rights are infringed. We retain all ownership and intellectual property rights in solutions provided or developments made under our contracts with customers.

- *Confidentiality.* Both parties should maintain the confidentiality of all information related to the contract and should not disclose it to any third party. This obligation shall survive the termination of the contract.

We did not experience any material breach of direct sales contracts with our customers during the Track Record Period and up to the Latest Practicable Date.

Distributor Network

Distributors purchase our productized GJ AI workforce solutions for promotion and resale the same to end users leveraging their local marketing resources, expertise in specific industry verticals and experience in introducing AI solutions to the local market. We recognize revenue from sales to distributors upon delivery to and acceptance by the end users. Our collaboration with distributors is a contractual buyer-seller relationship in essence and generally in line with the industry norm, according to CIC. The following table sets forth the movement in the number of distributors in our sales network for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year	66	251	157
Number of distributors newly entered into collaboration agreements with us during the year	233	59	19
Number of distributors terminated collaboration with us during the year[(1)]	(48)	(153)	(82)
Total number of distributors at the end of the year	**251**	**157**	**94**

Note:

(1) We did not renew our agreements with such distributors upon expiration, based on our evaluation of their market potential and our future business strategies. During the Track Record Period and up to the Latest Practicable Date, we did not have any material unresolved disputes or lawsuits with distributors who terminated collaboration with us.

Our Collaborations with Distributors

Our distributors typically include platform operating service providers in vertical industries and marketing service providers with an established local marketing network and customer base. To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties, and none of our distributors were controlled by our current or former employees. Salient terms of agreements we entered into with the distributors are as follows:

- *Term*. Typically 1 year.

- *Authorized scope*. The distributor pays a fixed authorization fee to sell designated offerings to enterprises within designated geographic regions and industries. We set market guidance prices for each category of offerings. To mitigate the potential malicious market competition and protect our reputation, we prohibit the distributor from sales to end users at prices below our market guidance prices. Under no circumstances shall the distributor promote our solutions to any enterprise beyond the authorized scope without obtaining our prior written consent.

- *Target sales amount*. We typically do not set annual or semi-annual sales targets for the distributor.

- *Offerings*. We offer digital human agents, tailored solutions, technical training and operational support for the distributor to facilitate their promotion and sales. We authorize the distributor to promote our solutions to potential end users. The distributor commences formal negotiations and enters into sales contracts with end users after reporting the potential end users and obtaining our written consent. Distributors then place orders with us based on the specific requirements regarding category and quantity arising from the sales contracts.

- *Payment*. We generally require the distributor to make full prepayment to us before consignment.

- *Termination*. The agreement could be terminated upon expiration, mutual consent or by us if the distributor materially breaches the agreement, such as sales to end users at prices below our market guidance prices, engaging in business operations using name cards, door plaques, or other materials with our logos without our prior written consent, etc..

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of agreements with our distributors, nor did we experience any significant disputes or conflicts with our distributors.

Management Measures

To maintain healthy relationships with distributors and avoid cannibalization or reliance, we adopted the following measures:

- *Prudent selection*. Before entering into the agreements with distributors, we generally evaluate multiple factors, including their marketing and promotion capabilities, industry-specific experience and technical expertise, existing customer base, historical sales and compliance performance and financial resources, among others.

- *Targeted authorization scope*. We designate geographic regions and vertical markets for distributors. We also set market guidance prices to avoid adverse impact on our brand image and reputation brought by malicious competition and disorganized marketing activities.

- *Diversification efforts*. We do not enter into any exclusive supply agreement with distributors. We establish relationships with multiple qualified distributors by expanding distributor network across different regions to minimize localized disruptions caused by changes in regulatory or social conditions, and collaborating with distributors with expertise in varied industries, such as e-commerce, healthcare and pharmaceuticals.

- *Minimizing risks for channel stuffing*. Demand-driven procurement and sales network structure inherently eliminates financial motivation for distributors to overstock offerings procured from us.

We did not have material reliance on any single distributor nor did we experience any material cannibalization or channel stuffing during the Track Record Period and up to the Latest Practicable Date. See "Risk Factors — Risks Relating to Our Business and Industry — We are subject to the risks in relation to our distributors."

Sales and Marketing Team

As of December 31, 2025, our sales and marketing team consists of 10 employees, the majority of whom possess specialized expertise or experience in AI, automation and/or marketing. For the years ended December 31, 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB110.3 million, RMB82.6 million and RMB55.2 million, respectively, accounting for 20.8%, 12.6% and 7.0% of our total revenue, respectively, for the same years.

Customer Acquisition Channels

In recent years, we have increasingly enhanced our brand recognition and promoted our solutions through (i) participating or organizing offline AI exhibitions, seminars and technical symposia to continuously enhance our exposure to existing and potential customers, and introduce our brand to enterprises; (ii) introducing our latest performance, such as newly launched solutions, strategic collaborations with industry-leading enterprises, participation in renowned exhibitions, and newly granted awards on our proprietary WeChat public account (微信公眾號), WeChat Channels (微信視頻號) and official websites; and (iii) collaborating with third-party channel partners that provide marketing services to us, enabling us to leverage specialized skills and marketing resources of channel partners and efficiently enhance our exposure to a broader market.

In 2023, 2024 and 2025, we had 252, 58 and 43 customers introduced by our channel partners, respectively, with a revenue contribution of RMB198.2 million, RMB429.2 million and RMB309.3 million, representing 37.3%, 45.2% and 39.2% of our total revenue for the same years, respectively. We typically enter into three-year cooperation agreements with channel partners. During the agreement term, channel partners conduct market research, analyze customer demands, present business opportunities, and facilitate customers entering into contracts with us. In turn, channel partners receive service fees based on a percentage of the contract value signed between us and the customers. Such service fees are recorded as marketing service expenses within selling and marketing expenses in our consolidated financial statements. In 2023, 2024 and 2025, we had 28, 20 and 13 channel partners, respectively. Our total service fees paid to channel partners amounted to RMB19.4 million, RMB22.2 million and RMB18.6 million in 2023, 2024 and 2025, respectively. Our channel partners are typically information technology companies with registered capital generally ranging from RMB0.1 million to RMB50 million. To the best of our knowledge, during the Track Record Period, our channel partners and their ultimate beneficial owners have no past or present relationships (including, without limitation, family, business, employment, financing, trust and shareholding) with each of (i) our customers introduced by them or their ultimate beneficial owners; or (ii) our Company and subsidiaries, Single Largest Shareholder Group, Directors and senior management, or any of their respective associates.

Furthermore, our expanding brand recognition among enterprises has generated word-of-mouth referrals from existing customers. As these customers share successful implementation experiences with industry peers, our reputation for delivering reliable GJ AI workforce solutions continues to strengthen. This organic growth mechanism encourages new customers to select our offerings with our minimal direct marketing investment.

OUR CUSTOMERS

Our customers consist of enterprises in a wide array of industries, primarily including healthcare, education, legal services, finance, culture, entertainment and elderly care, etc. As our GJ AI workforce solutions have been broadly validated across multiple industries, we have compiled extensive parameters tailored to diverse enterprise needs, driving the universal adaptability of our solutions. Furthermore, our diversified customer base across multiple industry verticals provides inherent protection against industry-specific volatility, as economic fluctuations affecting any single industry are unlikely to materially impact our overall business resilience. We also have distributors that procure productized GJ AI workforce solutions from us and then resell the same to end users in specific geographic regions. We generally require customers to settle the payment with us through corporate bank transfer.

During the Track Record Period, we mainly generated revenue from provision of GJ AI workforce solutions to key account customers, which were predominantly delivered through localized project deployment. To a lesser extent, we also generated revenue from provision of GJ AI workforce solutions via cloud-based services in a standardized and productized mode. The following table sets forth a breakdown of our revenue by type of customers for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*
Key account customers[(1)]	486,801	91.7	635,985	97.0	775,498	98.3
Other customers	44,005	8.3	19,453	3.0	13,320	1.7
Total	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**

Note:

(1) Representing revenue generated from customers that contributed revenue of over RMB1.0 million in the given year. According to CIC, this customer categorization is generally in line with the industry practice.

Key Account Customers

For key account customers, we customize our GJ AI workforce solutions based on specific conditions by project, accommodating enterprises' industry verticals, operational requirements, system maturity, existing AI capabilities, and data security protocols. We provide targeted services across the entire project lifecycle, mainly encompassing (i) technical consultations and solution design during the pre-sales phase; (ii) on-site assessments and implementation, detailed plan development and modifications, and system testing during the implementation phase; and (iii) troubleshooting, on-site technical assistance, data analytics and ongoing operational maintenance during the after-sales phase. Through targeted design, our GJ AI workforce solutions integrate into enterprises' existing business scenarios, maximizing the utility of GJ AI workforces. Among our key account customers, there are integrators that purchase our solutions and then integrate such solutions into their comprehensive solutions to the end users. These integrators are typically leading telecom operators in China with existing infrastructure and service capabilities that require digital human agents to deliver more relevant and effective customer interactions during their business operations and significantly enhance the overall customer experience and satisfaction.

Due to the nature of our industry, our GJ AI workforce solutions provided to key account customers are project-based, which are not recurring in nature. During the Track Record Period, we obtained our projects mainly through tendering. During the tendering process, we match the potential projects with our funding, computing resources and manpower after identification of enterprises with demands for our solutions. Upon the internal approval process, the name and number of the initial project will be recorded in our office automation system. We conduct pre-tender evaluations on costs and technological feasibility and then prepare the tender documents. For the years ended December 31, 2023, 2024 and 2025, we submitted 62, 68 and 82 tenders, with tender success rates of approximately 71.0%, 79.4% and 76.8%, respectively.

The following table sets forth the movement in the number of our projects for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Number of projects at the beginning of the year	206	260	381
Number of new projects during the year	1,123	635	444
Number of projects terminated during the year[(1)]	(1,069)	(514)	(520)
Total number of projects at the end of the year	**260**	**381**	**305**

Note:

(1) The termination of these projects was mainly caused by completion of projects.

The following table sets forth the movement of backlog value of our projects for the years indicated.

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Backlog value at the beginning of the year	85,198	103,638	284,969
Increase in backlog value during the year	581,094	876,095	1,097,409
Decrease in backlog value during the year	(562,654)	(694,764)	(836,147)
Total backlog value at the end of the year	**103,638**	**284,969**	**546,231**

The following table sets forth breakdowns of our average project value by type of solution for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
GJ AI Real-time Voice Agent[(1)]	266	198	221
GJ AI Video Generation Agent and GJ AI Live Streaming Agent[(2)]	52	47	25
GJ AI Real-time Video Agent[(3)]	2,788	2,070	3,170
GJ Autopilot AIGC Agent	—	—	871
GJ AI Workforce Solutions	**2,042**	**1,720**	**2,586**

Notes:

(1) Average project value of GJ AI Real-time Voice Agent decreased in 2024, primarily as we offered discounts to attract customers. Such average project value increased in 2025, mainly resulting from the increase in repurchase of key account customers.

(2) Average project value of GJ AI Video Generation Agent and GJ AI Live Streaming Agent decreased throughout the Track Record Period, primarily as we spent efforts to attract customers through discounts with the maturity of such solutions.

(3) Average project value of GJ AI Real-time Video Agent decreased in 2024, mainly resulting from our introduction of tiered packages tailored to customers of different scales, which attracted more small-scale customers that chose more affordable offerings. Such average project value increased in 2025, primarily resulting from the increase in large-scale customized GJ AI Real-time Video Agent projects for key account customers.

Other Customers

While serving key account customers across diverse projects, capitalizing on years of market experience, we have transformed our accumulated insights into productized solution packages and standardized AI practices for enterprises. Having observed that some enterprise customers, especially SMBs, often struggle to strike the balance between cost and quality in AI solutions and deal with growing labor costs and complexity of businesses, we offer GJ AI workforce solutions that combine highly standardized configurations with flexible platform architecture. This approach helps these customers achieve their automation and intelligent transformation with predictable complexity and costs.

Our Five Largest Customers

For the years ended December 31, 2023, 2024 and 2025, our revenue generated from the five largest customers in each year during the Track Record Period accounted for 57.7%, 78.9% and 57.4% of our total revenue for the same years, respectively. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from the largest customer in each year during the Track Record Period accounted for 36.8%, 64.4% and 41.3% of our total revenue for the same years, respectively. The contract sum of each of our projects with five largest customers in each of the year comprising the Track Record Period generally ranges from RMB60 thousand to RMB36.2 million, while the duration for a single project for our five largest customers typically ranges from 1 month to 24 months. The following tables set forth certain information of our five largest customers in each year during the Track Record Period.

Year Ended December 31, 2025

Customer	Business nature	Customer type and relevant end users	Credit terms and payment method	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer A[1]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users typically in government and public service industries	90 days; wire transfer	325,548	41.3	Since 2022
Customer M[13]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users in multiple industries, such as transportation, energy and public services	30 days; wire transfer	52,832	6.7	Since 2025
Customer B[2]	GJ AI Real-time Video Agent and AI Video Generation Agent	An integrator serving end users typically in telecom and public service industries	15 days; wire transfer or bank acceptance bill	27,323	3.5	Since 2024
Customer D[4]	GJ AI Real-time Video Agent and AI Video Generation Agent	An integrator serving end users typically in healthcare industry	5 days; wire transfer	26,713	3.4	Since 2024
Customer H[8]	GJ AI Real-time Video Agent and AI Video Generation Agent	An integrator serving end users typically in healthcare, finance and education industries	N/A; wire transfer	20,472	2.6	Since 2024
				452,888	**57.4**	

Year Ended December 31, 2024

Customer	Business nature	Customer type and relevant end users	Credit terms and payment method	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer A[1]	GJ AI Video Generation Agent and GJ AI Real-time Video Agent	An integrator serving end users typically in government and public service industries	Up to 90 days; wire transfer	422,152	64.4	Since 2022
Customer F[6]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users in multiple industries, such as telecommunication, transportation and internet technology	30 days; wire transfer	28,245	4.3	Since 2024
Customer G[7]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users in multiple industries, such as telecommunication and internet technology	30 days; wire transfer	24,772	3.8	Since 2022
Customer H[8]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users in multiple industries, such as multimedia and internet technology	N/A; wire transfer	23,170	3.5	Since 2024
Customer E[5]	GJ AI Live Streaming Agent, GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users typically in healthcare, finance and education industries	60 days; wire transfer	18,652	2.8	Since 2023
				516,991	**78.9**	

Year Ended December 31, 2023

Customer	Business nature	Customer type and relevant end users	Credit terms and payment method	Revenue	As a percentage of our total revenue	Length of relationship with us
				(RMB'000)	*(%)*	
Customer A[1]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users typically in government and public service industries	Up to 90 days; wire transfer	195,094	36.8	Since 2022
Customer I[9]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users typically in internet and retail industries	Up to 40 days; wire transfer	56,642	10.7	Since 2023
Customer J[10]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users typically in information technology and internet industries	20 days; wire transfer	21,537	4.1	Since 2023
Customer K[11]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users in multiple industries, such as internet technology and online education	Up to 25 days; wire transfer	17,814	3.4	Since 2023
Customer L[12]	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	An integrator serving end users typically in government and public service industries	Prepayment; wire transfer	15,236	2.9	Since 2023
				306,323	**57.7**	

Notes:

(1) A leading telecom operator founded in 2004, with a registered share capital of RMB53.2 billion, headquartered in Beijing.
(2) A software and information technology service provider founded in 1998, with a registered share capital of RMB305.2 million, headquartered in Jiangsu province.
(3) A high-tech enterprise founded in 2013, with a registered share capital of RMB10.1 million, headquartered in Guangdong province.
(4) A software and information technology service provider founded in 2024, with a registered share capital of RMB5.0 million and approximately 500 employees, headquartered in Jiangsu province.
(5) A technology enterprise manufacturing computers, communications and other electronic equipment founded in 1992, with a registered share capital of HKD5.7 billion, headquartered in Beijing.
(6) A technology promotion and application service provider founded in 2010, with a registered share capital of RMB12.1 million, headquartered in Shanghai.
(7) A technology promotion and application service provider founded in 2019, with a registered share capital of RMB10.0 million, headquartered in Beijing.
(8) A software and information technology service provider founded in 2019, with a registered share capital of RMB10.8 million, headquartered in Jiangsu province. Our agreements with this customer do not explicitly specify credit terms. In practice, such customer generally settles payments with us within approximately 30 days.
(9) A software and information technology service provider founded in 2023, with a registered share capital of RMB1.0 million and nearly 100 employees, headquartered in Fujian province.
(10) A software and information technology service provider founded in 2023, with a registered share capital of RMB30.0 million and nearly 100 employees, headquartered in Guangdong province.
(11) A technology promotion and application service provider founded in 2015, with a registered share capital of RMB10.0 million, headquartered in Shanghai.
(12) A technology promotion and application service provider founded in 2023, with a registered share capital of RMB10.0 million, serving customers across finance, energy, cultural tourism, and public service sectors, headquartered in Guizhou province.
(13) A software and information technology service provider founded in 2015, with a registered share capital of RMB37. 9 million, headquartered in Sichuan province.

All of our five largest customers in each year during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers in each year during the Track Record Period.

Our Relationship with Customer A

Background

Customer A was our largest customer in each year during the Track Record Period. Revenue generated from Customer A amounted to RMB195.1 million, RMB422.2 million and RMB325.5 million, representing 36.8%, 64.4% and 41.3% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively.

Customer A is a leading telecom operator founded in 2004, with a registered share capital of RMB53.2 billion, headquartered in Beijing. Customer A procures our GJ AI workforce solutions, integrates them into Customer A's own solutions, and subsequently sells the final solutions to its customers. We typically enter into long-term framework agreements with Customer A for a term of 2 to 3 years. Under these framework agreements, we generally execute contracts with Customer A on a project-by-project basis. For other key terms of our agreements with Customer A, see "— Marketing and Promotion — Our Sales Network — Direct Sales Network — Our Contracts under Direct Sales." Our agreement with Customer A may be terminated under the following circumstances: (i) *force majeure* events; (ii) either party's material breach that renders fulfillment of the agreement impossible; (iii) project suspension or delay due to customer's actions, making implementation impossible; or (iv) mutual written consent of both parties. See "— GJ AI Workforce Solutions — Case Studies — Customers in Telecommunication and Financial Industries — Case Study A" for a case study of our solutions to Customer A.

During the Track Record Period and up to the Latest Practicable Date, we maintained a stable relationship with Customer A and there was no material interruption or dispute in respect of our cooperation with Customer A. However, we cannot guarantee that Customer A will continue to partner with us or will not reduce its business with us. Given our substantial revenue concentration on Customer A, if Customer A decides to terminate or decrease the level of its cooperation with us in the

future, it may result in a material and adverse effect on our business, financial condition and results of operations. For details, see "Risk Factors — Risks Related to Our Business and Industry — We had a concentration of customers during the Track Record Period."

Reasons for Our Customer Concentration on Customer A

We believe that the high customer concentration on Customer A is attributable to the following factors:

- *Industry Norm*. According to CIC, digital human agent providers in China generally choose to forge close relationship with large-scale enterprises with leading position in their respective industries. Therefore, it is an industry norm for digital human agent providers in the PRC to have a relatively high customer concentration, according to the same source. It is commercially rational and strategically advantageous for us to serve a leading telecom operator like Customer A to ensure effective commercialization and market penetration of our GJ AI workforces. Meanwhile, the prominent market share and influence of Customer A in the telecom industry also brings us exposure to massive vertical market opportunities. Consequently, we strategically prioritize relationships with industry leaders like Customer A to secure stable revenue streams, enabling efficient resource allocation toward scaling operations.

- *Our Strategic Focus*. Our strategic partnership with an industry leader has provided deep, firsthand insight into the requirements of top-tier customers. This collaboration has enabled us to refine our processes and establish a foundation for operational excellence. The proven methodologies and best practices developed through this engagement are directly transferable, positioning us to scale our business effectively by serving future customers with the same high standards. While this approach has resulted in revenue concentration on Customer A during the Track Record Period, it has also provided us with an unparalleled foundation to scale our business and accumulate industry insights.

The increase in revenue contribution of Customer A from 2023 to 2024 was mainly caused by (i) our long-term and deepened partnership with Customer A, where our technical expertise and customized services have fostered Customer A's deep trust, driving Customer A to leverage our solutions across various projects to better serve its own customers. The expansion of Customer A's customer base and overall business scale has correspondingly increased its procurement volume from us; and (ii) our strategic resource concentration on selected industry leaders during our initial exploration in serving telecom operators. This allowed us to efficiently accumulate industry-specific project design and implementation experience and utilize flagship effect brought by the top-tier telecom operator. In the long term, as our market reputation solidifies among a broader customer base, the proportion of revenue contributed by Customer A is expected to gradually decline.

Risk Mitigation Measures

Our Directors believe that the risk of Customer A significantly reducing or terminating its cooperation with us is relatively low for the following reasons:

- *Industry Background: the Global AI Market Growth.* The rapid growth of the global AI industry and the strong market demand for AI solutions have created a strategic opportunity for Customer A to accelerate its digital and intelligent transformation. Consequently, our partnership with Customer A aligns with its long-term development strategy, representing a choice under the prevailing macro trends.

- *Stable Collaboration Relationship with Customer A.* Built on our ingrained understanding of Customer A's specific requirements, we address Customer A's need for advanced digital human agent technology with comprehensive offerings and customized services. Serving as an embedded or interfaced core component within Customer A's solution packages, our digital human agents are provided to end users without separate fees. Digital human agents function as standardized modules dedicated to enhancing interactive experience and

automation capabilities, with their value inherently encompassed within the holistic pricing of Customer A's overarching solution to its end users. Building on a deep understanding of Customer A's demands in the application scenarios of digital human agents, we provide comprehensive and customized services, covering technology adaptation, process optimization and continuous iteration, establishing a benchmark industry case among telecom operators. While we are not the exclusive supplier of digital human agent solutions for Customer A, we typically enter into long-term framework agreements with this customer for a term of 2 to 3 years. Our long-standing, stable partnership with Customer A provides a foundation of trust for continued collaboration. We foresee no material obstacles to our relationship with Customer A and are leveraging this proven model to strengthen relationships across our customer base.

- *Diversifying Offerings and Expanding Customer Base*. We are proactively diversifying our solutions and expanding customer base to mitigate customer concentration risk. By leveraging our core technological capabilities and industry expertise, we have launched GJ Autopilot AIGC Agent and attracted new customers in both domestic and non-domestic markets. These efforts are expected to fuel our future growth and gradually reduce revenue concentration on Customer A.

- *Developing Ecosystem Partnerships*. We plan to further develop our ecosystem partnerships by establishing and deepening collaborations with service providers, cloud platforms and channel partners along the industry chain. Through this ecosystem partnership, we aim to strengthen our service capacity and directly engage customers across more industry verticals, which enables us to reduce reliance on any single customer, expanding market coverage and enhancing business resilience in the long term.

Considering (i) the above mentioned stable relationship between Customer A and us; (ii) our reliable and customized solutions for Customer A to serve its own customers under industry-specific scenarios; and (iii) no foreseeable material obstacles to our relationship with Customer A, our Directors are of the view that our relationship with Customer A is less likely to materially adversely change or terminate in the foreseeable future.

Going forward, with the diversification of our solutions and expansion of customer base, we expect revenue contributions from other customers to increase. As a result of this diversification, revenue contribution from Customer A decreased from 64.4% for the year ended December 31, 2024 to 41.3% for the year ended December 31, 2025, which is expected to further decrease for the year ending December 31, 2026. We believe that the sustained growth from our partnership with Customer A will be strategically complemented by our ongoing efforts to diversify solution portfolio and explore global business opportunities.

Overlapping Customers and Suppliers

According to CIC, to satisfy the evolving demands of customers, enterprises in the digital human agent industry may procure cloud services from cloud service providers. Some of the cloud service providers may have demands for digital human agents to automate and scale their customer service operations, deliver personalized user support, and enhance overall engagement through interactive, 24/7 available virtual assistants. As a result, it is common for upstream and downstream enterprises within the digital human agent industry to engage in transactions with each other as both suppliers and customers.

The following table sets forth the breakdown of our revenue generated from and purchase amount paid or payable to our overlapping customers and suppliers which was among either our five largest customers or suppliers in each year during the Track Record Period.

	Transaction nature		Year ended December 31,						
			2023		2024		2025		
Entity	As customer	As supplier	Revenue	Purchase	Revenue	Purchase	Revenue	Purchase	Background
					(RMB'000)				
Supplier A	GJ AI Video Generation Agent and GJ AI Live Streaming Agent	Cloud computing services, software and communication services	4,396	60,018	4,477	30,221	534	26,905	a cloud computing service provider established in 2019 with a registered share capital of RMB5.0 billion, located in Guizhou province
Customer A	GJ AI Real-time Video Agent and GJ AI Video Generation Agent	Cloud services and internet connection services	195,094	15,174	422,152	11,061	325,548	3,083	a leading telecom operator founded in 2004, with a registered share capital of RMB53.2 billion, headquartered in Beijing
Customer E	GJ AI Live Streaming Agent, GJ AI Real-time Video Agent and GJ AI Video Generation Agent	Hardware products	2,174	—	18,652	—	18,694	1,379	a technology enterprise manufacturing computers, communications and other electronic equipment founded in 1992, with a registered share capital of HKD5.7 billion, headquartered in Beijing

For the years ended December 31, 2023, 2024 and 2025, our revenue from such overlapping customers and suppliers, which was among either our five largest customers or suppliers in each year during the Track Record Period, amounted to RMB201.7 million, RMB445.3 million and RMB344.8 million, respectively, accounting for 38.0%, 67.9% and 43.7% of our total revenue for the same years. Our purchases from such overlapping customers and suppliers was RMB75.2 million, RMB41.3 million and RMB31.4 million, respectively, accounting for 18.2%, 7.4% and 4.2% of our total purchases for the same years. For the years ended December 31, 2023, 2024 and 2025, our gross profit generated from sales to Customer A amounted to RMB61.3 million, RMB119.9 million and RMB94.0 million, respectively, with gross profit margin reaching 31.4%, 28.4% and 28.9%, respectively. Gross profit margin derived from our sales to Customer A is relatively lower than the overall gross profit margin of our GJ AI Real-time Video Agent in the same year, primarily due to relatively high project implementation costs arising from the complex customization requirements. Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other.

Customer Services and Experience

We deliver targeted and customer-centric experience throughout the whole process of solution, based on the operational scale, business complexity and industry verticals of customers. From initial consultation to post-deployment support services, we align our offerings with customers' unique operational context and strategic objectives, pursuing higher satisfaction rates, stronger partnership alignment and long-term growth with customers. We keep responsive to our customers through WeChat, websites and emails. We believe prompt responses and consistent daily engagement are fundamental to building customer satisfaction and fostering long-term trust. When remote technical support proves insufficient to resolve complex issues, we promptly provide on-site maintenance services to ensure timely problem resolution. Beyond reactive troubleshooting through both online channels and on-site visits, we proactively deliver scheduled system maintenance and upgrade services, further strengthened by complementary on-site technical assistance. Furthermore, we also arrange well-rounded training system to optimize service delivery. We provide both our internal teams and customers with the necessary competencies for optimal utilization of GJ AI workforces and solution maintenance. We design training sessions for enterprises with reference to their industry features, existing technical expertise and user base. Our training sessions for integrators typically focus more on the daily functionality, system integration, testing and maintenance as well as troubleshooting.

Customer Feedback

We maintain active interactions with our customers during the entire process of our solution delivery to mitigate the risks of customer loss due to the unresolved customer complaints. We leverage periodic reviews of internal operational data and external market signals to gain authentic, multidimensional insights into the performance of GJ AI workforces. This process allows us to identify evolving customer pain points and market trends, driving continuous refinement and targeted service optimization.

Due to the nature of our business, we sometimes receive customer complaints, which generally include complaints on perceived over-whelmed marketing language, longer waiting time than expected during solution deployment and perceived errors or instability of our offerings. Customer feedback is consolidated through both sales and after-sales service channels, with unified follow-up handled by our solution delivery department. Supported by cross-departmental alignment, the majority of customer complaints are received and handled during communication with the relevant customers, while the remaining were mainly solved through optimizing and iterating the digital human agents provided to customers. For exceptionally complex requirements or cases beyond our solution capabilities, we initiate a customized consultation process to reach an appropriate resolution with the customer, following a thorough assessment confirming whether any improvement or modification to existing offerings are necessary. Customers generally accept apologies, clarification, revisions on the perceived errors or refund. During the same period, we had not experienced any material systemic defects or severe customer complaints. We maintain detailed records of the customer complaints and summarize solutions to reduce the recurrence of complaints of a similar nature.

Third-party Payment

Background and Reasons for Third-party Payment

It is our general policy not to permit customers to make payments to us through third parties. During the Track Record Period, certain of our customers (the "**Relevant Customers**") sporadically engaged third-party payors (the "**Third-party Payors**") to settle their payments with us (the "**Third-party Payment Arrangements**"), primarily as (i) the Relevant Customers authorized the managers, legal representatives, and/or other affiliated persons, to make payments using the accounts of such affiliated persons to allow for more operational flexibility; and (ii) the Relevant Customers, as telecom operators, conduct payment to us through an entity within the same group, to the best of our knowledge. After careful consideration of the specific circumstances, we accepted the Relevant Customers' payment arrangement in the interest of upholding our collaborative relationship. For the years ended December 31, 2023, 2024 and 2025, there were only 18, 4 and nil Relevant Customers, respectively.

Set out below the aggregate amount settled under the Third-party Payment Arrangements (the "**Relevant Settlement**") for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of total payment received*[(1)]	*RMB'000*	*% of total payment received*[(1)]	*RMB'000*	*% of total payment received*[(1)]
Total amount of Relevant Settlement	6,547	1.5%	1,140	0.2%	—	—

Note:

(1) Representing the total payments we received for the provision of our GJ AI workforce solutions.

During the Track Record Period, the aggregate amount of the Relevant Settlement was insignificant to our business as a whole. We ceased to accept payment under the Third-party Payment Arrangements in January, 2025. For the year ended December 31, 2025, we did not have any customers that made payments with us through third-party payors. As of the Latest Practicable Date, we had no unsettled payment under the Third-party Payment Arrangements. As we have adopted enhanced internal control measures and communicated with our customers to avoid any third-party payment arrangements to the extent feasible, we do not expect this trend to reverse in the future.

All of the Relevant Settlement took place in China and substantially all of the Relevant Customers and Third-party Payors are located in China. According to CIC, it is a common commercial practice for customers in digital human agent industry in China to settle payments with digital human agent providers through third-party payors.

Comprehensive internal review on background of potential customers safeguards our interest against third-party payment-related risks. Prior to entering into contracts with customers, we will generally obtain background information of the potential customers in relation to their operational scale, years of establishment, business nature, registered capital, historical compliance performance from various sources, such as the potential customers, websites and our business partners.

During the Track Record Period and up to the Latest Practicable Date, other than acceptance of third-party payments, (i) we had not proactively initiated any Third-party Payment Arrangements or participated in other forms in any of such arrangements, (ii) nor had we offered any discounts, commissions, rebates or other benefits to any of the Relevant Customers or the Third-party Payors to facilitate or incentivize any Third-party Payment Arrangements, and (iii) the pricing and payment terms we provided to the Relevant Customers were in line with those offered to customers not involved in the Third-party Payment Arrangements. None of the Relevant Customers had ranked among our five largest customers in each year during the Track Record Period or had individually made material contributions to our revenue during the Track Record Period. All of the Relevant Customers and the Third-party

Payors are Independent Third Parties. We had not experienced any material disputes or received refund requests in relation to the Third-party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. According to the payment confirmation letter issued by the Relevant Customers to us, payment from the relevant Third-party Payor shall be deemed as payment from the Relevant Customer under our agreements with such Relevant Customer and Third-party Payor shall not require us to refund any amounts already paid under the Third-party Payment Arrangement.

Compliance Analysis of Third-party Payment Arrangements

As advised by our PRC Legal Advisors, taking into account the background, reasons and management measures undertaken by our Company in relation to the Third-party Payment Arrangement described above, during the Track Record Period and up to the Latest Practicable Date, the Third-party Payment Arrangement did not contravene or circumvent any mandatory requirements of current applicable PRC laws or regulations in all material respects. Our Directors believe that all transactions settled through the Third-party Payment Arrangements have been completely and accurately recorded in our historical financial information.

Enhanced Internal Control Measures

We adopted *Sales Management System* (《銷售管理制度》) in September 2025. Under this internal policy, we strictly prohibit payments from third parties. When confirming receipt of funds, we require our sales and marketing employees to verify that the actual payer matches the contracted party. If a discrepancy is found, the payment shall be returned and resubmitted by the correct payer. We offer training sessions for our employees to keep the relevant personnel proficient in our Sales Management System, anti-money laundering regulations, and payment best practices. We regularly check the effectiveness of our internal control measures in relation to the Third-party Payment Arrangements and promptly address any abnormalities. The internal control consultant has reviewed the aforementioned enhanced internal control measures in respect of Third-party Payment Arrangement with no material deficiencies identified. Our Directors are of the view that the enhanced internal control measures in preventing any risks associated with Third-party Payment Arrangements are effective and adequate.

OUR SUPPLIERS

Our suppliers primarily consist of providers of computing power, cloud services and hardware products. We generally do not enter into exclusive supply agreements with our suppliers. Our suppliers are primarily located in China. We typically conduct project-based demand-driven procurement, which aligns our procurement with specific customer engagements in projects, enabling precise resource allocation. To ensure the stability of supplies while maintaining supply consistency, we typically source each type of supply from selected suppliers with several alternative options for backup. Therefore, we believe we are not dependent on any single supplier and can locate alternative suppliers for all of our supplies as needed.

With the expansion of our global business, we have been propelling the localization of procurement by establishing overseas subsidiaries to further reduce risks caused by fluctuations in foreign exchange rates, cross-border tariffs and logistics expenses.

We select suppliers based on stringent criteria and multiple factors, including but not limited to our operational needs and standards, suppliers' qualifications and certificates, diversification of offerings, historical performance and collaboration with us, technical capabilities, prices, problem-solving efficiency and reputation. To mitigate the impact of fluctuations in computing power procurement prices, we evaluate suppliers based on their industry expertise, delivery capabilities and pricing, while also aligning with the diversity of our training algorithms. This approach ensures that the selected suppliers can provide services that match our R&D requirements while achieving optimal cost-effectiveness. Following our routine review and assessments on existing suppliers' performance, we communicate with suppliers who fail to meet our standards or requirements to discuss quality enhancements and process optimization. We discontinue our business relationships with those suppliers that refuse or fail to make timely adjustments.

We typically enter into collaboration agreements with our suppliers for terms of one year. In addition, we also entered into a long-term cloud service framework memorandum with a term of two years with a leading domestic cloud computing service provider (i.e. Supplier A as disclosed below) to explore collaborations in terms of cloud infrastructure, models and applications, under which we enter into separate cloud service procurement agreements. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers, nor did we experience any material breach of contract on the part of our suppliers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material return or exchange of supplies that did not meet our standards or suffer any significant loss or damage caused by quality problems of supplies. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortage of or delay in the delivery of supplies that caused material adverse impacts on our business operations. In addition, we did not experience any significant fluctuation in the prices of our supplies which had a material adverse impact on our results of operations or gross profit margins during the Track Record Period and up to the Latest Practicable Date. For risks in relation to our relationships with suppliers, see "Risk Factors — Risks Relating to Our Business and Industry — Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers, business partners or other third parties may materially and adversely affect our business."

Our Five Largest Suppliers

For the years ended December 31, 2023, 2024 and 2025, our purchase amount from the five largest suppliers in each year during the Track Record Period accounted for 30.4%, 19.7% and 24.4% of our total purchases for the same years, respectively. For the years ended December 31, 2023, 2024 and 2025, our purchase amount from the largest supplier in each year during the Track Record Period accounted for 14.5%, 5.4% and 6.6% of our total purchases for the same years, respectively. The following tables set forth certain information of our five largest suppliers in each year during the Track Record Period:

Year Ended December 31, 2025

Supplier	Major services/products purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Length of relationship with us
			(RMB'000)	*(%)*	
Supplier J[10]	Cloud services and project implementation services*	N/A**; wire transfer	49,425	6.6	Since 2022
Supplier K[11]	Computing power and cloud services	N/A**; wire transfer	40,442	5.4	Since 2025
Supplier L[12]	Computing power and cloud services	N/A**; wire transfer	34,987	4.7	Since 2025
Supplier M[13]	Project implementation services*	N/A**; wire transfer	31,310	4.2	Since 2025
Supplier B[2]	Computing power and cloud services	N/A**; wire transfer	27,000	3.6	Since 2024
			183,164	**24.4**	

Year Ended December 31, 2024

Supplier	Major services/products purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Length of relationship with us
			(RMB'000)	*(%)*	
Supplier A [1]	Cloud computing services and the relevant cloud services	N/A**; wire transfer	30,221	5.4	Since 2021
Supplier E[5]	Project implementation services*	N/A**; wire transfer	28,952	5.2	Since 2024

Supplier	Major services/products purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Length of relationship with us
			(RMB'000)	*(%)*	
Supplier F[6] . .	Cloud services and project implementation services*	N/A**; wire transfer	18,405	3.3	Since 2022
Supplier D[4] . .	Computing power and cloud services	N/A**; wire transfer	16,924	3.0	Since 2024
Supplier G[7] . .	Computing power and cloud services	N/A**; wire transfer	15,675	2.8	Since 2022
			110,177	**19.7**	

Year Ended December 31, 2023

Supplier	Major services/products purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Length of relationship with us
			(RMB'000)	*(%)*	
Supplier A[1] . .	Cloud computing services and the relevant cloud services	N/A**; wire transfer	60,018	14.5	Since 2021
Supplier G[7] . .	Computing power and cloud services	N/A**; wire transfer	22,118	5.3	Since 2022
Supplier H[8] . .	Computing power and cloud services	N/A**; wire transfer	21,221	5.1	Since 2022
Supplier I[9]. . .	Computing power and cloud services	N/A**; wire transfer	11,925	2.9	Since 2022
Supplier J[10] . .	Project implementation services*	N/A**; wire transfer	10,537	2.5	Since 2022
			125,819	**30.4**	

Notes:

(1) A cloud computing service provider established in 2019 with a registered share capital of RMB5.0 billion, located in Guizhou province.

(2) An information technology service provider established in 2020 with a registered share capital of RMB20.0 million, headquartered in Jiangsu province.

(3) An internet information service provider established in 2023 with a registered share capital of RMB1.0 million, located in Guizhou province.

(4) An information technology service provider established in 2013 with a registered share capital of RMB41.5 million, located in Shanghai.

(5) An internet technology and relevant services provider established in 2017 with a registered share capital of RMB10.2 million, located in Jiangsu province.

(6) A software development company established in 2021 with a registered share capital of RMB10.0 million, located in Jiangsu province.

(7) An information technology service provider, established in 2021 with a registered share capital of RMB10.0 million, located in Jiangsu province.

(8) An information technology service provider, established in 2000 with a registered share capital of RMB200.0 million, located in Beijing.

(9) An internet and technology services company, established in 2010 with registered share capital of RMB 22.0 million, located in Jiangsu province.

(10) An information technology system integration service provider, established in 2009 with a registered share capital of RMB100.0 million, located in Jiangsu province.

(11) A general equipment manufacturing company established in 2017 with a registered capital of RMB59.3 million, located in Jiangsu province.

(12) A technology promotion and application services company established in 2024 with a registered capital of RMB50.1 million, located in Shanghai.

(13) A computer, communication and other electronic equipment manufacturing company established in 2006 with a registered capital of RMB53.6 million, located in Jiangsu province.

* We procure project implementation services for system integration and technical support from specialized suppliers with technical expertise. These services generally facilitate the deployment of private computing platforms, system integration, API connectivity and development, joint testing, among others. Our procurement of project implementation services generally does not involve procurement of technologies developed by third parties. Specifically, to promote project implementation efficiency, we engage suppliers to assist with project execution. Such suppliers implement projects based on our proprietary technologies, without introducing any third-party technologies or algorithms. To a lesser extent, for some of our projects with complex customization and industry-specific integration requirements, we engage suppliers to

assist in the customized development, adaptation, and cluster integration of software modules. For instance, we provided Customer M with an integrated solution encompassing computing, storage, networking, and applications. Our solution integrated key modules of industry application software, such as smart park, intelligent manufacturing platform, and enterprise operation management platform, which were consistently embedded into the computing servers. Underpinned by our proprietary digital human technology, our solution to Customer M covered a digital human intelligent management module, real-time digital human engine, speech recognition module, speech synthesis module, and digital human models. To facilitate our solution delivery, we procured project implementation services from a third-party supplier, who leveraged its own technologies to assist in customized development, system adaptation and integration for industry application software modules tailored to the project's requirements based on our existing technical architecture and interface standards.

** Our agreements with this supplier do not explicitly specify credit terms. In practice, we generally settle payments with such supplier within approximately 30 days.

All of our five largest suppliers in each year during the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year during the Track Record Period.

INVENTORY MANAGEMENT AND LOGISTICS

Our Inventory Management

Our inventories primarily consist of contract fulfillment cost, mainly representing costs incurred for our provision of GJ AI workforce solutions, which will be recognized as cost of sales upon our customers' acceptance. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB15.0 million, RMB42.4 million and RMB79.2 million, respectively. See "Financial Information — Discussion of Certain Key Items from Consolidated Statements of Financial Position — Inventories" for details of our inventory turnover days. During the Track Record Period, we did not experience inventory write-offs.

Our Logistics Arrangement

Due to the nature of our business, we do not maintain warehouses. For customers that procure the integrated terminals of our GJ AI workforce solutions, the relevant screens and other accessories are delivered by our suppliers to the designated places to facilitate our solution deployment.

CYBERSECURITY AND DATA PRIVACY AND PROTECTION

Regulatory Development on Cybersecurity and Data Privacy and Protection

Cybersecurity, data privacy, data security protection and algorithm compliance have become an increasing regulatory focus of government authorities in recent years. See "Regulatory Overview — Laws and Regulations Related to the Protection of Cyber Security, Information Security, Data and Privacy" for details of these laws and regulations.

Based on (i) as of the Latest Practicable Date, we had not received any official notification from relevant regulatory authorities designating its network facilities and information systems as Critical Information Infrastructure ("**CII**"), and therefore we are not deemed as a CII operator; (ii) during the consultation conducted by our PRC Legal Advisors relating to Data Compliance on October 17, 2025, the CCRC confirmed that a listing in Hong Kong does not fall within the scope of the term "listing abroad" under Article 7 of the Review Measures; and (iii) as of the Latest Practicable Date, we had not received any notice requiring us to conduct a cybersecurity review under the Review Measures or our data processing activity affects or may affect national security, our PRC Legal Advisors relating to Data Compliance are of the view our proposed **[REDACTED]** does not trigger the obligation to proactively apply for a cybersecurity review pursuant to the provisions of Article 5 and Article 7 of the Measures for Cybersecurity Review. However, the Review Measures grant the government authorities the discretion to initiate a cybersecurity review if they deem any data processing activity affects or may affect national security. Therefore, there remains the possibility that the relevant government authorities may conduct cybersecurity review on our Company accordingly. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with laws and regulations relating to generative AI,

algorithm, cybersecurity, information security, data privacy and protection could result in claims and penalties imposed by relevant government authorities, which could harm our brand and reputation, and materially and adversely affect our business operations and financial performance."

Our Access to Data during Operations

In our private deployment solutions, we do not access sensitive customer data used for achieving the functions of our solutions offered, and such data is processed by our enterprise customers. In our cloud-based productized solutions, we are mainly entrusted by our solution deploying enterprise customers or distributors on their behalf to process data such as texts, pictures, audios and videos, on an as-needed basis for the purpose of achieving the functions of our solutions. Thus, we are subject to the laws and regulations relating to cybersecurity, data privacy and data security protection.

Internal Policies and Measures on Data Privacy and Protection

We highly value data privacy and protection. We have formulated multiple internal policies and measures during our business operations, aiming to cover the entire life cycle of data in our systems, including collection, usage, storage, transmission, disclosure and deletion of data. We also adopted a series of measures to comply with PRC laws and regulations related to algorithms and AI technologies.

- *Security layers for data isolation*. We set multiple security layers to isolate our databases and operating systems from unauthorized access or unauthorized connection by third parties' devices. Our multi-tenant, physically isolated architecture for data security includes segregated storage for our internal data, and a robust data tracking mechanism to guarantee absolute segregation between data from our customers and our proprietary data, substantially reducing risk of data cross-contamination.

- *Filing with CAC*. During the Track Record Period and up to the Latest Practicable Date, we were in compliance with the applicable regulatory filing requirements of CAC, namely the algorithm filing and generative AI service filing procedures under the *Interim Measures for the Administration of Generative Artificial Intelligence Services* (《生成式人工智能服務管理暫行辦法》), in all material respects. As of the Latest Practicable Date, we have completed the algorithm filing for our GJ AI workforce Lip-Sync Algorithm (硅基智能數字人口型生成算法), GJ AI workforce Lip-Sync Algorithm-2 (硅基智能數字人口型生成算法-2), GJ Intelligent Voice Cloning and Speech Generation Algorithm (硅基智能聲音克隆語音生成算法), GJ Intelligent Voice Cloning and Speech Generation Algorithm-2 (硅基智能聲音克隆語音生成算法-2), GJ Intelligent Voice Recognition, Generation and Synthesis Algorithm (硅基智能語音識別生成合成類算法), GJ Intelligent Voice Recognition, Generation and Synthesis Algorithm-2 (硅基智能語音識別生成合成類算法-2), GJ Yan Di Large Language Model Algorithm (硅基智能炎帝大模型算法) and GJ Yan Di Large Language Model Algorithm-2 (硅基智能炎帝大模型算法-2), and generative AI service filing (生成式人工智能服務備案) for our Yan Di Large Language Model.

- *Internal protocols*. We established a comprehensive data protection framework, which includes, without limitation, *General Principles of Cybersecurity and Data-Compliance Management* (《網絡安全和數據合規管理總則》), and *Personal Information Protection Management Policy* (《個人信息保護管理制度》). We have also established robust internal protocols for algorithm security assessment and governance. We mandate that our developers adhere to all applicable laws and regulations. We have also applied ISO 27001 for the purpose of information security management and the relevant management system is certified. In accordance with the mandatory labeling requirements stipulated in the *Regulations on the Management of Deep Synthesis of Internet Information Services* (《互聯網信息服務深度合成管理規定》), we implemented both visible and invisible identifiers across all of our solutions.

- *Employee management and internal training*. We require all of our employees to enter into confidentiality agreements with us to prevent data leakage caused by carelessness and misuse by our employees. We arrange training sessions for our employees on data privacy

and cybersecurity knowledge and their confidentiality responsibilities. For the resigned employees, we will timely remove their accounts from our systems to avoid access to our customer data.

- *Designated department and staff*. Cybersecurity and data security management committee is responsible for our data privacy and protection matters. We designate staff to support the protection of data privacy, conduct security tests on each of the updated versions of our systems and large model and algorithms and timely discover and repair the system bugs and vulnerabilities.

- *Explicit terms of contracts with customers*. We set terms regarding confidentiality or data protection in our contracts with customers. Besides, our contracts explicitly mandate that customers using our GJ AI workforces operate in full compliance with all PRC laws and regulations, as well as the applicable platform rules. Customers are prohibited from engaging in any activities that violate public order and good morals or infringe upon third-party rights, including intellectual property rights and personal privacy. We generally obtain consents from our customers in applying their IPs during provision of GJ AI workforce solutions.

- *Reliable information technology infrastructure*. To make our practices meet international information security management standards, we have built our information technology infrastructure by leveraging the public cloud services from a leading enterprise cloud service provider, benefiting from its cloud service capabilities and ensuring the high-speed and stable performance of our systems.

Ongoing Attention on the Regulatory Environment of Data Security

As laws and regulations on cybersecurity, data privacy and protection and generative AI and algorithm are evolving constantly in recent years, we have been paying close attention to the latest global legislative and regulatory developments in this field. We conduct routine compliance checks and rectifications in terms of cybersecurity, data privacy and protection and algorithm compliance, reducing our compliance risks and keeping pace with regulatory development. As a testament to our excellent cybersecurity and data management capability, during the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss. As advised by our PRC Legal Advisors relating to Data Compliance, we are in compliance with all applicable PRC laws and regulations governing data protection and privacy in all material aspects.

As of the Latest Practicable Date, we had adopted a series of measures to comply with the *Interim Measures for the Administration of Generative Artificial Intelligence Services* (《生成式人工智能服務管理暫行辦法》), including but not limited to: (i) completing the generative AI service filing (生成式人工智能服務備案) for Yan Di Large Language Model; (ii) implementing measures to conduct content review of users' input data, and disposing any illegal or harmful information identified in such data in a timely manner; (iii) formulating data annotation rules and providing training for annotation personnel; and (iv) implementing both visible and invisible identifiers across our solutions. Furthermore, during the Track Record Period and up to the Latest Practicable Date, we had not received any material regulatory inquiries, warnings, or penalties concerning the generative artificial intelligence service management regulations. Based on the foregoing, as advised by our PRC Legal Advisors relating to Data Compliance, during the Track Record Period and up to the Latest Practicable Date, we had complied with the Interim Measures for the Administration of Generative Artificial Intelligence Services and the relevant regulations governing generative artificial intelligence services in all material respects.

Our internal control consultant reviewed selected areas of internal control, including cybersecurity, data privacy and protection and algorithm compliance. We adopted rectification measures recommended by the Internal Control Consultant and the Internal Control Consultant has no further recommendation after the follow-up review. See "— Risk Management and Internal Control" and "Risk Factors — Risks Relating to Our Business and Industry — Our risk management and internal control systems may not be adequate or effective in all respects, which may materially and adversely affect our business, financial condition and results of operations."

AWARDS AND RECOGNITIONS

The following table sets forth recent major awards and social recognition received by us.

Year of Award	Entity/Person	Award/Social recognition	Awarding Institution/Authority
2026	Mr. Sima	Expert of the AI Think Tank of Jiangsu Province (江蘇省人工智能智庫專家)	Jiangsu Development and Reform Commission (江蘇省發展和改革委員會)
2025	Our Company	2025 Top 30 Virtual Digital Human Enterprises (2025虛擬數字人企業TOP30)	DBC (德本諮詢) and CIW (互聯網週刊)
2025	Our Company	2025 China's Top 100 Generative AI Service Providers (2025中國生成式人工智能服務TOP100)	DBC and CIW
2025	Our Company	Jazzyear 2025: China's AI Industry Trailblazers (甲子光年2025中國AI產業逐浪者)	Jazzyear (甲子光年)
2025	Our Company	2025 AI Cloud 100 China	Eminence Ventures (靖亞資本)
2025	Our Company	2025 China's Top 100 Emerging Global Players (2025中國企業全球化新勢力100強)	CYZone (創業邦)
2025	Mr. Sima	Vice chairman of the Artificial Intelligence Committee of Jiangsu Federation of Industry and Commerce (江蘇省工商聯人工智能委員會副主任委員)	Jiangsu Federation of Industry and Commerce (江蘇省工商聯合會)
2025	Mr. Sima	A member of the Artificial Intelligence Committee of All-China Federation of Industry and Commerce (全國工商聯人工智能委員會委員)	All-China Federation of Industry and Commerce (中華全國工商業聯合會)
2024	Our Company	2024 Top 50 Artificial Intelligence Technology Companies (2024人工智能科技企業TOP50)	Forbes (福布斯)
2024	Our Company	2024 Artificial Intelligence Innovation Scenario Application Enterprises (2024人工智能創新場景應用企業)	Forbes
2024	Our Company	2024 China Artificial Intelligence Multimodal Large Model Enterprise Comprehensive Competitiveness Top 20 (2024中國人工智能多模態大模型企業綜合競爭力20強)	CCID Industrial and Information Technology Research Institute (賽迪工業和信息化研究院)
2024	Our Company	36Kr 2024 AI Partner Application Benchmark Cases (36氪2024AI Partner應用標杆案例)	36Kr
2024	Our Company	36Kr Most Commercially Valuable Enterprise of the Year (36氪年度最具商業價值企業)	36Kr
2024	Our Company	2024 Digital Intelligence Golden Human Awards — Most Popular Digital Human Product Award (2024數智金人獎 — 最受歡迎數字人產品獎)	World Artificial Intelligence Conference (世界人工智能大會)
2024	Our Company	Huxiu 2024 Top 10 AI Digital Human Technology Providers (虎嗅2024AI數字人技術商TOP10)	Huxiu (虎嗅)
2024	Our Company	Geekpark 2024 Top 50 Innovators (極客公園2024年度創新力量TOP50)	Geekpark (極客公園)
2023	Our Company	China's 50 Most Promising AIGC Companies (中國AIGC最值得關注的50家公司)	QbitAI
2023	Our Company	Top 20 Most Commercially Promising Digital Human Enterprises (數字人領域最具商業潛力榜TOP20)	Jazzyear
2023	Our Company	Future Unicorns	First AI Innovation Top 30 Enterprises (未來獨角獸 | 首屆人工智能榜單創新雙30企業)	KPMG (畢馬威)
2023	Our Company	100 Future Unicorns (100未來獨角獸)	CYZone
2023	Our Company	China's Best Product Design Awards (中國最佳產品設計榜)	Fortune magazine《財富FORTUNE》
2023	Our Company	2023 Hurun Global Cheetah Enterprises List (2023胡潤全球獵豹企業榜)	Hurun Research Institute (胡潤研究院)
2023	Mr. Sima	2023 Jiangsu Province Outstanding Entrepreneur (2023年度江蘇省優秀企業家)	The Communist Party of China Jiangsu Provincial Committee (中共江蘇省委) and Jiangsu Provincial People's Government (江蘇省人民政府)
2023	Mr. Sima	Sixth Nanjing City Outstanding Contributor to the Cause of Socialism with Chinese Characteristics (第六屆南京市優秀中國特色社會主義事業建設者)	The Communist Party of China Nanjing Municipal Committee (中共南京市委) and Nanjing Municipal People's Government (南京市人民政府)
2022	Our Company	Specialized, Fined, Peculiar, and Innovative "Little Giant" Enterprise (專精特新小巨人企業)	MIIT

EMPLOYEES

As of December 31, 2025, we had 99 employees in total. All of our employees were based in the PRC, as of the same date. The following table sets forth a breakdown of our employees by function as of the same date.

Function	Number of employees	% of total employees
Research and development	63	63.6%
Selling and marketing	10	10.1%
Financial, administrative and others	11	11.1%
Operating	15	15.2%
Total	**99**	**100.0%**

Besides, as of the Latest Practicable Date, we had six personnels designated by an independent third-party human resource service provider under labor outsourcing arrangement. We primarily recruit our employees through campus recruitment, recruitment websites and internal and external referrals. We also recruit core employees through recruitment agents. Our recruitment plans are prepared based on our business development and the annual budget for employee benefit expenses. To enhance the adaptability and teamwork of new employees, we conduct orientation training sessions that clarify job responsibilities, our corporate values and workplace culture and occupational security. Furthermore, we provide ongoing, systematic training sessions to keep our employees abreast of the latest industry and regulatory developments, thereby strengthening their operational and technical expertise. Our employees typically enter into standard labor contracts, confidentiality agreements and non-competition agreements with us. We provide relatively competitive remuneration packages for our employees, mainly comprising base salaries and performance-based bonuses.

As required by the relevant PRC laws and regulations, we participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance and the housing provident fund, and to contribute to these plans and funds at the levels specified by the relevant local government authorities in China from time to time at locations where we operate our business in the PRC. During the Track Record Period, we failed to make full social insurance and housing provident fund contributions for certain of our employees as required by the applicable PRC laws and regulations, with a shortfall amounting to RMB11.5 million, RMB8.5 million and RMB5.2 million for the years ended December 31, 2023, 2024 and 2025, respectively. This incident was resulting from failure to pay social insurance and housing provident fund contributions in accordance with the statutory base, primarily due to the relevant personnel who did not fully understand the relevant regulatory requirements. As advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations: (i) with respect to social insurance, the relevant government authorities may order us to pay the outstanding amounts within the prescribed time period with a late charge at the daily rate of 0.05% on the outstanding amounts, and if and only if we fail to do so, they may impose a fine or penalty ranging from one to three times the outstanding amounts; and (ii) with respect to housing provident funds, the relevant government authorities may order us to pay the outstanding amounts within the prescribed time period, and they may apply to a competent court for enforcement of the outstanding amounts if we fail to do so. During the Track Record Period and up to the Latest Practicable Date, we were not imposed any administrative penalties as a result of our non-compliance with PRC laws and regulations related to social insurance and housing provident funds. We took prompt remedial and/or rectification measures after we identified such incident in relation to social insurance and housing provident fund contributions. For instance, our management from time to time hold meetings to monitor the associated risks and discuss measures on preventing the reoccurrence of such incident. We designate dedicated personnel to conduct regular screenings on salary adjustments and contribution base declarations. We also spent efforts to establish internal measures to make social insurance and housing provident fund contributions in accordance with the applicable PRC laws and regulations going forward, incorporating social insurance and housing provident fund compliance into key risk control indicators and performance assessments. As of the Latest Practicable Date, we were still making efforts to communicate with the relevant employees to get their cooperations to make social insurance and housing provident fund contributions in full. We expect to make social insurance

and housing provident fund contributions in full for all employees in accordance with applicable PRC laws and regulations by the end of 2026. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulty in recruiting staff for our operations, and we did not experience any strikes or any labor disputes with our employees that have had or are likely to have a material adverse effect on our business.

LICENSES, PERMITS AND CERTIFICATES

As advised by our PRC legal advisors, during the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, permits and approvals required for our business operations in the PRC (which mainly consist of business licenses of our subsidiaries) and such licenses, permits and approvals had remained in full effect and had no legal impediments to renewal. The following table sets out the certificates that we consider to be important to us as of the Latest Practicable Date.

Certificate	Holder	Issuing Authority	Issuance Date	Expiration Date
High and New Technology Enterprise Certificate (高新技術企業證書)	Our Company	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳), Department of Finance of Jiangsu Province (江蘇省財政廳) and Jiangsu Provincial Tax Service, State Taxation Administration (國家稅務總局江蘇省稅務局)	December 19, 2025	December 18, 2028
Software Enterprise Certificate (軟件企業證書)	Our Company	China Software Industry Association (中國軟件行業協會)	September 22, 2025	September 21, 2026

We monitor the validity status of and make timely applications for the renewal of relevant licenses, permits, approvals and certificates prior to the expiration date. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulties in obtaining or renewing the required licenses, permits, approvals and certificates for our business operations.

PROPERTIES

As of the Latest Practicable Date, we did not own any property and we leased 7 properties in the PRC with a total GFA of 4,283.6 sq.m., primarily used as office, research and development, and employee dormitory premises, which are non-property activities as defined under Rule 5.01(2) of the Listing Rules. As of the same date, in the non-domestic market, we also leased 1 property in Singapore, which was primarily used as the employee dormitory premise.

As of the Latest Practicable Date, one of our lease agreements for lease of property with a GFA of 142.15 sq.m. (accounting for approximately 3.32% of the aggregate GFA of our total leased properties), had not been registered with the relevant PRC government authorities, primarily due to the landlord failed to cooperate to complete the lease registration. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for such unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the maximum penalty we may be subject to for our unregistered lease agreement will be RMB10,000, which we believe is immaterial. Therefore, we believe that this non-registration will not have any material adverse effect on our financial condition or results of operations. We will actively liaise with the lessor to complete the registration, if possible. For more details, please see "Risk Factors — Risks Relating to Our Business and Industry — We face risks in relation to the lease non-registration."

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We are committed to advancing sustainable development through robust environmental protection initiatives, proactive corporate social responsibility practices, and continuously enhanced corporate governance. Digital human agents are driving a productivity transformation by liberating human workers from repetitive and process-driven tasks, inherently embedding sustainable ESG attributes into

business operations. Specifically, digital customer service agents reduce the need for physical office space and lower energy consumption. Furthermore, by leveraging our GJ AI workforce solutions, public institutions, such as government departments, healthcare service providers and educational organizations, can achieve broader reach and greater accessibility in the delivery of essential public services.

Overall ESG Governance

We recognize compliance with all applicable ESG-related laws and regulations as our principle on ESG issues. We have established ESG policies to set forth our environmental protection measures, social responsibilities and corporate governance. Our ESG policies for environmental protection aim to promote the usage of renewable resources and enhance our energy consumption efficiency. Our ESG policies for social responsibilities aim to ensure our compliance with applicable laws and regulations and promote our employees' occupational safety. Our ESG policies for corporate governance aim to monitor and control the risks in our daily operations and enhance our operating efficiency. Our Directors shoulder overall responsibility regarding the identification, assessment and management of ESG risks, ensuring that our internal policies are duly implemented and updated to keep up with the latest regulatory developments and industry trends. We have formulated the following ESG-related measures and working mechanisms: (i) arranging internal training sessions on ESG-related risks, ESG-related laws and regulations, and ESG responsibilities to raise the awareness of ESG among our management and employees; (ii) holding internal meetings to review our ESG metrics, check the feasibility of ESG goals and make timely adjustments to ESG measures based on a thorough evaluation of our latest ESG performance; (iii) regularly monitoring electricity and water consumption and encouraging resource conservation among our employees while ensuring operational compliance and safety. Our management convenes to discuss our ESG tracking and measuring mechanisms to identify potential ESG-related risks and challenges in multiple aspects, such as resource consumption and conservation, waste disposal, occupational safety, employee welfare and diversity, corporate culture, etc.; and (iv) regularly communicating with industry peers on ESG-related risks and experiences on improving the ESG monitoring mechanism to manage such risks.

Going forward, we will arrange systematic training sessions to improve employees' awareness of ESG-related policies, social trends, responsibilities and targets, equipping them with sustainable and environmentally friendly knowledge and techniques.

Environmental Protection and Resource Conservation

We do not operate any production facility and the future impact of potential changes in social trends and policies on our operations and financial conditions is limited. Given the nature of our business, we are not involved in any material generation of greenhouse gas emissions or waste. We generally do not generate any hazardous waste. Our daily operations have little impact on the environment and natural resources. Moreover, we are committed to mitigating any potential risks in this regard in the mid- to long-term. During the Track Record Period and up to the Latest Practicable Date, our results of operations and financial condition had not been materially adversely impacted by any changes in social trend and policies relating to ESG issues.

Greenhouse Gas Emissions

Greenhouse gases generally include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The greenhouse gas emissions are categorized into (i) Scope 1, direct greenhouse gas emissions mainly generated from fuel consumption; (ii) Scope 2, electricity indirect greenhouse gas emissions mainly generated from energy indirect consumption; and (iii) Scope 3, other indirect greenhouse gas emissions mainly generated from water consumption, wastewater discharge, waste disposal and paper consumption during business travel, employee commuting, transportation of products by suppliers and other activities, according to the Greenhouse Gas Protocol. Our use of vehicles generates air emissions, such as Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Particulate Matters (PM). No material NOx, SOx, PM and Scope 1 greenhouse gas emissions are generated during our daily operations. We are committed to reducing or maintaining our total greenhouse gas emission intensity level in the next three years. We strive to achieve high energy

consumption efficiency and control the greenhouse gas emission through: (i) procuring cloud-based green computing power from data centers powered by renewable energy sources such as wind and solar; (ii) optimizing algorithms and architectures through continuous model refinement and engine enhancements to improve computing resource utilization; and (iii) promoting low-carbon office operations by implementing energy-saving measures such as paperless workflows and video conferencing. We adopt the following measures to implement environmentally friendly operations: (i) arranging meetings and training sessions to educate our staff on the concept of resource consumption efficiency, especially energy efficiency, fostering our staff's awareness of energy conservation; (ii) monitoring our electricity consumption, as the use of electricity is among the main sources of our indirect greenhouse gas emissions. Encouraging the use of energy-saving lighting systems and new energy vehicles among our staff to reduce greenhouse gas emissions; (iii) posting ESG-related publicity signs in our offices to remind our staff to conserve resources during daily operations, such as saving water and electricity and timely turning off the light and air conditioner before leaving the office; (iv) encouraging our employees to recycle materials used during our business operations, such as plastic bags and bottles, cartons and cardboard; (v) encouraging our employees to reuse paper and conserve water, where efficient and applicable; and (vi) maintaining stable cooperation relationships with suppliers that appreciate ESG performance and/or obtained ESG-related certifications, and discussing with our suppliers with respect to resource conservation and carbon footprint.

We are subject to the PRC environmental protection laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we complied with all PRC laws and regulations with respect to environmental matters in all material respects, and we did not receive any complaint from any party in respect of any environmental protection concern or issue and we have not experienced any material environmental incidents arising from our business operations. Our annual cost of compliance with environmental protection laws and regulations was immaterial to us as a whole. We expect such compliance cost to remain immaterial considering the nature of our business.

Social and Governance

We primarily adopt the following measures and policies to ensure compliance with applicable laws and regulations while establishing a diverse, equitable and inclusive working atmosphere across our Group: (i) we cherish the diverse, inclusive and respectful work environment and strictly prohibit any form of discrimination, harassment or abuse among employees; (ii) we from time to time arrange training programs for employees to deliver the latest industry knowledge, technological advancements and corporate management and/or operation skills; (iii) we strive to achieve balanced employee structures. Women employees represented 32.9%, 32.4% and 32.3% of our total employees as of December 31, 2023, 2024 and 2025, respectively; (iv) our human resource department from time to time reviews our human resources policies and makes timely adjustments, if necessary, to make sure such policies accommodate material changes to relevant laws and regulations; and (v) we proactively notify and negotiate with our employees in compliance with our internal procedures if we need to adjust the employees' positions and responsibilities due to operational adjustments or the employees' competency.

During the Track Record Period and up to the Latest Practicable Date, we complied with all PRC laws and regulations with respect to health and occupational safety matters in all material respects. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents during our operations, nor were we subject to any material claims for personal or property damages or compensation paid to employees.

Ethical Use of AI and Corporate Social Responsibilities

As a digital human agent provider in China, we pursue the ethical use of AI products and technologies during our business operations. In particular, we adhere to the principles of "compliance and control, technology for good" to promote the ethical application of our solutions. We actively participate in meetings and forums organized by government authorities to keep up with the latest laws and regulations. In addition, we require our customers engaging digital human avatar services to sign formal authorization documents and undergo identity verification to reduce the risks of misuse.

We shoulder our corporate social responsibilities through providing free GJ AI workforces to selected top-ranking universities in China. For instance, we donated 100 thousand digital human agents to a top-ranking university in Zhejiang in April 2025. Our digital human agent donations to universities empower professors with AI-powered teaching assistants and enable students to actively participate in the media and e-commerce industries while pursuing their academic studies, effectively allowing them to take multiple roles concurrently. We also from time to time post free natural and social science popularization videos to popularize knowledge among general public. We advance knowledge equity by publishing a continuous stream of such videos, which leverages AI technologies to efficiently transform complex subjects into accessible content for the general public, fostering broader understanding and engagement across diverse audiences. During the COVID-19 pandemic, we leveraged our GJ AI Real-time Voice Agents to enable online communication. We assisted public service departments with complimentary GJ AI Real-time Voice Agents capable of automatic outbound voice calls, which significantly boosted the efficiency of standardized call communications and alleviated the physical strain of manual outreach.

In addition, our digital human cloning technology has expanded career possibilities for individuals with hearing impairments to engage in short-video entrepreneurship. By creating digital human twins for educators with hearing disability, our solutions enable their digital human twins to represent them in short-videos, AI-powered live streaming, and real-time interactive teaching. This significantly enhances their work convenience and efficiency while unlocking new career paths and revenue streams for them.

Integrity and Anti-corruption

By integrating corporate governance and operational performance into our ESG metrics, we treat organizational integrity as both a social responsibility and a strategic advantage. To maintain high ethical standards, we have established a robust anti-fraud framework covering confidentiality, anti-bribery, anti-corruption and mitigation of conflicts of interest. We conduct rigorous risk assessments, internal controls and establish confidential reporting channels for employees and shareholders to improve our operational compliance. Under our internal policies and contracts with staff, non-compliance in this regard could lead to termination of employment or business relationships. We strive to offer customers with honest, high-quality and satisfactory solutions, maintaining the healthy and sustainable development of our business. We have adopted the following internal control measures designed to ensure compliance with the anti-corruption and anti-bribery laws, regulations and rules applicable to us: (i) We have established *Anti-fraud and Whistleblowing Management Policy* (《反舞弊及舉報投訴管理辦法制度》); (ii) We arrange training sessions for employees to enhance their awareness of our integrity requirements and risks across business scenarios; (iii) We have established an anti-corruption hotline and dedicated email channel for reporting purposes; (iv) We typically include anti-bribery and corruption terms in our agreements with major customers. We require all suppliers to sign anti-commercial bribery agreements as a standard practice; and (v) We maintain strict oversight of key personnel in positions with concentrated authority, fund management, or access to concentrated resources, providing them with targeted emphasis, reminders and supervisory inspections. We conduct integrity reviews for critical processes, such as management appointments, award evaluations and professional rank promotions. To monitor our compliance performance in terms of anti-corruption and anti-bribery, we review departmental expenses, evaluate the regularity of procurement procedures, and assess the fairness of procurement prices.

Board Diversity

We strive to achieve and maintain board diversity to improve our Board's performance, bring inclusive and unique perspectives to the boardroom. In particular, Ms. Chen Liping and Ms. Mao Liyan (毛麗豔) have been appointed as our Executive Directors. Ms. Chen has over two decades of comprehensive experience across the fields of AI and fintech. Ms. Mao has approximately two decades of experience in AI and ICT industry. In recognition of their extensive industry knowledge and recognition, we have appointed them as our Directors, which also enhanced the gender diversity of our Board.

Key Metrics and Targets

Our energy consumption is mainly derived from electricity consumption from information technology systems maintained by us during our daily operations. Therefore, electricity consumption is among the main sources of our indirect greenhouse gas emissions. We also use water and paper during our daily operations. We strive to achieve high energy consumption efficiency and minimize greenhouse gas emissions during our business operations. The table below sets forth our electricity and water consumption analysis for the years indicated.

	Year ended December 31,		
	2023	2024	2025
Electricity consumption *(kWh'000)*	1,035	936	940
Electricity consumption *(kWh'000)*/revenue *(RMB in millions)*	2	1	1
Water consumption *(ton'000)*	2.5	1.0	0.3
Water consumption *(ton'000)*/revenue *(RMB in millions)*	0.0048	0.0015	0.0004

We attach great importance to minimizing our environmental impact through monitoring our resource consumption and pollutant emission levels. Taking into account our historical ESG-related performance and the measures we expect to implement in the future, we set the following key targets in relation to ESG matters: (i) striving to reduce the electricity consumption per revenue generated by us by over 5% in the following five years; (ii) striving to reduce the water consumption per revenue generated by us by over 5% in the following five years; (iii) striving to reduce our carbon emission level in the following five years and achieve carbon neutrality in the long term; (iv) striving to reach over 50% of installment of energy-saving lighting systems in our offices in the following five years, as energy-saving lighting system has much higher energy efficiency compared with traditional lighting systems; (v) promoting the use of recycling paper in our offices; and (vi) striving to increase the portion of our suppliers for paper and packaging materials using environmental-friendly materials to approximately 20% of all such suppliers in the following five years.

INSURANCE

As of the Latest Practicable Date, we maintained automobile insurance. We are generally not required to, and generally do not, maintain business interruption insurance or key person insurance. During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies. Our Directors believe that our insurance coverage is adequate and is in line with industry practice. However, the risks related to our business and operations may not be fully covered by insurance. For more details, please see "Risk Factors — Risks Relating to Our Business and Industry — We have customary insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources."

SEASONALITY

Our business and results of operations are affected by seasonality, resulting from seasonal fluctuations in customer purchases. Our customers typically adhere to an annual cycle for budget planning and implementation. Customers typically formulate the budget, enter into contracts, execute the transactions and initiate the projects based on their business plans in the first half of the fiscal year, and accept the solution deliverables and complete the transactions in the second half of the year. Accordingly, we typically record higher revenue from our solutions in the second half of the fiscal year, which is in line with the industry norm, according to CIC.

The historical seasonality of our business has been relatively mild, but the seasonal trends that we have experienced in the past may not be indicative of our future operating results. We expect our business operations and financial performance to continue to fluctuate based on seasonal factors. For

more details, please see "Risk Factors — Risks Relating to Our Business and Industry — Our business is subject to seasonal fluctuations which could have a material effect on our revenue, cash flow and results of operations."

RELEVANT ACTIVITIES WITH INTERNATIONAL SANCTIONS EXPOSURE

The major U.S. export control regimes is governed by the Export Administration Regulations (the "**EAR**"), 15 CFR Parts 730-774, which is administered by the Bureau of Industry and Security, U.S. Department of Commerce (the "**BIS**"). BIS regulates the export, re-export and transfer (in-country) of items (including commodities, software or technology of a commercial and/or dual use nature, collectively "**item**") "subject to the EAR." The item subject to the EAR includes (i) all items in the United States, including in a U.S. Foreign Trade Zone or moving in transit through the United States from one foreign country to another, (ii) all U.S. origin items wherever located, (iii) foreign-made items that exceed de minimis amount of U.S.-origin content, (iv) certain foreign-produced "direct products" of specified technology and software, or certain foreign-produced products of a complete plant or any major component of a plant that is a "direct product" of specified technology or software.

The global operations of Chinese enterprises may be broadly subject to the extraterritorial application of U.S. export controls, sanctions, and other regulatory measures. Our business could be impacted should U.S. regulatory measures be applied directly to us or indirectly to third parties within our supply chain or customer base. Furthermore, the U.S. is actively targeting China's AI industry by restricting the transfer of sensitive technologies that could advance China's technological, military, or surveillance capabilities. Consequently, Chinese AI enterprises that may engage with sensitive U.S. technologies and have key suppliers or customers potentially subject to U.S. restrictions could face exposure to U.S. export controls and economic sanctions.

We develop and supply GJ AI workforce solutions to key account customers mainly through customized projects, while offering GJ AI workforce solutions via cloud-based services to other customers. Our activities are commercial in nature, civilian in end use, and involve no export or re-export of controlled hardware, software, or technology. During the Track Record Period, our operations were conducted almost entirely in the PRC and our revenue generated from the non-domestic market was negligible.

- ***Corporate and Investment Structure***. We are not (nor have been) designated on U.S. SDN List, Entity List, Unverified List, Non-SDN Chinese Military-Industrial Complex Companies List (the "**NS-CMIC List**"), or the equivalent in non-U.S. Relevant Jurisdiction. We have no entities, offices, assets, or operations in the United States or in any Sanctioned Country. All of our Shareholders are PRC citizens or PRC-incorporated entities and none of them appear on the U.S. SDN List, Entity List, Unverified List, NS-CMIC List, or the equivalent in non-U.S. Relevant Jurisdiction. No U.S. persons are employed or otherwise engaged by us, and we have never received U.S. investment, financing, or technology transfer.

- ***Products and Technology***. All functional software and technology that is directly applied to our products are independently developed in China. They are not of U.S. origin, contain no U.S. components, and have no Export Control Classification Number (the "**ECCN**"). Accordingly, the products are not within apparent violation of the EAR.

- ***Purchases***. During the Track Record Period, we utilized approximately 1,700 Chinese suppliers to provide supplies relating to our solutions, including cloud services, among others. Additionally, we purchased U.S. hardware with embedded/related software from another Chinese supplier either as fixed assets or as indirect costs to our solutions. Particular purchases are further explained below:

  — *Cloud Services*. Materially, cloud services represent the majority of our solutions' direct costs. For large customers, our solutions are deployed on their private cloud-based infrastructure located in China. For other customers, we procure limited public-cloud capacity from domestic providers. Our major supplier of both cloud services ("**Supplier A**") and its affiliates, is on the BIS Entity List. However, Supplier A confirmed that their services provided to us: (i) were not manufactured or produced in the United States; (ii) were not transited through the U.S.; (iii) did not incorporate U.S.-origin components; and (iv) were not "direct products" of certain controlled U.S.-origin software or technology. We utilize cloud services procured from Supplier A to host our servers and deliver services to our customers, primarily the small- and medium-sized enterprises. Our purchase amount from Supplier A for the years ended December 31, 2023, 2024 and 2025 amounted to RMB60 million, RMB30.2 million and RMB26.9 million, respectively.

  — *Hardware*. U.S.-origin high-performance computing hardware and related firmware and driver software that form an essential functional component for the operation, training, or inference of our AI systems may trigger U.S. export-control relevance under the EAR's de minimis or FDP rules. We purchased certain commercial grade hardware and embedded/related software from an independent Chinese supplier ("**Supplier Y**") only during the period from February 2022 and March 2023, which included U.S. GPUs (the "**GPU Model A, B & C**"). As such, GPU Model A, B & C were purchased exclusively within China and used only for our own internal computing power. In particular, we utilize the commercial grade hardware and embedded/related software from Supplier Y for our own internal computing power. We were not the direct exporter for said GPUs. Further, said GPUs were not resold, re-exported or directly incorporated into customer deliverables. GPU Model A, by the manufacturer's record, is shown to be non-controlled. GPU Model B, by the manufacturer's record and as applied to the BIS ECCN effective date, is shown to be non-restrictive at the time of export. GPU Model C, by the manufacturer's record, is shown to be exported within the manufacturer's permit period. Taking the above into account, the risk of a material adverse impact on our operations is low. Our purchase amount from Supplier Y for the years ended December 31, 2023, 2024 and 2025 amounted to RMB7.4 million, nil and RMB17 thousand, respectively.

- ***Sales and Exports***. Our sales occur almost exclusively within China to Chinese customers. Overseas customers (only 10 in total, including the U.S., Spain, Singapore, Malaysia, Turkey and Japan) generated less than 1% of our total revenue in each year during the Track Record Period. The exports of said foreign sales were limited to online software delivery or testing services, without shipment of tangible goods. In foreign testing services, foreign data was saved outside China. No counterparty is listed on any U.S. sanctions or other Related Jurisdiction export-control list.

- ***Sector and End Use***. Our solutions are general-purpose AI tools used for marketing, communications, and commercial digital-human applications. They have no military, surveillance, or defense end use and are not designed or customized for such purposes. We have no transactions involving restricted end users or sanctioned countries.

- ***Personnel and Compliance***. All of our employees are PRC nationals, and we have initiated internal export control and sanction compliance mechanisms. No violations, investigations, or enforcement actions have ever been recorded.

As advised by our Sanctions Legal Advisors, there is no apparent or material U.S. economic sanctions risks in that: (i) we are not an SDN listed entity; (ii) we have no ownership, management or investment connected to the U.S.; (iii) we have no transactions related to Sanctioned Countries; and (iv) our limited, indirect U.S. nexus, arising from domestic cloud service providers' internal use of cleared U.S.-origin components (as confirmed by said providers), does not constitute a violation of U.S. economic sanctions. Further, we have no applicable non-U.S. global risk relating to economic sanctions in that we have no entities and/or transactions or other applicable footprint to the non-U.S. Relevant Jurisdiction.

In relation to the main criteria of U.S. export control, although our products and/or services have some relations to U.S. export control as mentioned above, there is no showing of direct violation of the export control elements. Therefore, our Sanctions Legal Advisors are of the view that there is no apparent or material U.S. export control risk. Further, we have no other applicable Relevant Jurisdiction export risk since the minimal exports of our solutions to the EU did not violate EU export regulations.

We have established and will continue to implement the following internal controls and risk management measures to ensure compliance with International Sanctions.

- We adopted the *Export Control Compliance Management System* (《出口管制合規管理制度》), which requires our employees who identify transactions involving export control or economic sanctions risks shall report them to our Export Control Compliance Committee via designated hotline or corporate email. All employees are required to adhere to our risk-mitigating compliance procedures, which include but are not limited to: entering accurate and complete names and addresses of business partners (including suppliers, customers, and other partners) into the office automation system, and pay attention to the background parties directly or indirectly involved in business activities.

- During daily operations, we screen the potential counterparties and their related parties to check whether there is any situation that may trigger issues in relation to International Sanctions.

- We require our employees to closely review whether our procurement and offerings are subject to relevant sanctions and export control regulations.

- We arrange internal meetings and training sessions for our management and employees to understand the regulatory development of International Sanctions and relevant practices and cases to enhance compliance awareness.

- As part of our sanction-compliance policy, if any of our suppliers are found or reasonably suspected of supplying items that are non-compliant with EAR (or otherwise non-compliant with applicable export controls policies), we will cease using such suppliers, and switch to alternative suppliers and/or substitute items to mitigate adverse impact. According to CIC, the public cloud and private cloud markets in China are characterized by full competition and a high degree of price transparency, with a wide range of alternative cloud service providers that are not on the BIS Entity List, offering services with comparable technological sophistication and commercial terms. In addition, according to the same source, the computing industry in China is fully competitive, with a range of Chinese companies that are not included on U.S. export control lists. These companies supply high-performance computing hardware and software, the principal components of which do not involve U.S.-origin items.

These initiatives are designed to strengthen organizational compliance awareness, ensure adherence to legal requirements, and mitigate potential risks through enhanced understanding of regulatory requirements and emerging trends.

The U.S. has been using export controls, sanctions and related regulatory measures to restrict sensitive technologies from reaching Chinese AI-related companies. The scope and intensity of such measures are subject to adjustments over time as geo-political dynamics and global debates on AI ethics

and socio-economic risks evolve. Chinese independent computing hardware development is rapidly advancing. The choices of non-U.S. origin Chinese suppliers with non-U.S. origin computing hardware within the commercial market is expected to increase, enabling us to have increasing alternative options in the future should the need arise. In addition, as advised by our Sanctions Legal Advisors, our Directors are of the view that, to the best of our knowledge, we have no current or intended AI business application of the targeted, sensitive, or critical aspects related to the specific interest of the U.S.. As such, as advised by our Sanctions Legal Advisors, based on our current business operations and market interests, as long as we continue to strictly monitor the external sanction development and make adjustments accordingly, the risks that the development of relevant international trade policies could materially impact our business operations is remote.

See "Risk Factors — Risks Relating to Our Business and Industry — The changes in international political relationships, trade policies and trade barriers, or the escalation of trade tensions, may have an adverse effect on our business operations."

COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

We may, from time to time, be subject to legal proceedings, disputes and claims that arise in the ordinary course of business, which primarily include contractual disputes and employment matters. During the Track Record Period and up to the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by the government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigation.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations in relation to our business in all material respects and we were not imposed any material administrative penalties. We did not experience any material or systemic non-compliance incidents, which, taken as a whole, are likely to have a material and adverse effect on our business, financial condition or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

To monitor and reduce the impact of risks relevant to our business operations, improve our corporate governance and ensure compliance with the applicable laws and regulations, we have established internal budget management procedures and special risks management measures. We have adopted a series of internal policies, guidelines and procedures to strengthen corporate governance and mitigate risks. Our Group is committed to building and maintaining a strong culture of compliance among all employees. During the Track Record Period and up to the Latest Practicable Date, we did not engage in any significant hedging activity. Our Board is responsible for establishing our risk management and internal control measures, reviewing the implementation of such measures, and reviewing and approving budgets and final accounts. We have established an Audit Committee with written terms of reference in compliance with the requirements under the Listing Rules. See "Directors and Senior Management — Board Committees — Audit Committee."

Internal Control Review

In preparation for the **[REDACTED]**, we have engaged an Independent Third-Party consultant (the "**Internal Control Consultant**") in September 2025 to perform a review over selected areas of our internal controls (the "**Internal Control Review**"). Although no material deficiency was identified during the Internal Control Review, we implemented targeted enhancements to strengthen our internal control system based on recommendations from the Internal Control Consultant. The Internal Control

Consultant performed the follow-up review in October 2025 to review the status of the management actions taken by us to address the findings of the Internal Control Review (the "**Follow-up Review**"). The Internal Control Consultant did not have further recommendations in the Follow-up Review.

Enhanced Internal Control Measures

In accordance with the applicable laws and regulations, we have implemented measures to establish and maintain our internal control system, including monitoring operational processes, the establishment of risk management policies and compliance with the applicable laws and regulations. In particular:

- Our Directors have attended trainings conducted by our Hong Kong legal advisor on the ongoing obligations, duties and responsibilities of directors of publicly **[REDACTED]** companies under the Companies Ordinance, the SFO and the Listing Rules and the Directors are fully aware of their duties and responsibilities as directors of a **[REDACTED]** company in Hong Kong;

- We have set internal procedures for lines of communication and provided a process by which our employees can identify and timely report potential non-compliance exposures; and

- We have appointed a compliance advisor pursuant to Rule 3A.19 of the Listing Rules to ensure that, among other things, we are properly guided and advised as to compliance with the Listing Rules and all other applicable laws, rules, codes and guidelines.

Furthermore, we have implemented enhanced internal controls to strengthen operational efficiency, financial reliability, and regulatory compliance. Going forward, we will continue to regularly review and improve our internal policies, measures and procedures to ensure continuous alignment with evolving operational requirements, regulatory development and industry best practices.

SPREAD OF COVID-19 AND INFLUENCE ON OUR BUSINESS

The outbreak of a novel strain of coronavirus (the "**COVID-19**") and the continuous spread of the infectious disease have affected the domestic and global economy since late 2019. Due to the spread of the pandemic, our offline offices experienced temporary suspension, ranging from a few days to weeks, during which our employees worked remotely without any material disruptions to our business operations. Apart from the temporary suspension of offline offices, in line with our effort to provide a safe working environment for all our employees, we promptly took precautionary measures, including hand and desk sanitizing and disinfection of common areas, advising our staff to avoid unnecessary travel to areas affected by the COVID-19 outbreak and crowded places, and maintained good indoor ventilation. During the Track Record Period, we incurred RMB2.6 thousand in respect of precautionary measures in order to prevent the transmission of COVID-19 within our Group. We also keep in close communication with our suppliers, and we did not encounter material shortage or delay in the supply of, or substantial fluctuation in the price of computing power, cloud services and hardware products during the pandemic. We strived to maintain organized corporate management and stable relationships with our customers through proactive communication and timely response through online channels, such as WeChat and DingTalk. Due to the nature of our business, we have been carrying out most of our business in the ordinary course since the pandemic outbreak. Meanwhile, the COVID-19 pandemic has heightened demands for touchless business operations and digital agents, which has boosted market potential for digital human agents. Based on our observations on such market potential, we developed our GJ AI workforce solutions and witnessed substantial growth in our customer base during the post-pandemic period. The number of our customers increased from 573 in 2022 to 1,009 in 2023. Increasing enterprises position digital human agents as essential workforce and collaborators. To capitalize on this opportunity, we stand at the forefront of digital human agent market in China and developed sophisticated GJ AI workforce solutions that augment human intelligence, enabling a flexible, efficient and hybrid workforce.

Our Directors are of the view that the outbreak and spread of COVID-19 had no material adverse impact on our business operations and financial condition during the Track Record Period and up to the Latest Practicable Date. See "Risk Factors — Risks Relating to Our Business and Industry — Our

business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, increased labor costs, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks."

OUR BUSINESS SUSTAINABILITY

Industry Background

We operate in the highly competitive and evolving digital human agent market in China. Instead of short-term financial returns or non-persistent net operating cash inflow, we strategically focus on R&D and introducing our solutions to enterprises, laying a solid foundation for the sustainable and long-term development of our business.

Digital human agent providers in the digital human agent market in China are still at the early development stage. According to CIC, AI companies that have reached net profit or are nearing profitability typically incur significant upfront investments, and it typically takes at least 10 years for them to make a profit. To reach economies of scale and achieve profitability, digital human agent providers typically incur significant upfront investments in technology advancement, scaling computing power to accelerate the computing process, talent recruitment, as well as marketing and promotion. These initial investments often surpass the profits generated from their offerings in the early stages, leading to a loss-making position. With the establishment of brand awareness and global sales network, leading digital human agent providers can benefit from word-of-mouth referrals by existing customers and the growing economies of scale, as their large customer base spreads fixed costs over new customers, reducing the cost per customer acquisition and increasing overall profitability. Meanwhile, advanced technologies and GJ Autopilot AIGC Agent led to reduced labor costs and higher efficiency in solution delivery, further minimizing incremental costs associated with serving an expanding customer base.

According to CIC, the global digital human agent market has been growing rapidly, the market size of which in terms of revenue has grown at a CAGR of 44.7% from RMB1.3 billion in 2021 to RMB4.1 billion in 2024, and is projected to grow at a CAGR of 50.4% from 2024 to 2030, amounting to RMB47.0 billion in 2030. The digital human agent market in China has been growing rapidly, the market size of which in terms of revenue has grown at a CAGR of 55.8% from RMB0.5 billion in 2021 to RMB2.0 billion in 2024, and is projected to grow at a CAGR of 40.3% from 2024 to 2030, reaching RMB15.5 billion in 2030.

Since our establishment in 2017, we have grown alongside technological advancement, solution advancement, scaling computing power and expanding sales network, building ourselves to become the largest digital human agent provider in China in terms of revenue generated from provision of digital human agent solutions in 2024, according to CIC. As a leading digital human agent provider in the digital human agent market in China, we believe we are well-positioned to capitalize on industry tailwinds, sustain our market leadership, and further differentiate ourselves from competitors.

Historical Performance

We achieved several financial milestones during the Track Record Period, demonstrating a notable turnaround in performance. These achievements highlight our proven growth in revenue generation, operational efficiency, profitability and cash inflow, underscoring a positive trajectory for our future performance.

- *Substantial Growth in Revenue*. Our total revenue increased from RMB530.8 million in 2023 to RMB655.4 million in 2024, and further to RMB788.8 million in 2025, representing a CAGR of 21.9% from 2023 to 2025, which outpaced the industry average, according to CIC.

- *Enhanced Operational Efficiency*. The total amount of our selling and marketing expenses, administrative and other operating expenses, and research and development expenses as a percentage of our total revenue decreased from 54.2% in 2023 to 41.8% in 2024 and further

to 34.8% in 2025, indicating that we have been benefitting from economies of scale and our continuous efforts to elevate operational efficiency had been gradually paying off during the Track Record Period.

- *Improvement in Gross Profit and Substantial Narrowed Net Loss*. We witnessed growth in gross profit in 2025. Our gross profit increased from RMB225.1 million in 2024 to RMB272.1 million in 2025. During the Track Record Period, all of our projects recorded gross profit. Our loss for the year decreased by 76.8% from RMB111.7 million in 2024 to RMB25.9 million in 2025, primarily as a result of decreased operating loss. Our loss from operations decreased by 55.8% from RMB59.8 million in 2024 to RMB26.5 million in 2025. By adding back **[REDACTED]** expenses, equity-settled share-based payment expenses and accretion of redemption liabilities, our adjusted net loss (non-IFRS measure) amounted to RMB29.4 million and RMB35.2 million for the years ended December 31, 2023 and 2024, respectively, while turned to adjusted net profit (non-IFRS measure) of RMB13.9 million for the year ended December 31, 2025, demonstrating our enhanced commercialization capability and sustainable growth potential.

- *Optimized Financial Position*. We achieved a turnaround in our financial position during the Track Record Period. Our financial position evolved from net current liabilities of RMB583.1 million as of December 31, 2023 to net current assets of RMB295.9 million as of December 31, 2024. This positive momentum continued, with net current assets increasing further to RMB477.7 million as of December 31, 2025.

Set forth below are the major underlying reasons for our historical financial performance.

Net Losses and Adjusted Net Losses

Significant Upfront Costs and Investments

Substantial Cost of Sales

Our cost of sales increased throughout the Track Record Period and accounted for 54.2%, 65.7% and 65.5% of our total revenue in 2023, 2024 and 2025, respectively.

- *Major Cost Drivers*. The largest component of our cost of sales was project fulfillment costs, which accounted for 56.3%, 77.7% and 77.0% of our total cost of sales in 2023, 2024 and 2025, respectively. To support customers' expanding demands, we incurred substantial and progressively rising costs for the implementation of GJ AI workforce solutions during the Track Record Period. This increase corresponded directly with our revenue growth, reflecting the necessary investment to scale service delivery. Cost of cloud services, representing the procurement costs of cloud computing power from third-party cloud service providers for the provision of GJ AI workforce solutions, also drove the cost of sales. We utilize third-party cloud infrastructure to rapidly deploy, test, and scale our AI models and solutions before achieving sufficient scale to justify or operationally manage dedicated, cost-optimized setups, and therefore incurred significant cloud service expenditures during the Track Record Period. We also incurred continuously increasing cost of hardware and software for the procurement of equipment and software during the Track Record Period, aligning with the expansion of GJ AI workforce solutions, especially GJ AI Real-time Video Agent business.

- *Reasonableness of Increase in Cost of Sales*. The increase in costs of sales is unavoidable during the business expansion as we highly value innovation and solution quality. Driven by the completion of key technological upgrades in GJ AI workforce solutions in 2024, where we achieved architectural optimization of DUIX ONE to enable the distributed deployment of certain computing tasks to users' end devices for execution, our cost of cloud services decreased in 2024 and remained relatively stable in 2025. Although there was a temporary decrease in gross profit margin in 2024 caused by our proactive downward price adjustment following the product iteration initiatives and discounts for productized solutions to expand

business in the lower-tier market, we anticipate witnessing margin improvements along with the completion of key technological upgrades in GJ AI workforce solutions, as well as the increasing economies of scale and bargaining power. We aim to align cost structures more closely with revenue growth while maintaining the reliability and technological integrity of our solutions.

Constant R&D Investments

Research and development expenses highlight our substantial and sustained commitment to advancing our technical capabilities and pioneering innovative GJ AI workforce solutions. Our research and development expenses increased throughout the Track Record Period, accounting for 24.4%, 22.9% and 20.7% of our total revenue in 2023, 2024 and 2025, respectively.

- *Major Expense Drivers*. High cloud service fees drive the overall research and development expenses. To facilitate R&D activities of GJ AI workforce solutions and frontier AI algorithms, we procured cloud computing services from third-party cloud computing service providers. Employee benefit expenses also form a major component of the high R&D spending. This primarily stems from our demand for high-caliber talents, who possess expertise or previous working experience in computer science, machine learning, natural language processing, computer vision and mathematical modeling, and consequently command relatively high salaries in the competitive talent market.

- *Reasonableness of Research and Development Investments*. Continuous R&D investment is critical for us to maintain market leadership by driving technical iterations, addressing emerging technical challenges, and enhancing the competitiveness of GJ AI workforce solutions. In line with our increased R&D activities relating to GJ AI workforce solutions, especially the advancement from AI Copilot to Autopilot functionalities, we experienced a continuous increase in research and development expenses during the Track Record Period. We utilize multiple large models and AI technologies to support GJ Autopilot AIGC Agents, such as LLMs, text-to-image large model, image-to-video large model and digital human lip-sync driving technology. In particular, to advance the evolution from AI Copilot to Autopilot, expand into new application scenarios and explore global business opportunities, we deepen collaboration with leading cloud service providers to secure computing resources. Therefore, we expect to witness increasing cloud service fees in the foreseeable future. Meanwhile, with the advancement of Yan Di Large Language Model and DUIX ONE, we expect to witness further improvement in R&D efficiency and cost-effectiveness.

Substantial Marketing Investments

We also had constant selling and marketing investments throughout the Track Record Period.

- *Major Expense Drivers*. Employee benefit expenses form a major part of the high selling and marketing expenses, primarily driven by team deployment and strategic recruitment of talent with specialized expertise or experience in AI, automation and/or marketing. In addition, we also recorded substantial marketing service expenses as well as advertising and promotion expenses during the Track Record Period, as we spent efforts to enhance brand recognition and promote solutions both offline and online and engaged third-party service providers.

- *Reasonableness of Selling and Marketing Investments*. We have provided sales professionals with competitive remuneration packages, acknowledging that their experience delivers critical assets, including in-depth market insight, established customer networks, and strong negotiation skills, all of which are essential for driving sales performance and accelerating market penetration. Moreover, we make targeted investments in marketing and customer services to provide tailored services, maintain long-term relationships, and develop benchmark projects with key account customers. Maintaining relationships with key account customers typically requires regular customer visits and exclusive after-sales support, thus leading to higher related expenses. Along with our global business exploration, we expect to continuously invest in selling and marketing activities, which are closely aligned with our

market expansion and customer development strategies. However, driven by enhanced brand awareness and initial user acquisition achieved through previous marketing investments, as well as a strategic shift towards meticulous operations, moving away from previous reliance on heavy promotional expenditure, we expect to further enhance marketing cost-effectiveness and efficiency.

Administrative and Other Operating Investments

- *Major Expense Drivers*. Employee benefit expenses continue to be the largest component of the administrative and other expenses during the Track Record Period, representing salaries, bonuses and share-based payment expenses relating to the share options granted to administrative personnel, which fundamentally support our daily operations. In addition, we incurred professional service fees as we engaged external professional service providers for legal, auditing, consulting and human resources services during daily operation, as well as **[REDACTED]** expenses. These are strategic expenses that are typically non-recurring and used to support our long-term capital market layout.

- *Reasonableness of Administrative Expenditures*. Sustained investment in administrative and operational functions is critical for scaling the business, ensuring regulatory and data compliance, and maintaining the continuous daily office support, all of which underpin our business stability and sustainable growth.

New Initiatives Still Unfolding

During the Track Record Period, we mainly generated revenue from provision of Copilot GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent and GJ AI Real-time Video Agent. In August 2025, we tapped into the Autopilot field and started to generate revenue from GJ Autopilot AIGC Agent. GJ Autopilot AIGC Agent embraces self-organizing, self-adaptive, and self-evolving capabilities while achieving a high profit margin. In addition, while advancing GJ Autopilot AIGC, we leverage the established value of renowned IPs to facilitate customer acquisition and elevate value propositions of GJ AI workforce solutions. In less than five months, GJ Autopilot AIGC Agents had a revenue contribution of over RMB50 million, representing over 6% of our total revenue in 2025. Having observed the market potential of this newly launched solution, we plan to further improve the value-added potential of GJ Autopilot AIGC Agents. As this initiative matures, we expect to see a substantial boost in profitability, alongside improved operational efficiencies and reduced upfront costs. This strategic approach positions us favorably for sustained growth and enhanced financial performance in the coming years.

Based on the foregoing, we recorded net losses throughout the Track Record Period. We expect to record net loss for the year ending December 31, 2026, primarily due to: (i) additional research and development expenses as we will continue to advance technology upgrades and model training; (ii) increasing selling and marketing expenses as we promote our GJ AI workforce solutions, particularly the GJ Autopilot AIGC Agent; (iii) our constant investment in the overseas markets exploration; and (iv) non-recurring **[REDACTED]** expenses in relation to this **[REDACTED]**.

By adding back **[REDACTED]** expenses, equity-settled share-based payments expenses and accretion of redemption liabilities, we recorded adjusted net loss (non-IFRS measure) of RMB29.4 million and RMB35.2 million for the years ended December 31, 2023 and 2024, respectively, while turned to adjusted net profit (non-IFRS measure) of RMB13.9 million for the year ended December 31, 2025, attributable to our enhanced commercialization capability and sustainable growth potential. By adding back **[REDACTED]** expenses, equity-settled share-based payments expenses and accretion of redemption liabilities, we expect to continue to record adjusted net profit (non-IFRS measure) for the year ending December 31, 2026.

Net Operating Cash Outflows

We had a net operating cash outflow throughout the Track Record Period primarily due to our proactive approach to improving technological strengths, fulfilment capacity and customer acquisition, which resulted in large amounts of project fulfillment costs, cloud service fees and employee benefit expenses. As we endeavor to enhance operational efficiency and solution performance, and refine marketing strategy to benefit from word-of-mouth referrals from existing customers, our staff costs (including (i) staff costs recorded in cost of sales; and (ii) employee benefit expenses recorded in research and development expenses, selling and marketing expenses as well as administrative and other operating expenses) as a percentage of total revenue decreased throughout the Track Record Period. Furthermore, we are committed to implementing business strategies, which are expected to improve operational performance and drive operating cash inflow. Meanwhile, with growing brand awareness among enterprises across telecommunication, finance and public service industries, we benefit from word-of-mouth referrals by existing customers. In addition, we plan to optimize customer structure to improve working capital and reduce credit risk, by targeting customers with strong credit profiles and shorter payment terms. Consequently, along with notable revenue growth, our net operating cash outflow position is expected to be improved in the long term.

Net Current Liabilities and Net Liabilities

As of December 31, 2023, we recorded net current liabilities of RMB583.1 million and net deficit of RMB560.9 million, primarily due to redemption liabilities from the **[REDACTED]** Investments classified as current liabilities. In November 2024, we entered into a supplemental agreement with the **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were reclassified as equity. Had the redemption liabilities been reclassified from liabilities to equity with effect from the beginning of the Track Record Period, we would have recorded net assets throughout the Track Record Period.

Our Path to Profitability and Sustainable Growth

We are committed to implementing concrete measures to further enhance profitability and achieving sustainable growth, capitalizing on the emerging market opportunities and our accumulated strengths in the evolving landscape of the global digital human agent market.

Measures for Revenue Growth

According to CIC, the market size of the global digital human agent market in terms of revenue is expected to grow at a CAGR of 50.4% from 2024 to 2030, reaching RMB47.0 billion in 2030. As the second largest digital human agent provider in the global market in terms of revenue generated from provision of digital human agent solutions in 2024, we boost our revenue growth along with the market expansion.

Enriching Solution Offerings and Elevating Value Propositions

We are dedicated to constantly improving GJ AI workforce solutions through technological advancements and system upgrades, addressing the diversified demands from enterprises of different scales. Underpinned by keen industry observations and AI technologies, we are strategically advancing towards AI Autopilot to capitalize on emerging opportunities in industry. Our key technological breakthroughs are manifested across three primary dimensions:

- *Embedded Intelligent Decision-making*. Our GJ AI workforce solutions have evolved from providing basic video production capabilities to building an integrated AI-driven content creation system. This system autonomously performs market analysis, topic selection, script generation, and stylistic decisions, thereby liberating human roles from traditional strategic planning, scriptwriting, and directorial guidance.

- *End-to-end Automated Production Lines*. Leveraging our proprietary video workflow engine, we integrate script comprehension, digital human empowerment, scene generation, speech synthesis, video editing, and special effects into GJ AI workforce solutions. This constructs a fully automated production platform that generates final videos directly from text input, drastically reducing manual intervention.

- *Data-driven Self-evolving Development*. Leveraging real-time performance data, the system forms a closed loop that continuously enhances content relevance and the potential for high-impact outputs. Through algorithm innovation and enhanced efficiency in computing infrastructure, we have been elevating the efficiency and intelligence of solutions.

By introducing our digital human twins and collaborating with renowned IPs, we significantly enhance the value proposition and market acceptance of solutions, driving gross profit margin and creating a new paradigm for intelligent content generation. Further to the successfully launched Dasima (大司馬) IP series, we have been building an IP matrix and collaborating with short video platforms and anime IPs, leveraging AI for automated production to rapidly amplify IP value and strengthen revenue streams. Furthermore, we will employ AI for automated creative generation and advertising effectiveness optimization, enabling intelligent marketing decision-making. From launch through December 31, 2025, 28 customers procured GJ Autopilot AIGC Agent in a total of 60 orders, with a total contract value amounting to over RMB50 million. According to CIC, over the past two years, the average project value and average customer value of digital human agent providers have diverged alongside their shift from custom projects toward standardized products or enterprise-level solutions. Highly complex, privately deployed, and Autopilot solution contracts have driven up the value of those top-tier providers. From 2024 to 2025, our average value per customer climbed by approximately 90%, while our average project value increased by approximately 55%, reflecting our significant monetization improvements. We expect enriched solutions to create more choices for customers, improve customer satisfaction while propelling our long-term growth.

Attracting New Customers

Along with the growth in industry, we strive to expand market reach and sales network. Apart from further penetration into the domestic markets, we also seek to explore the global market and enhance presence overseas, introducing GJ AI workforce solutions to customers in diversified scenarios and industries across different countries and regions. Building on mature project deployment experience and customer relationships with key account customers in various industries, we have been strategically standardizing and productizing solution offerings to address the underserved needs of SMBs in a cost-efficient manner. Compiling project case studies from vertical industries enables us to form highly reusable industry-specific solutions with predictable solution deployment outcomes for efficient customer acquisition.

We plan to concentrate more resources on the sales and marketing of GJ Autopilot AIGC Agent, continuously building benchmark IPs, such as Dasima IP series, and utilizing the AI-powered self-media matrix as a traffic gateway to exert industry influence and attract new customers. We witnessed continuous decrease in the number of customers during the Track Record Period. According to CIC, across the broader AI industry, customer demand has increasingly shifted toward more customized and solution-oriented deployments. Certain digital human agent providers have moved away from volume-driven AI Copilot engagements toward refined Autopilot solutions in pursuit of more sustainable commercialization. Such transition may, however, place short-term pressure on project volume and customer count.

Retaining Existing Customers

Our GJ AI workforce solutions provided to key account customers are project-based, which are not recurring in nature. Customers who are satisfied with our solutions tend to make repurchases when their business growth drives needs for additional digital human agents, model upgrades, or diversified offerings. Therefore, customer satisfaction is core to our reputation and market competitiveness. Our net dollar retention rate for each year during the Track Record Period reached over 80%, which indicates high repurchase underpinned by customer satisfaction and trust. We are committed to deepening market penetration and expanding market share in the domestic market, utilizing well-established presence and trust among enterprises across industries. We strive to cultivate mutually beneficial and stable relationships with key account customers. As of December 31, 2025, multiple customers have entered into long-term framework agreements with us. Our reliable solutions for existing customers further enhance brand image while yielding market insights for other enterprises in particular industries vertically. We will continue to deliver customized and customer-centric services to

key account customers, while strengthening service experience for other customers, and increasing customer loyalty. Through establishing and deepening collaborations with service providers, cloud platforms and large-scale integrators along the industry chain, we expect to further develop ecosystem partnerships and benefit from the well-established recognition and word-of-mouth referrals among existing partners within the ecosystem.

Measures for Managing Cost and Improving Operational Efficiency

Elevating R&D Efficiency

Through ongoing model optimization and enhanced engine capabilities, we witnessed improvement in R&D efficiency and high utilization of development resources. Architectural optimization of DUIX ONE enables the distributed deployment of certain computing tasks to users' end devices for execution, elevating the utilization efficiency of cloud resources. While our R&D team scale and the number of ongoing R&D projects remained relatively stable, our research and development expenses as a percentage of revenue decreased from 22.9% in 2024 to 20.7% in 2025, demonstrating the enhanced cost-effectiveness of R&D activities.

Improving Operational and Administrative Efficiency

We have been persistently improving the efficiency of operational and administrative activities. During the Track Record Period, we pursued higher general and administrative cost-effectiveness by optimizing organizational structure and slimming down administrative or managerial staff who do not directly contribute to business growth, while maintaining adequate employees to support business growth. As a result, our administrative and other operating expenses as a percentage of total revenue amounted to 9.0%, 6.3% and 7.1% in 2023, 2024 and 2025, respectively. According to CIC, against the backdrop of rapid technological iteration and rising requirements for commercialization and enterprise deployment, it has become increasingly common for players in the AI industry, in particular, the digital human agent industry, to increase investment in R&D and core AI capabilities, while also continuing to pursue streamlined organization and enhanced administrative efficiency. We will continue refining internal management and reducing waste, eliminating redundancies and improving focus, and reviewing and analyzing business performance based on the visualized indicators on a regular basis.

Enhancing Selling and Marketing Efficiency

To improve selling and marketing efficiency, we have been increasing the market access of offerings with streamlined in-house sales force. We utilize strategic collaborations with cloud service providers and integrators to improve the resilience of supply chain and efficiently improve offerings' exposure to various industry verticals. Moreover, as we cherish existing customer relationships and maximize the potential value of flagship projects, we seek to benefit from the word-of-mouth introduction and influence of customers on cost-efficiency, quality as well as the actual service experience of our solutions. The cost-efficient customer referrals improve selling and marketing efficiency while controlling expenses. Selling and marketing expenses as a percentage of total revenue decreased from 12.6% in 2024 to 7.0% in 2025. Average customer acquisition cost decreased from RMB184 thousand in 2024 to RMB111 thousand in 2025.

Taking into account (i) our demonstrated track record in controlling our costs and driving gross profit margin, mainly attributable to our elevated cost-efficiency and the optimization of organizational structure; (ii) our concrete initiatives to expand our customer base and enhance customer value through enriching offerings, collaborating with renowned IPs while automating content production, and exploring the overseas market, all of which are expected to generate continued cash flows from operations; and (iii) we may seek additional funding through debt financing or other sources, if needed, our Directors are of the opinion that we will have adequate working capital and sufficient cash balance to support our business growth until we achieve a net operating cash inflow position, without taking account of the estimated **[REDACTED]** from the **[REDACTED]**.

Our Directors are of the view, and the Joint Sponsors concur, that our Group can turn around the loss-making position and maintain sustainable business growth, considering that (i) the prospects of the global digital human agent market and industries where our enterprise customers operate; (ii) our demonstrated track record in controlling our costs, driving gross profit margin and efficiency improvement; and (iii) our future business strategies for sustainable growth and the abovementioned measures for revenue growth and operational efficiency enhancement.

Operational Cash Position and Working Capital Sufficiency

We recorded a net operating cash outflow during the Track Record Period, primarily due to our proactive approach to improving our technological strengths, fulfilment capacity and customer acquisition, which resulted in large amounts of project fulfillment costs, cloud service fees and employee benefit expenses. We monitor cash balances and short-term liquidity by adopting the *Funds Management Policy* (《資金管理辦法》), which sets the procedures for fund planning, execution analysis, and workflow. We actively manage trade receivables and contract assets and established the *Sales Revenue Management System* (《銷售收入管理制度》), which explicitly outlines processes for accounts receivable reconciliation, collection, and receivables impairment. We maintain trade payable settlement terms broadly in line with historical practice and implemented the *Procurement Management Policy* (《採購管理制度》), which establishes a framework of requirements for acceptance and settlement under procurement contracts or framework agreements. We prioritize expenditures to support core business operations. As we endeavor to enhance operational efficiency and solution performance, and refine marketing strategy to benefit from word-of-mouth referrals from existing customers, our staff costs (including (i) staff costs recorded in cost of sales; and (ii) employee benefit expenses recorded in research and development expenses, selling and marketing expenses as well as administrative and other operating expenses) as a percentage of our total revenue decreased from 17.7% in 2023 to 12.8% in 2024, and further to 8.1% in 2025. Furthermore, we are committed to implementing our business strategies, in particular, (i) enhancing our multimodal technological capabilities while integrating industry-specific insights from leading enterprises across industries to build a robust competitive moat; (ii) accelerating worldwide business exploration and developing internationally competitive AI solutions under our global expansion strategy; (iii) constructing a fortified IP ecosystem to power the next growth engine for AI-driven cultural industries; and (iv) expanding strategic partnerships and pursuing targeted investments and acquisitions to complete our AI industrial layout, all of which are expected to improve our operational performance and drive our operating cash inflow.

Taking into account (i) our cash and cash equivalents of RMB217.8 million as of December 31, 2025; (ii) our dedicated efforts to concentrating resources on developing GJ Autopilot AIGC Agent, the gross profit margin of which was relatively high; (iii) our plans to enhance receivables monitoring, strengthen pre-contract credit assessments on potential customers, and cultivate key account customers to secure sustainable cash inflows; (iv) the expected dampened increase in third-party cloud service fees driven by the completion of our key technological upgrades in GJ AI workforce solutions; (v) our proactive efforts to leverage favorable government policies and subsidies; and (vi) our unutilized uncommitted credit facilities amounted to RMB410.0 million as of April 30, 2026 and our potential to secure additional funding via bank loans or other borrowings, our Directors are of the view that we will have adequate working capital and sufficient cash balance to support our business growth until we achieve a net operating cash inflow position, without taking account of the estimated **[REDACTED]** from the **[REDACTED]**.

Our Directors are of the view, and the Joint Sponsors concur, that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document, taking into account (i) our cash and cash equivalents as of December 31, 2025; (ii) the operating cash inflow we expect to receive from December 31, 2025 to the date of this document; and (iii) the estimated **[REDACTED]** from the **[REDACTED]**.

We have entered into certain transactions with our connected person, the details of which are set out below. Upon **[REDACTED]**, these transactions will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSON

The table below sets forth certain party who will become our connected person upon **[REDACTED]** and the nature of its relationship with our Group:

Connected person	Connected relationship
Tencent Entities	Linzhi Tencent is a substantial shareholder of our Company. Each of Linzhi Tencent, Tencent Cloud and Tencent Computer is a subsidiary of Tencent Holdings Limited. Therefore, Tencent Cloud and Tencent Computer (collectively "**Tencent Entities**") are associates of Linzhi Tencent.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The following transactions have been and will be entered into in the ordinary and usual course of business of our Group and on normal commercial terms or better, and our Directors expect that each of the applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the following transactions is expected to be, on an annual basis, exceed 0.1% but less than 5% with the total consideration thereunder less than HK$3 million. Therefore, the following transactions will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

If any of the annual transaction amounts or applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the following transactions is expected to exceed the applicable de minimis thresholds stipulated in Rules 14A.76(1) of the Listing Rules, we will comply with all applicable requirements under Chapter 14A of the Listing Rules.

1. Technical Services

Principal terms

From time to time, we procure from Tencent Entities certain technical services, including but not limited to system services composed of various products and services such as computing and network, cloud virtual machine, cloud database, cloud security, monitoring and management, WeCom, WeChat video and official accounts services (the "**Technical Services**").

Historical amount and annual caps

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts for purchasing the Technical Services from Tencent Entities was RMB1.1 million, RMB0.3 million and RMB0.5 million, respectively. The transaction amounts of the Technical Services for each of the three years ending December 31, 2028 is not expected to exceed RMB1.3 million, which is determined with reference to the historical transaction amounts and the expected demand for Technical Services to be procured from Tencent Entities.

Pricing policies

The fees for the Technical Services charged by Tencent Entities shall be determined based on (i) the unit service fee and duration of use for each type of the Technical Services, or (ii) the package prices for the relevant Technical Services packages subscribed by us. The aforesaid pricing policies are no less favorable to us than those offered by Independent Third Parties.

Reason for the transactions

Tencent Entities are leading integrated service providers in the PRC that provides full scale of Technical Services to governmental agencies, enterprise organizations and individual developers worldwide. Procurement of the Technical Services from the Tencent Entities will enable us to receive quality services from a reliable source to facilitate our business development. In addition, the terms Tencent Entities offered to us are no less favorable than those offered by our other suppliers who are Independent Third Parties. Therefore, our procurement of Technical Services from Tencent Entities is in the interests of our Group and the Shareholders as a whole.

2. Advertisement Cooperation

Principal terms

Leveraging our comprehensive and synergistic GJ AI workforce solutions, we publish a diverse range of AI-generated video content on WeChat video platform operated by Tencent. From time to time, we incorporate tailor-made advertising elements within our content for advertisers on the platform to showcase their brands, and Tencent Computer shall pay us display service fees in return (the "**Advertisement Cooperation**").

Historical amount and annual caps

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts for display service fees under the Advertisement Cooperation from Tencent Computer was nil, nil and RMB0.1 million, respectively. The transaction amounts under the Advertisement Cooperation for the three years ending December 31, 2028 is not expected to exceed RMB2.0 million, RMB2.0 million and RMB2.5 million, respectively, which are determined with reference to the historical transaction amounts since the commencement of cooperation in late 2025 and the observed growth trend during the first quarter of 2026.

Pricing policies

The display service fees under the Advertisement Cooperation paid by Tencent Computer shall be determined based on one of the following methods: (i) fixed fees with reference to our standard quotations for video contents of varying lengths; or (ii) performance-based fees calculated according to the actual volume of video impressions. We may select either of the above pricing methods prior to the display of advertisements. The aforesaid pricing policies are no less favorable to us than those Tencent Computer offers to Independent Third Parties.

Reason for the transactions

As the largest digital human agent provider in China in terms of revenue generated from digital human agent business in 2024, we possess proprietary capabilities in automated video production and high-quality content creation. Our comprehensive and synergistic GJ AI workforce solutions enable scalable, cost-effective and AI-driven digital marketing. We consider it strategically imperative to capture the exponential growth potential in this sector. Given that Tencent Computer operates one of the leading online advertising ecosystems, cooperating with Tencent Computer allows us to monetize our GJ AI workforce solutions through their established online infrastructure. In addition, the terms Tencent Computer offered to us are no less favorable than those Tencent Computer offered to Independent Third Parties. Therefore, our Advertisement Cooperation with Tencent Computer is in the interests of our Group and the Shareholders as a whole.

RELATIONSHIP WITH THE SINGLE LARGEST SHAREHOLDER GROUP

THE SINGLE LARGEST SHAREHOLDER GROUP

Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Sima directly and indirectly through his controlled entities, will together be entitled to exercise the voting rights attaching to approximately **[REDACTED]**% of our enlarged total issued share capital, including : (i) voting rights attaching to approximately **[REDACTED]**% of the total issued share capital of our Company held by Mr. Sima; and (ii) voting rights attaching to approximately **[REDACTED]**% of the total issued share capital of our Company held by Jiaxing Silicon Language, our share incentive platform with Nanjing Silicon Life, a company owned as to 99.00% by Mr. Sima, being its general partner. See "History, Development and Corporate Structure — **[REDACTED]** Share Option Plan" for details.

As of the Latest Practicable Date, as Mr. Sima and his controlled entities, being Nanjing Silicon Life and Jiaxing Silicon Language, were entitled to exercise approximately 36.81% of the voting rights in our Company, they constituted the controlling shareholders of our Company as defined under Rule 1.01 of the Listing Rules. Immediately upon completion of the **[REDACTED]**, they will no longer be entitled to exercise 30% or more of the voting rights in our Company. As such, they will cease to be our controlling shareholders but will remain as the Single Largest Shareholder Group immediately upon completion of the **[REDACTED]**.

DELINEATION OF BUSINESS

The Single Largest Shareholder Group confirm that as of the Latest Practicable Date, neither of it or its respective close associates was interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM THE SINGLE LARGEST SHAREHOLDER GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of the Single Largest Shareholder Group and its respective close associates after the **[REDACTED]**.

Operational Independence

We engage in our operations and make and implement our operational decisions independently. We do not share operation team, facilities or equipment with the Single Largest Shareholder Group or its respective close associates. We are in possession of all relevant licenses, approvals and permits from the relevant regulatory authorities that are necessary to carry out and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently. We have established our own organizational structure with independent departments, and each department is assigned to specific areas of responsibilities. Our operating functions, such as cash and accounting management, invoices and bills, operate independently of the Single Largest Shareholder Group and its respective close associates. We have independent access to a large and diversified base of suppliers and customers and are not dependent on the Single Largest Shareholder Group or its respective close associates with respect to supplies for our business operations. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

Based on the above, our Directors are of the view that we are able to operate independently from the Single Largest Shareholder Group and its respective close associates.

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors, among whom Mr. Sima, the chairman of our Board, an executive Director and the chief executive officer of our Company, is a member of the Single Largest Shareholder Group. For details, see "Directors and Senior Management."

Our Directors are of the view that our Board and senior management team are able to manage our business independently from the Single Largest Shareholder Group and its close associates for the following reasons:

(i) save for Mr. Sima, all the other executive Directors and other members of our senior management are our full-time employees and are independent from the Single Largest Shareholder Group and its close associates;

(ii) pursuant to the articles of association of our Company, in the event that any Shareholder or Director or his/her close associates has the material interest in a contract or arrangement to be entered into with our Group, the interested Shareholder(s) or Director(s) shall abstain from voting on any Shareholder or Board resolutions approving any contract, arrangement or any other proposal and shall not be counted in the quorum present at the relevant meeting;

(iii) we have appointed three independent non-executive Directors (accounting for more than one-third of our Board) to balance the number of potentially interested Directors with a view to promote the interests of our Company and the Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisors at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between our Company and another company or entity to which a Director or senior management member holds position. We believe our independent non-executive Directors have the depth and breadth of experience which will enable them to bring sound, independent and impartial judgment to the decision-making process of our Board;

(iv) each of our Directors is aware of his/her fiduciary duties as a Director, which require him/her to act for the benefit and in the interests of our Company and the Shareholders as a whole and do not allow any conflict between his/her duties as a Director and his/her personal interests; and

(v) we have adopted corporate governance measures to manage conflicts of interest, if any, between our Group and the Single Largest Shareholder Group and its close associates which would support our independent management. See "— Corporate Governance Measures" below for further information.

Based on the above, our Directors are satisfied that our Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

Financial Independence

We have established a finance department with a team of independent financial staff, which operates entirely independently of the Single Largest Shareholder Group. In addition, our Company has established a sound and independent financial system and makes financial decisions according to our Company's business needs, which are independent of the Single Largest Shareholder Group and its close associates.

During the Track Record Period, our Group had certain non-trade balances due from Nanjing Silicon Life and Jiaxing Silicon Language, members of the Single Largest Shareholder Group. See "Financial Information — Balances with Related Parties" and Note 32 to the Accountants' Report in Appendix I to this document for details. As of the date of this document, all such balances due from Nanjing Silicon Life and Jiaxing Silicon Language had been fully settled.

Save as disclosed herein, as of the Latest Practicable Date, there were no outstanding loans, advances or non-trade balances due to or from the Single Largest Shareholder Group or its close associates, nor were there any outstanding pledges or guarantees provided for our benefit by the Single Largest Shareholder Group or its close associates.

Based on the above, our Directors are satisfied that we are able to maintain financial independence from the Single Largest Shareholder Group and its close associates.

RELATIONSHIP WITH THE SINGLE LARGEST SHAREHOLDER GROUP

CORPORATE GOVERNANCE MEASURES

We recognize the importance of good corporate governance to protect the interest of our Shareholders. We will adopt the following corporate governance measures to manage potential conflict of interests between our Group and the Single Largest Shareholder Group:

(i) where a Shareholders' meeting is held for considering proposed transaction in which any member of the Single Largest Shareholder Group has a material interest, our Single Largest Shareholder Group shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;

(ii) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;

(iii) any transaction between (or proposed to be made between) our Group and the connected persons will be subject to the requirements under Chapter 14A of the Listing Rules, including, where applicable, the announcement, reporting, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements and with those conditions imposed by the Stock Exchange for the granting of waiver from strict compliance with relevant requirements under the Listing Rules;

(iv) in the event that our independent non-executive Directors are requested to review any conflict of interests between our Group and the Single Largest Shareholder Group, the Single Largest Shareholder Group shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual report or by way of announcements to the public; and

(v) our Company has appointed Maxa Capital Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance.

BOARD OF DIRECTORS

Our Board is responsible for, and has general powers over, the management and operation of our business. Our Board will consist of eight Directors upon **[REDACTED]**, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. All Directors are elected by the general meeting of Shareholders for a term of three years which is renewable upon re-election and re-appointment.

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Time of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. Sima Huapeng (司馬華鵬)	44	Chairman of the Board, executive Director and chief executive officer	August 2017	September 2017	Overall strategy planning, business operation and management of our Group
Ms. Chen Liping (陳莉萍)	42	Executive Director, chief financial officer and senior vice president	April 2018	September 2019	Formulation and implementation of development and financial strategies of our Group and in charge of investment and financing as well as comprehensive affairs of our Group
Ms. Mao Liyan (毛麗豔)	44	Executive Director and senior vice president	December 2017	February 2023	Daily operation and management of the sales and marketing center of our Group
Mr. Sun Kai (孫凱)	48	Executive Director and senior vice president	October 2017	August 2018	Development and maintenance of our key accounts in governmental and public sectors and in charge of public relations affairs of our Group
Mr. Liu Zixuan (劉子軒)	37	Non-executive Director	December 2025	December 2025	Providing strategic advice and making recommendations on the business development and management to our Board
Mr. Li Dong (李東)	49	Independent non-executive Director	October 2025	October 2025	Providing independent opinion to our Board
Mr. Shen Peng (沈鵬)	38	Independent non-executive Director	October 2025	October 2025	Providing independent opinion to our Board
Prof. Dai Xianchi (戴先熾)	51	Independent non-executive Director	October 2025	October 2025	Providing independent opinion to our Board

Executive Directors

Mr. Sima Huapeng (司馬華鵬), aged 44, is the founder of our Group and has been the chief executive officer of our Company since our establishment in August 2017, primarily responsible for overall strategy planning, business operation and management of our Group. He has served as a Director and the chairman of the Board since September 2017 and March 2018, respectively, and was re-designated as our executive Director in October 2025. He has also held key positions in our subsidiaries, including a director of Silicon HK and Silicon Singapore since July 2025 and November 2024, respectively.

With over two decades of experience, Mr. Sima has gained in-depth understanding of AI and information technology industries. Prior to founding our Group, he founded Nanjing Bituoshi Network Technology Co., Ltd. (南京必拓獅網絡科技有限公司), a mobile internet technology company, and served as its general manager from July 2012 to August 2017. From May 2009 to December 2011, Mr. Sima served as the chief executive officer of Nanjing Ruitainier Information Technology Co., Ltd. (南京瑞泰尼爾信息技術有限公司), primarily responsible for its overall operation and management. Before that, he worked at Nanjing Lansha Information Technology Co., Ltd. (南京藍沙信息技術有限公司) from June 2003 to September 2007, with his last position being the chief technology officer, primarily responsible for its overall research and development.

Mr. Sima has also held various social positions in well-known industrial and social organizations, including a member of the Standing Committee of the Chinese People's Political Consultative Conference of Nanjing Yuhuatai District (南京市雨花台區政協常務委員) since 2022, a member of Jiangsu Artificial Intelligence Standardization Technical Committee (江蘇省人工智能標準化技術委員會委員) since 2023, a member of the Artificial Intelligence Committee of All-China Federation of Industry and Commerce (全國工商聯人工智能委員會) since 2024 and a vice chairman of the Artificial Intelligence Committee of Jiangsu Federation of Industry and Commerce (江蘇省工商聯人工智能委員會) since 2025. He also served as a member of the China Youth Entrepreneurs Association (中國青年企業家協會會員) from 2019 to 2023 and a member of the Executive Committee of Nanjing Federation of Industry and Commerce (南京市工商聯執委) from 2022 to 2025.

Mr. Sima obtained his bachelor's degree in electrical engineering and automation from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in June 2003. In addition, he received the certificate of completion of the Tencentx Future-Neocultural Creativity Entrepreneur Program (復旦—青騰未來文創學堂) from Fudan University (復旦大學) in March 2025. His entrepreneurship and expertise in AI industry is highly recognized nationwide, evidenced by the following honors and awards he received:

Honor/award	Awarding authority	Time of honor/award
CFS2025 Finance Summit: Pioneer in New Quality Productivity (CFS2025財經峰會新質生產力領軍人物)	Syobserve (數央網)	2025
2024 36Kr Annual Artificial Intelligence Trailblazer (2024年36氪年度人工智能領航人物)	36Kr	2024
2023 Nanjing Yuhuatai District CPPCC Committee Member: Outstanding Individual (2023南京雨花台區政協委員先進個人)	Nanjing Yuhuatai District People's Government (南京市雨花台區政府)	2023
2023 Jiangsu Province Outstanding Entrepreneur (2023年度江蘇省優秀企業家)	The Communist Party of China Jiangsu Provincial Committee (中共江蘇省委) and Jiangsu Provincial People's Government (江蘇省人民政府)	2023
Sixth Nanjing City Outstanding Contributor to the Cause of Socialism with Chinese Characteristics (第六屆南京市優秀中國特色社會主義事業建設者)	The Communist Party of China Nanjing Municipal Committee (中共南京市委) and Nanjing Municipal People's Government (南京市人民政府)	2023
2023 Jiangsu Finance and Economics Figure (2023江蘇財經人物)	Xinhua Daily (新華日報)	2023
2023 China Digital Economy Innovation Top 10 (2023中國數字經濟榜創新人物TOP10)	Jazzyear (甲子光年)	2023
2023 China Pan-AI Excellence Top 20 (2023中國泛人工智能優秀人物TOP20)	EqualOcean (億歐)	2023

Ms. Chen Liping (陳莉萍), aged 42, joined our Company in April 2018 as a senior vice president. In October 2025, she was further appointed as our chief financial officer, primarily responsible for formulation and implementation of development and financial strategies of our Group and in charge of investment and financing as well as comprehensive affairs of our Group. Ms. Chen has also been a Director since September 2019 and was re-designated as our executive Director in October 2025. Ms. Chen has also held key positions in our subsidiaries, including a director of Silicon Singapore and Silicon HK since November 2024 and July 2025, respectively.

Ms. Chen has over two decades of comprehensive experience across the fields of AI and fintech. Prior to joining our Group, she worked in the sales and marketing department of Beijing Jettech Technology Co., Ltd. (北京捷科智誠科技有限公司) from August 2014 to January 2018, primarily

responsible for business development of domestic market and implementation of overall marketing strategy. She worked as the marketing department manager at Nanjing Fujitsu Nanda Software Technology Co., Ltd. (南京富士通南大軟件技術有限公司) from August 2009 to August 2014. Prior to that, Ms. Chen worked at Beijing Certificate Authority Co., Ltd. (北京數字認證股份有限公司) (stock code: 300579.SZ) from March 2008 to June 2009. Before that, from September 2005 to March 2008, Ms. Chen served as a development engineer of Beijing Watchdata System Co., Ltd. (currently known as Beijing Watchdata Co., Ltd. (北京握奇數據股份有限公司)), primarily responsible for research and development as well as commercialization of new products.

Ms. Chen obtained her bachelor's degree in communication engineering from Hohai University (河海大學) in July 2005. Her entrepreneurship and expertise in AI industry is highly recognized, evidenced by the honors and awards she received, including the 2024 Cyzone Most Promising Women Entrepreneurs to Watch List (2024年創業邦最值得關注的女性創業者) and the 2023 Fortune China Most Outstanding Women in Commerce (Future List) (2023年《財富》中國最具影響力的商界女性(未來榜)).

Ms. Mao Liyan (毛麗豔), aged 44, joined our Company in December 2017 as a vice general manager of key account financial business department. Ms. Mao has been with our Group for more than eight years and built strong recognition of our corporate culture. She was successively promoted to a vice general manager of solutions and customer operations center, the general manager of digital human ecosystem center and a senior vice president of our Company in November 2018, June 2022 and August 2023, respectively, primarily responsible for daily operation and management of the sales and marketing center of our Group. Ms. Mao has also been a Director since February 2023 and was re-designated as our executive Director in October 2025. Ms. Mao has held key positions in our subsidiaries, including the manager and director of Jiaxing Silicon and the executive director of Nanjing Silicon Dream since April 2025 and September 2023, respectively.

Ms. Mao has approximately two decades of experience in AI and ICT industry. Prior to joining our Group, she worked at Huawei Technologies Co., Ltd. (華為技術有限公司) from April 2006 to August 2017 with her last position being an executive product manager, primarily responsible for the market expansion, solutions sales and marketing of network products in overseas regions.

Ms. Mao obtained her bachelor's degree in electrical engineering and automation in June 2003 and her master's degree in navigation, guidance and control in March 2006, both from Nanjing University of Aeronautics and Astronautics. She also obtained her master's degrees in business administration from Tsinghua University (清華大學) and Cornell University in June 2022 and May 2022, respectively. Her expertise in AI has been recognized by various honors and awards, including the third prize of "Wang Xuan News Science and Technology Award (王選新聞科學技術獎)" awarded by the China News Technology Workers Association (中國新聞技術工作者聯合會) in 2023, the Huawei Cloud Developer Expert (華為雲開發者專家) in 2025 and the Azure AI Fundamentals certification from Microsoft in 2023. In addition, she has also been an industrial professor (graduate tutor) at Nanjing University of Information Science and Technology (南京信息工程大學) since June 2024.

Mr. Sun Kai (孫凱), aged 48, joined our Company in October 2017 as a sales vice president and was promoted to a senior vice president of our Company in June 2023. In October 2025, he was further appointed as the Board secretary of our Company, primarily responsible for development and maintenance of our key accounts in governmental and public sectors and in charge of public relations affairs of our Group. He has also been a Director since August 2018 and was re-designated as our Executive Director in October 2025. Mr. Sun has held key positions in our subsidiaries, including, among others, the executive director of Nanjing Silicon Language, the executive director and general manager of Silicon Kunshan since December 2020 and June 2023, respectively.

Mr. Sun has approximately two decades of experience in customer development and corporate management. Prior to joining our Group, he founded Guangzhou Louxia Enterprise Management Co., Ltd. (廣州樓下企業管理有限公司) and served as its executive director from December 2016 to October 2017. Before that, Mr. Sun worked at Shanjing Science and Technology Innovation Network Technology (Beijing) Co., Ltd. (山景科創網絡技術(北京)有限公司), a subsidiary of Beijing 58

Information Technology Co., Ltd. (北京五八信息技術有限公司), from May 2012 to January 2015. From November 2006 to January 2010, he worked at Ecareer (Beijing) Co., Ltd. (英才華網網絡技術(北京)有限公司).

Mr. Sun obtained his college diploma in automotive engineering from Beijing Institute of Technology (北京理工大學) in July 2000.

Non-executive Director

Mr. Liu Zixuan (劉子軒), aged 37, was appointed as our non-executive Director in December 2025. He is responsible for providing strategic advice and making recommendations on the business development and management of our Group through the Board.

Mr. Liu has over ten years of experience in investment. He has been an investment director of Tencent Group (騰訊集團) since 2015, primarily responsible for investment in software and technology sectors.

Mr. Liu obtained his bachelor's degree in computer engineering and master's degree in random system from Stevens Institute of Technology (斯蒂文斯理工學院) in the U.S. in May 2012. He also obtained his master's degree in business administration from Yale University (耶魯大學) in the U.S. in May 2015.

Independent non-executive Directors

Mr. Li Dong (李東), aged 49, was appointed as our independent non-executive Director in October 2025. He is responsible for providing independent opinions to our Board.

Mr. Li has over two decades of experience in public accounting, investment banking and corporate finance. Mr. Li currently serves as the chief financial officer of TH International Limited (stock code: THCH.NASDAQ) ("**Tim Hortons China**"). Prior to joining Tim Hortons China in September 2021, Mr. Li served as the chief financial officer of Ximalaya Inc., primarily responsible for managing corporate governance, capital market operations, investor relations, and internal financial management. Before that, Mr. Li served as the chief financial officer of OneSmart International Education Group Limited (stock code: ONE.NYSE) (currently known as Meta Data Limited (stock code: AIU.NYSE)), a company listed on the New York Stock Exchange, from July 2017 to June 2019. Mr. Li also previously served as the chief financial officer of Ecovacs Robotics Holdings Limited (科沃斯機器人股份有限公司) (stock code: 603486.SH). From August 2008 to February 2015, Mr. Li worked as an associate and later a vice president at the investment banking group of Merrill Lynch (Asia Pacific) Limited and as a vice president in the investment banking department of ICBC International Holdings Limited in Hong Kong. Prior to that, Mr. Li worked in KPMG's auditing practice group from August 1999 to April 2006 in its Beijing and Mountain View, California offices, respectively.

He has served as an independent non-executive director for the following listed companies, (i) GreenTree Hospitality Group Ltd. (格林酒店集團有限公司) (stock code: GHG.NYSE) since March 2018, (ii) Helens International Holdings Company Limited (海倫司國際控股有限公司) (stock code: 9869.HK and HLS.SGX) since August 2021, (iii) Logory Logistics Technology Co., Ltd. (合肥維天運通信息科技股份有限公司) (stock code: 2482.HK) since March 2023, (iv) ZJLD Group Inc (珍酒李渡集團有限公司) (stock code: 6979.HK) since April 2023, and (v) Yuanbao Inc. (stock code: YB.NYSE) since April 2025.

Mr. Li obtained his bachelor's degree in accounting from Tsinghua University in July 1999 and his master's degree in business administration from Northwestern University in the U.S. in June 2008. Mr. Li became a member of the Chinese Institute of Certified Public Accountants in 2002 and a member of the Certified General Accountants Association of Canada in 2001.

Mr. Shen Peng (沈鵬), aged 38, was appointed as our independent non-executive Director in October 2025. He is responsible for providing independent opinions to our Board.

Mr. Shen is the founder and currently serves as the chairman of board of directors and chief executive officer of Waterdrop Inc. (stock code: WDH.NYSE). Prior to founding Waterdrop in 2016, in January 2010, Mr. Shen joined Meituan (stock code: 3690.HK), a leading e-commerce platform in China, at its early stage. He was also one of the founding members of Meituan Waimai, which provides food delivery services. Mr. Shen participated in the operations of Meituan Waimai from September 2013 to April 2016, where he was responsible for different matters including internet R&D, formulating operational rules, and establishing and managing the business systems. He has also been an independent non-executive director for J&T Global Express Limited (極兔速遞環球有限公司) (stock code: 1519.HK) since October 2023.

Mr. Shen obtained his master's degree in retail management from NEOMA Business School in France in October 2013, his EMBA from Tsinghua University in July 2019 and his doctoral degree in hotel and tourism management from the Hong Kong Polytechnic University in September 2022. In honor of his contributions to the establishment and operation of Waterdrop as well as China's insurtech industry, digital clinical trial solutions business and other fields, Mr. Shen was named to Fortune China's list of the "2021 40 under 40 in China" and World Economic Forum's list of "2022 Young Global Leaders," and received the "Outstanding PolyU Alumni Award 2024" awarded by the Hong Kong Polytechnic University in November 2024. Mr. Shen has also been a vice chairman of the Hong Kong New Quality Entrepreneur Union (新質企業家聯合會) since November 2024, an industry mentor of the school of finance of the Central University of Finance and Economics (中央財經大學) and a sixth council member of the education foundation of the Central University of Finance and Economics since September 2024 and October 2025, respectively.

Prof. Dai Xianchi (戴先熾), age 51, was appointed as our independent non-executive Director in October 2025. He is responsible for providing independent opinions to our Board.

Prof. Dai has over two decades of academic research experience in business and marketing. Since August 2009, Prof. Dai has been working at the Business School of the Chinese University of Hong Kong, with his academic research focusing on business and marketing. He joined the university as an assistant professor and was promoted as an associated professor (tenured) in August 2015.

Prof. Dai obtained his bachelor's degree in engineering from Tianjin University (天津大學) in July 1996, his master's degree in enterprise management from Shanghai Jiao Tong University (上海交通大學) in January 2002 and his doctoral degree in management from INSEAD (歐洲工商管理學院) in July 2009. Prof. Dai won numerous awards for his research, including, among others, European Association for Decision Making Biennial Best PhD Paper Award (De finetti Award), AMA Summer Conference Best Track Paper Award and INFORMS Decision Analysis Society Best PhD Paper Finalist.

SENIOR MANAGEMENT

The following table sets forth certain information regarding our senior management upon **[REDACTED]**:

Name	Age	Position(s)	Time of joining our Group	Date of appointment as a senior management member	Roles and responsibilities
Mr. Sima Huapeng (司馬華鵬)	44	Chairman of the Board, executive Director and chief executive officer	August 2017	August 2017	Overall strategy planning, business operation and management of our Group
Ms. Chen Liping (陳莉萍)	42	Executive Director and chief financial officer	April 2018	April 2018	Formulation and implementation of development and financial strategies of our Group and in charge of investment and financing and comprehensive affairs of our Group

Name	Age	Position(s)	Time of joining our Group	Date of appointment as a senior management member	Roles and responsibilities
Ms. Mao Liyan (毛麗豔). .	44	Executive Director and senior vice president	December 2017	August 2023	Daily operation and management of the sales and marketing center of our Group
Mr. Sun Kai (孫凱)	48	Executive Director and senior vice president	October 2017	June 2023	Development and maintenance of our key accounts in governmental and public sectors and in charge of public relations affairs of our Group
Dr. Tang Yiping (湯毅平) .	45	Senior vice president	August 2019	July 2022	Daily operation and management of the research and development center and the AI lab of our Group

For biographical details of **Mr. Sima Huapeng (司馬華鵬), Ms. Chen Liping (陳莉萍), Ms. Mao Liyan (毛麗豔) and Mr. Sun Kai (孫凱)**, see "— Board of Directors — Executive Directors."

Dr. Tang Yiping (湯毅平), aged 45, joined our Company in August 2019 as a senior AI algorithm engineer and was further promoted as the director of AI lab of our Company in March 2020. In July 2022, he was further appointed as a senior vice president of our Company, primarily responsible for daily operation and management of the research and development center and the AI lab of our Group.

Dr. Tang has over a decade of experience in research and development of AI algorithms. Prior to joining our Group, he served as an AI algorithm expert of Huatai Securities Co., Ltd. (華泰證券股份有限公司) (stock code: 601688.SH, 6886.HK) from May 2019 to July 2019. Before that, he served as the AI algorithm director of Nanjing Suning Software Technology Co., Ltd. (南京蘇寧軟件技術有限公司) from June 2017 to April 2019. From October 2015 to May 2017, Dr. Tang worked at the 28th Research Institute of China Electronics Technology Group Corporation (中國電子科技集團公司第二十八研究所).

Dr. Tang obtained his bachelor's degree in computer science and technology from Northwestern Polytechnical University (西北工業大學) in July 2004. Subsequently, in March 2009 and March 2014, he obtained his master's degree and doctoral degree majoring in basic science from Chiba University in Japan (日本千葉大學). Dr. Tang also obtained the Jiangsu Provincial Senior Professional and Technical Qualification Certificate (Senior Engineer, AI Engineering) (江蘇省高級專業技術資格證書(高級工程師，人工智能工程專業)) from Digital Economy (AI & Big Data) Engineering Senior Professional and Technical Qualification Review Committee of Nanjing, Jiangsu Province (江蘇省南京市數字經濟(人工智能、大數據)工程高級專業技術資格評審委員會) in November 2024.

GENERAL INFORMATION

Except as disclosed in this document, each of our Directors and members of the senior management of our Company (i) had no other relationship with any of the other Directors and members of our senior management as of the Latest Practicable Date; and (ii) did not hold any other directorship in listed companies in the three years prior to the Latest Practicable Date. For the Directors' interests in the Shares within the meaning of Part XV of the SFO, see "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders."

Except as disclosed in this document, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, there was no other matters in respect of our Directors and the members of our senior management that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other material matters relating to our Directors and members of our senior management that need to be brought to the attention of our Shareholders.

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on October 28, 2025 or March 30, 2026; and (ii) understands his or her obligations as a director of a **[REDACTED]** issuer under the Listing Rules.

Each of our independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his independence at the time of his or her appointments.

JOINT COMPANY SECRETARIES

Mr. Sun Kai (孫凱), see "— Executive Directors " for his detailed background.

Ms. Ye Jiahong (叶嘉紅), was appointed as one of the joint company secretaries of our Company in October 2025. Ms. Ye has approximately seven years of experience in corporate secretarial work. She is an assistance manager of the Listing Services Department at TMF Hong Kong Limited, primarily responsible for providing company secretarial and compliance services to listed companies. Ms. Ye obtained her bachelor's degree in English (business management stream) from Jinan University in June 2013 and her master's degree in computer-aided translation from The Chinese University of Hong Kong in November 2014. She is an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, respectively.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, our Company has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

Pursuant to the PRC Company Law which came into force on July 1, 2024, a joint stock limited company may, in accordance with its articles of association, instead of setting up a board of supervisors, establish an audit committee which comprises directors of the board of directors and exercises the functions of the board of supervisors. In accordance with the PRC Company Law and our Articles of Association, we passed a resolution at our general meeting on January 27, 2025 to establish the Audit Committee exercising the relevant principal functions of the board of supervisors.

Our Audit Committee has formulated written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Li Dong, Mr. Shen Peng and Prof. Dai Xianchi. The chairman of the Audit Committee is Mr. Li Dong, who is an independent non-executive Director with the appropriate accounting and related financial management expertise. The primary duties of the Audit Committee include, among others: (i) making recommendations to our Board on the appointment, reappointment and removal of external auditor, and monitoring the external auditor's independence and evaluating the effectiveness of the audit process and their performance; (ii) monitoring integrity of our financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgements contained therein; (iii) assessing the effectiveness of internal control; (iv) guiding internal audit work; (v) coordinating the communication among management, internal audit department, related departments and external audit agency; and (vi) other responsibilities as authorized by our Board or required by the relevant laws and regulations.

Remuneration Committee

Our Company has established a Remuneration Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. Shen Peng, Mr. Sima and Prof. Dai Xianchi. The chairman of the Remuneration Committee is Mr. Shen Peng. The primary duties of the Remuneration Committee include, among others: (i) making recommendations to our Board on the policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, or making recommendations to our Board on the remuneration packages of individual executive Directors and senior management; (iii) reviewing and approving compensation payable to executive Directors and senior management of our Company for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (iv) reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and (v) other responsibilities as authorized by our Board or required by the relevant laws and regulations.

Nomination Committee

Our Company has established a Nomination Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Nomination Committee consists of three members, namely Mr. Shen Peng, Ms. Chen Liping and Mr. Li Dong. The chairman of the Nomination Committee is Mr. Shen Peng. The primary duties of the Nomination Committee include, among others: (i) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually, assist the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to our Board to complement our Company's corporate strategy; (ii) identifying individuals who are suitably qualified to become Board members and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (iii) assessing the independence of independent non-executive Directors; (iv) researching and developing standards and procedures for the election of our Board members and members of the senior management, and making recommendations to our Board; and (v) other responsibilities as authorized by our Board or required by the relevant laws and regulations.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the **[REDACTED]**.

Pursuant to code provision C.2.1 in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Sima is currently serving as the chairman of the Board and the chief executive officer of our Company. As Mr. Sima has been responsible for the overall strategy planning, business operation and management of our Group since our establishment, our Directors believe that vesting the roles of both chairman and chief executive officer in Mr. Sima is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures that we are going to implement upon **[REDACTED]**, our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

Saved as disclosed above, as of the Latest Practicable Date and to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, our Directors are not aware of any deviation from the provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD DIVERSITY

We are committed to promoting the culture of diversity in our Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We [have adopted] a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity on our Board that would be conducive to our business growth. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate appointment decisions will be based on merits and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including AI, information technology, fintech, public accounting, corporate management, business and marketing. They obtained degrees in various majors, including electrical engineering and automation, communication engineering, accounting and management. Our three independent non-executive Directors with different industry backgrounds, representing more than one-third of the Board. Furthermore, our Board has a diverse age and gender representation, ranging from 37 years old to 51 years old and comprising six male and two female Directors. Taking into account our existing business mode and specific needs as well as the different background of our Directors, we are of the view that the composition of our Board satisfies our board diversity policy. We will continue to apply the principles of appointments based on merits with reference to our board diversity policy as a whole.

Our Nomination Committee is responsible for reviewing the structure and ensuring the diversity of our Board. After the **[REDACTED]**, our Nomination Committee will monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on annual basis.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management members receive compensation from our Company in the form of director's fee, salaries, allowances and benefits in kind, discretionary bonuses, equity-settled share-based payment expenses, and retirement scheme contributions.

The aggregate amount of remuneration (including director's fee, salaries, allowances and benefits in kind, discretionary bonuses, equity-settled share-based payment expenses, and retirement scheme contributions) of our Directors for the years ended December 31, 2023, 2024 and 2025 were RMB11.1 million, RMB13.4 million and RMB14.8 million, respectively.

The five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 included four, four and four Directors, respectively, whose remunerations are included in the aggregate amount of remuneration set out above. For the years ended December 31, 2023, 2024 and 2025, the aggregate amount of remuneration (including salaries, allowances and benefits in kind, discretionary bonuses, equity-settled share-based payment expenses, and retirement scheme contributions) for the remaining one, one and one highest paid individuals who are not our Directors were RMB1.1 million, RMB11.2 million and RMB11.2 million, respectively.

It is estimated that remuneration equivalent to approximately RMB12.3 million in aggregate will be incurred to our Directors (inclusive of benefits in kind but exclusive of any discretionary bonuses) by our Company for the year ending December 31, 2026 based on the arrangements currently in force.

No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining our Company or as compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Maxa Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company: (i) before the publication of any regulatory announcement, circular or financial report; (ii) where a transaction, which might be a notifiable or connected transaction under the Listing Rules, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases; (iii) where our Company proposes to use the **[REDACTED]** of the **[REDACTED]** in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and (iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or **[REDACTED]** volume of the Shares, the possible development of a false market in the Shares or any other matters under Rule 13.10 of the Listing Rules. The term of the appointment of the compliance advisor will commence on the **[REDACTED]** and is expected to end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the **[REDACTED]**.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**), the following persons will have or be deemed or taken to have an interest and/or short positions in the Shares or the underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings our Company:

		Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED])[1]		
Name of Shareholder	Nature of interest	Number	Approximate percentage of shareholding in our total issued share capital	Number	Description of Shares	Approximate percentage of shareholding in our total issued share capital
Mr. Sima[2]	Beneficial interest	4,533,683	26.54%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
	Interest in controlled corporation	1,756,039	10.28%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Nanjing Silicon Life[2]	Interest in controlled corporation	1,756,039	10.28%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Jiaxing Silicon Language[2]	Beneficial interest	1,756,039	10.28%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Linzhi Tencent[3]	Beneficial interest	2,834,130	16.59%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
China Reform Fund[4][5]	Beneficial interest	1,150,757	6.74%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Xinye Guangzhou[4]	Beneficial interest	10,842	0.06%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Puxin Capital[5]	Beneficial interest	164,916	0.97%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
CMB Modern Industry Fund[6]	Beneficial interest	744,754	4.36%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
CMB Telecom Fund[6]	Beneficial interest	744,754	4.36%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
CMB Yongxiang Fund[6]	Beneficial interest	351,539	2.06%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
CMB Yongji Fund[6]	Beneficial interest	175,983	1.03%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%

Notes:

(1) The calculation is based on the total number of **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) and the Conversion of Unlisted Shares into H Shares.

(2) Jiaxing Silicon Language is owned as to 0.57% by Nanjing Silicon Life as its general partner, which is in turn owned as to 99.00% by Mr. Sima. Therefore, each of Mr. Sima and Nanjing Silicon Life is deemed to be interested in **[REDACTED]**% of shareholding in our total issued share capital following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) directly held by Jiaxing Silicon Language by virtue of the SFO.

(3) Linzhi Tencent is indirectly wholly owned by Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司) ("**Tencent Ruijian**") through its wholly-owned subsidiary, Shenzhen Tencent Industrial Investment Fund Co., Ltd. (深圳市騰訊產業投資基金有限公司) ("**Tecent Industrial Fund**"), which is a subsidiary of Tencent Holdings Limited ("**Tencent**"). Therefore, each of Tencent, Tencent Ruijian and Tencent Industrial Fund is deemed to be interested in **[REDACTED]**% of shareholding in our total issued share capital following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) directly held by Linzhi Tencent by virtue of the SFO.

(4) China Reform SOE Operation Investment Fund Management (Guangzhou) Co., Ltd. (國新央企運營投資基金管理(廣州)有限公司) ("**China Reform Investment Management**") is the general partner of Xinye Guangzhou and China Reform Fund, holding approximately 0.0069% and 0.20% partnership interest therein, respectively.

China Reform Investment Management is owned as to (i) 45.00% by SOE Operation (Guangzhou) Investment Co., Ltd. (央運（廣州）投資有限公司) ("**SOE Operation Guangzhou**"), and (ii) 35.00% by Guangzhou Guochuang Fund Investment Holding Co., Ltd. (廣州國創基金投資控股有限公司) ("**Guangzhou Guochuang**"), respectively. SOE Operation Guangzhou is wholly owned by China Reform Fund Management Co., Ltd. (中國國新基金管理有限公司) ("**CRFM**"), which is in turn wholly owned by China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) ("**CRHC**"), an SOE controlled by the State Council. Guangzhou Guochuang is owned as to 99.00% by Guangzhou Emerging Industry Development Fund Management Co., Ltd. (廣州市新興產業發展基金管理有限公司) ("**GEIDFM**"), which is in turn

wholly owned by Guangzhou Industrial Investment Fund Management Co., Ltd. (廣州產業投資基金管理有限公司) ("**GIIFM**"), a wholly-owned subsidiary of Guangzhou Urban Construction Investment Group Co., Ltd. (廣州市城市建設投資集團有限公司) ("**GUCIG**"), an SOE controlled by Guangzhou SASAC.

Therefore, each of GUCIG, GIIFM, GEIDFM, Guangzhou Guochuang, CRHC, CRFM, SOE Operation Guangzhou and China Reform Investment Management is deemed to be interested in **[REDACTED]**% of shareholding in our total issued share capital following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) directly held by China Reform Fund and Xinye Guangzhou by virtue of the SFO.

(5) China Reform Fund is owned as to approximately 59.88% by Shanghai AXA SPDB Assets Management Co., Ltd (上海浦銀安盛資產管理有限公司) ("**Shanghai AXA SPDB**") as its limited partner. Shanghai AXA SPDB is wholly owned by AXA SPDB Investment Managers Co., Ltd (浦銀安盛基金管理有限公司) ("**AXA SPDB**"), which is turn owned as to (i) 51.00% by Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司) (stock code: 600000.SH) ("**SPDB**"), and (ii) 39.00% by AXA Investment Managers (安盛投資管理公司) ("**AXA IM**"), which is wholly owned by BNP Paribas Cardif, a subsidiary of BNP Paribas SA (stock code: BNP.PA). Therefore, each of SPDB, BNP Paribas SA, BNP Paribas Cardif, AXA IM, AXA SPDB and Shanghai AXA SPDB is deemed to be interested in **[REDACTED]**% of shareholding in our total issued share capital following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) directly held by China Reform Fund by virtue of the SFO.

Puxin Capital is owned as to approximately 0.50% by Shanghai Puyao Xinye Capital Co., Ltd. (上海浦耀信曄投資管理有限公司) as its general partner, and approximately 99.50% by Shangxin Asset Management Co., Ltd. (上信資產管理有限公司) as its limited partner, both of which are ultimately controlled by SPDB. Therefore, SPDB is deemed to be interested in the Shares directly held by Puxin Capital by virtue of the SFO. As such, SPDB is deemed to be interested in **[REDACTED]**% of shareholding in our total issued share capital following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) directly held by China Reform Fund and Puxin Capital by virtue of the SFO.

(6) The general partner of each of CMB Modern Industry Fund, CMB Telecom Fund, CMB Yongxiang Fund and CMB Yongji Fund is or is controlled by CMB International Capital Management (Shenzhen) Ltd. (招銀國際資本管理(深圳)有限公司) ("**CMB International Capital Management Shenzhen**"). CMB International Capital Management Shenzhen is a wholly-owned subsidiary of CMB Financial Holdings (Shenzhen) Ltd. (招銀金融控股(深圳)有限公司) ("**CMB Financial Holdings Shenzhen**"), which is ultimately controlled by CMB through its subsidiaries, namely CMB International Capital Corporation Limited (招銀國際金融有限公司) ("**CMB International Capital**") and CMB International Capital Holdings Corporation Limited (招銀國際金融控股有限公司) ("**CMB International Capital Holdings**"). Therefore, each of CMB, CMB International Capital Holdings, CMB International Capital, CMB Financial Holdings Shenzhen and CMB International Capital Management Shenzhen is deemed to be interested in **[REDACTED]**% of shareholding in our total issued share capital following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) directly held by CMB Modern Industry Fund, CMB Telecom Fund, CMB Yongxiang Fund and CMB Yongji Fund by virtue of the SFO.

Besides, CMB International Financial Holding (Shenzhen) Ltd. (招銀國際金融控股(深圳)有限公司) ("**CMB International Financial Holding Shenzhe**n") is a limited partner of CMB Modern Industry Fund and CMB Telecom Fund, holding approximately 66.56% and 79.97% partnership interest therein, respectively. CMB International Financial Holding Shenzhen is wholly-owned by CMB Financial Holdings Shenzhen. Therefore, CMB International Financial Holding Shenzhen is deemed to be interested in **[REDACTED]**% of shareholding in our total issued share capital following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) directly held by CMB Modern Industry Fund and CMB Telecom Fund by virtue of the SFO.

Save as disclosed above and in "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders," our Directors are not aware of any person who will, immediately following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**), have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company.

OUR SHARE CAPITAL

Immediately before the [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB17,084,745, comprising 17,084,745 Unlisted Shares with a nominal value of RMB1.00 each.

Upon Completion of the [REDACTED]

Immediately following completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, assuming the **[REDACTED]** is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
H Shares to be converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100%**

Immediately following completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, assuming the **[REDACTED]** is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
H Shares to be converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**%
H Shares to be issued pursuant to the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
Total	**[REDACTED]**	**100%**

RANKING

Upon completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, all our Shares will be H Shares.

Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold our H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC.

Our H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company, and are regarded as one class of Shares under our Articles of Association. They will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi. In addition to cash, dividends may be distributed in the form of Shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING ARE REQUIRED

Our Company will have only one class of Shares upon completion of the **[REDACTED]**, namely ordinary Shares, and each carry the same rights in all respects with the other Shares. For details of circumstances under which our Shareholders' general meetings are required, see "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association."

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Upon completion of the **[REDACTED]**, if any of our Shares are not **[REDACTED]** or **[REDACTED]** on any stock exchange, the holders of such Unlisted Shares may convert their Shares into H Shares provided that such conversion shall have gone through the requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and complete the filing process procedure with CSRC. The **[REDACTED]** of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange.

In accordance with the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) ("**Full Circulation Guidelines**") published and implemented by the CSRC on November 14, 2019 and amended on August 10, 2023 and the Overseas Listing Trial Measures, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas listing, domestic unlisted shares further issued in the PRC after the overseas listing and unlisted shares held by foreign shareholders) could be listed and traded on the Stock Exchange after application to file with the CSRC. The Full Circulation Guidelines are applicable to domestic companies listed on the Stock Exchange only and not applicable to companies dual listed in the PRC and on the Stock Exchange.

Upon completion of the **[REDACTED]**, all the existing Unlisted Shares held by our Shareholders will be converted into H Shares on a one-for-one basis. The conversion of these Unlisted Shares into H Shares [has been] filed with the CSRC and the CSRC issued notice of filing on [•] and an application has been made to the Listing Committee for such H Shares to be **[REDACTED]** on the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the **[REDACTED]** of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any **[REDACTED]** of additional Shares after our initial **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for **[REDACTED]** at the time of our initial **[REDACTED]** in Hong Kong.

No class Shareholder voting is required for the **[REDACTED]** and **[REDACTED]** of the converted Shares on the Stock Exchange. Any application for **[REDACTED]** of the converted Shares on the Stock Exchange after our initial **[REDACTED]** is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the **[REDACTED]** to issue H Share certificates. Registration on our H Share register will be on the conditions that (a) our **[REDACTED]** lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to be **[REDACTED]** on the Stock Exchange will comply with the Listing Rules and the General Rules of **[REDACTED]** and **[REDACTED]** Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be **[REDACTED]** as H Shares.

For further details, see "Risk Factors — Risks Related to the **[REDACTED]** — Future sales or perceived sales of substantial amounts of our securities in the public market, including any future **[REDACTED]** in the PRC, could have a material and adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings."

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the **[REDACTED]** shall not be transferred within 12 months from the **[REDACTED]**.

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares held by the aforementioned persons cannot be transferred within half a year after they leave their positions as Directors and members of senior management of our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and members of senior management of our Company.

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE SHARES

Subject to the **[REDACTED]** becoming unconditional, our Directors have been granted general mandates to issue and repurchase our Shares. For further details, see "Appendix VI — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions Passed by Our Shareholders' Meeting in Relation to the **[REDACTED]**."

RESTRICTIONS ON SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to the Notice on Adjustment of Business Acceptance of Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies (《關於境外上市公司非境外上市股份登記存管業務受理調整的通知》) and Business Guidelines for the Registration and Depository of Non-Overseas Listed Shares of Overseas Listed Companies (《境外上市公司非境外上市股份登記存管業務指南》), our Company is required to register and deposit our Shares that are not **[REDACTED]** on the overseas stock exchange with the China Securities Depository and Clearing Corporation Limited after the **[REDACTED]**.

You should read the following discussion and analysis in conjunction with our consolidated financial statements together with the accompanying notes as set out in the Accountants' Report in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which may differ in certain aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Business" in this document.

OVERVIEW

We are the largest digital human agent provider in China, providing GJ AI workforces to enterprises across multiple industry verticals. We ranked first among all digital human agent providers in China in terms of revenue generated from provision of digital human agent solutions in 2024, holding a market share of 32.2% in the digital human agent industry in China, according to CIC, demonstrating our market leadership. Among the global digital human agent providers, we secured the second position in terms of revenue generated from provision of digital human agent solutions in 2024, according to the same source.

During the Track Record Period, we generated our revenue from provision of comprehensive and synergistic GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, and GJ AI Real-time Video Agent. Our total revenue increased at a CAGR of 21.9% from RMB530.8 million for the year ended December 31, 2023 to RMB788.8 million for the year ended December 31, 2025. Our gross profit increased at a CAGR of 5.8% from RMB243.2 million for the year ended December 31, 2023 to RMB272.1 million for the year ended December 31, 2025. Our profitability has also significantly improved. We turned profitable on a non-IFRS basis in 2025, recording an adjusted net profit (non-IFRS measure) of RMB13.9 million for the year ended December 31, 2025, compared to adjusted net loss of RMB29.4 million and RMB35.2 million for the years ended December 31, 2023 and 2024, respectively, demonstrating our enhanced commercialization capability and sustainable growth potential. See "— Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Non-IFRS Measure."

BASIS OF PRESENTATION

Our Company was established in the PRC as a limited liability company on August 8, 2017, and was converted into a joint stock company with limited liability on February 18, 2025. For details, please see "History, Development and Corporate Structure." The historical financial information of our Group has been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board. The measurement basis used in the preparation of the historical financial information is the historical cost basis. Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. All effective standards, amendments to standards and interpretation, mandatory for any financial year during the Track Record Period, are consistently applied to our Group throughout the Track Record Period.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other

sources. Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3 to the Accountants' Report set out in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, which primarily include the following:

Development of the Digital Human Agent Industry and Its Competition Landscape

Our business, financial performance, results of operations and future growth are affected by the development of the digital human agent industry, including the general factors affecting the digital human agent market, the macroeconomic conditions and regulatory environment, as well as the market acceptance, adoption and demand of AI workforce solutions. In particular, factors including breakthroughs in large model technologies such as natural language understanding, voice interaction, and multimodal generation, as well as the accelerated accumulation of high-quality industry data and scenario-specific demand are expected to further drive the growth of the digital human agent market. See "Industry Overview — Digital Human Agent Industry" for details.

Meanwhile, we operate in a highly competitive market. We face competition primarily from other competitors in the digital human agent market with diverse capabilities. We believe factors including visionary strategic positioning, strong R&D capabilities, breadth and quality of our solutions, solid relationship with our customers, marketing and sales channels, competitive pricing, brand recognition and after-sales services are critical to our competitiveness in this market. We believe we are well-positioned to capture such market opportunity with our strong R&D capabilities as well as extensive solution portfolio. However, increasingly intensified competition or our inability to sustain our competitive advantage could adversely affect our results of operations.

Our Ability to Enhance and Develop Our Solutions

Our solutions are subject to diversified use cases and rapidly evolving customer demands, and the digital human agent industry we operate in is characterized by constant advancements. To maintain our leading position in the digital human agent market and achieve sustainable growth, our ability to efficiently develop and launch new solutions which incorporate and integrate the latest technological advancements and enhance our existing solutions is critical to our growth prospects. We have a solid track record in this regard, as demonstrated by our comprehensive and integrated solutions catering to a wide array of use cases. We aspire to continue to leverage our existing advantages in this regard and strengthen our solution offerings to drive our growth.

Our R&D capabilities are the backbone of our ability to enhance and develop our solutions. We have invested and expect to continue to invest significant resources in our R&D activities. During the Track Record Period, our research and development expenses amounted to RMB129.6 million, RMB150.1 million and RMB163.3 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 24.4%, 22.9% and 20.7% of our total revenue for the same years, respectively. In particular, we believe that the ability to attract and retain a strong R&D team with the relevant knowledge, expertise and acumen is fundamental to our long-term competitiveness. Therefore, we expect to remain committed to our investment in talents. In addition, as similar initiatives in the digital human agent industry are usually associated with uncertainties in the process and outcome, we may experience fluctuations in research and development expenses and we may not predict the results of and return on such investment, which, in turn, may affect our results of operations.

Our Ability to Commercialize our Solutions and Expand Customer Base

We have made proactive efforts in commercialization and market expansion, which has contributed significantly to the expansion of our market reach and customer base. We believe that our sales approach has enabled us to tap into both the benefits of direct sales in customer engagement, and the benefits of distributorship in market outreach and support. Our ability to retain our existing customers, expand our customer base, deepen customer relationships, expand market reach, generate sales, and achieve business growth in the future is crucial to our profitability and will continue to rely on the efficiency and breadth of our sales network.

We rely on the performance of our solutions as well as our sales team and customer support team to initiate and maintain customer relationship. We have devoted, and expect to continue to devote, substantial resources to our sales and marketing initiatives to deepen our market penetration, enlarge our customer base and achieve higher market recognition, for which we may incur higher sales and marketing expenses. During the Track Record Period, our selling and marketing expenses were RMB110.3 million, RMB82.6 million and RMB55.2 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 20.8%, 12.6% and 7.0% of our total revenue for the same years, respectively. As we continue to scale up our business operations, we expect to achieve greater cost efficiency with our sales and marketing initiatives.

Our Brand Positioning and Pricing Ability

We rely on our well-established brand awareness and recognition and our reputation in providing AI workforce solutions. Our ability to maintain our relationship with existing customers and attract new customers depends, to a large extent, on our ability to continue to enhance brand recognition. Our results of operations are also affected by the level of fees we are able to charge. Our ability to price our solutions at the level we desire, while at the same time maintaining competitive, is dependent on a number of factors, including the perspectiveness and competitiveness of our technologies and solutions, existing and potential demand for AI workforce solutions, the supply of similar solutions in the market, prices set by our competitors and the competitive landscape of the digital human agent market in China. To maintain our pricing level, we endeavor to diversify our solutions by offering our solutions to both key account customers as well as other customers. We aim to achieve a balance between pricing our solutions competitively while ensuring an attractive profit margin.

Our Ability to Optimize Cost Structure and Improve Operational Efficiency

While we value and encourage spending on R&D, our ability to achieve and maintain profitability is dependent in part on our ability to control costs. During the Track Record Period, our cost of sales was RMB287.6 million, RMB430.4 million and RMB516.7 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 54.2%, 65.7% and 65.5% of our total revenue for the same years, respectively. Our cost of sales primarily consisted of project fulfillment costs, cost of cloud services, cost of hardware and software as well as staff costs. The largest component of our cost of sales was project fulfillment costs, which amounted to RMB162.1 million, RMB334.6 million and RMB397.6 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 56.3%, 77.7% and 77.0% of our total cost of sales for the same years, respectively. Our ability to effectively control such costs as we expand our operations has affected and will continue to affect our financial results. We aim to deepen our collaborations with suppliers to enhance the stability and affordability of supply and optimize our cost structure.

In addition, our operating efficiency is affected by our ability to control operating expenses. Our research and development expenses may increase and account for a significant portion of our total operating expenses. Our ability to ensure R&D efficiency and maintain research and development expenses at a reasonable level comparable to our revenue scale is critical to our results of operations and financial condition. In addition, during the Track Record Period, our staff costs, which includes staff costs recorded in cost of sales and employee benefit expenses recorded in research and development expenses, selling and marketing expenses as well as administrative and other operating expenses, accounted for 17.7%, 12.8% and 8.1% of our revenue for the years ended December 31, 2023, 2024 and 2025, respectively. As we further increase our revenue, we expect to benefit from economies of scale and further improve our operational efficiency.

Seasonality

Our business and results of operations are affected by seasonality, resulting from seasonal fluctuations in customer purchases. Our enterprise customers adhere to an annual cycle for budget planning and implementation. As we typically recognize revenue upon acceptance by the customer, we had higher revenue from our solutions in the second half of the fiscal year, which is in line with the industry norm, according to CIC. See "Business — Seasonality" for more details. The degree of seasonality may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict the level of demand with precision.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of historical financial statements in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Such judgments, estimates and assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, from which our actual results may differ. Our material accounting policies, accounting judgments and estimates, which are important for understanding our financial position and results of operations, are set forth in detail in Notes 2 and 3 to the Accountants' Report set out in Appendix I to this document.

DESCRIPTION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth key consolidated statements of profit or loss and comprehensive income items for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Revenue	**530,806**	**655,438**	**788,818**
Cost of sales	(287,645)	(430,359)	(516,747)
Gross profit	**243,161**	**225,079**	**272,071**
Other income	15,976	10,846	2,554
Other net gain/(loss)	38	(678)	717
Selling and marketing expenses	(110,263)	(82,570)	(55,235)
Administrative and other operating expenses	(47,967)	(41,211)	(55,634)
Research and development expenses	(129,569)	(150,129)	(163,342)
Impairment loss on trade and other receivables and contract assets	(11,750)	(21,170)	(27,595)
Loss from operations	**(40,374)**	**(59,833)**	**(26,464)**
Finance income	4,606	2,239	857
Finance costs	(435)	(240)	(144)
Share of loss of associates	(1,104)	(27)	(164)
Accretion of redemption liabilities	(58,660)	(53,838)	—
Loss before taxation	**(95,967)**	**(111,699)**	**(25,915)**
Income tax	60	—	—
Loss for the year	**(95,907)**	**(111,699)**	**(25,915)**
Attributable to:			
Equity shareholders of the Company	(95,907)	(111,699)	(25,915)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of a foreign subsidiary, net of nil tax	—	—	(475)
Total comprehensive income for the year	**(95,907)**	**(111,699)**	**(26,390)**
Attributable to:			
Equity shareholders of the Company	(95,907)	(111,699)	(26,390)

Note:

(1) Represents amount less than RMB1,000.

NON-IFRS MEASURE

We provide adjusted net profit or loss as a non-IFRS measure, which is not required by, or presented in accordance with, the IFRS Accounting Standards. However, our presentation of adjusted net profit or loss (non-IFRS measure) may not be comparable to similarly titled measures presented by

other companies. The application of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit or loss (non-IFRS measure) as loss for the year adjusted by adding back **[REDACTED]** expenses, equity-settled share-based payments expenses and accretion of redemption liabilities. **[REDACTED]** expenses are expenses relating to the **[REDACTED]**. Accretion of redemption liabilities and equity-settled share-based payments expenses are non-cash in nature. In particular, accretion of redemption liabilities is related to the redemption right granted to our **[REDACTED]** Investors. In November 2024, we entered into a supplemental agreement with our **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were reclassified as equity.

The following table reconciles our adjusted net profit or loss (non-IFRS measure) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Loss for the year	**(95,907)**	**(111,699)**	**(25,915)**
Add:			
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Equity-settled share-based payment expenses	7,835	21,479	21,437
Accretion of redemption liabilities	58,660	53,838	—
Adjusted net (loss)/profit (non-IFRS measure)	**(29,412)**	**(35,242)**	**13,850**

Revenue

For the years ended December 31, 2023, 2024 and 2025, we recorded revenue of RMB530.8 million, RMB655.4 million and RMB788.8 million, respectively. During the Track Record Period, we generated our revenue from provision of comprehensive and synergistic GJ AI workforce solutions, including GJ AI Real-time Voice Agent, GJ AI Video Generation Agent, GJ AI Live Streaming Agent, and GJ AI Real-time Video Agent. See "Business — Our Business Model" for more details.

With dedicated efforts in advancing GJ AI workforces and diversifying our solutions, we realized substantial revenue growth during the Track Record Period. Historically, our business primarily focused on providing GJ AI Real-time Voice Agents for key account customers, such as commercial banks and telecom operators, where we adopted a competitive pricing model with lower gross profit margin to secure partnerships with these key account customers. Leveraging our accumulated expertise in AI technology development and pre-emptive technological reserves, we strategically tapped into GJ AI Video Generation Agent and GJ AI Live Streaming Agent, both of which are technological-intensive segments featuring deeper moats, higher added-value, broader scope of target industries, greater growth potential and more opportunities, according to CIC. Our accumulated R&D efforts in digital human agent technology, coupled with growing market awareness of AI solutions, have well-grounded us for accelerated growth in 2023, with particular momentum in GJ AI Live Streaming Agent. Our revenue further increased in 2024, primarily attributable to the launch of GJ AI Real-time Video Agent and the development of DUIX ONE, where we integrated more advanced AI large-model technologies into our solutions and significantly enhanced the interaction ability, naturalness and generation efficiency of the digital human agents to meet the diversified demands of customers. Our revenue remained its steady growth momentum from RMB655.4 million in 2024 to RMB788.8 million in 2025, as (i) we optimized the product model and improved operational efficiency through DUIX ONE to achieve sustained and stable growth; and (ii) we strategically focused more resources on deepening partnerships with key account customers and benefited from the increased revenue derived therefrom.

Revenue by Sales Channels

The following table sets forth a breakdown of our revenue by type of sales channels for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct sales	509,987	96.1	640,570	97.7	782,247	99.2
Distributors	20,819	3.9	14,868	2.3	6,572	0.8
Total	**530,806**	**100.0**	**655,438**	**100.0**	**788,818**	**100.0**

During the Track Record Period, substantially all of our revenue was generated through our direct sales to customers, including key account customers and other customers pursuing trustworthy AI solutions for their business operations. Direct sales to customers accounted for 96.1%, 97.7% and 99.2% of our total revenue in 2023, 2024 and 2025, respectively. Revenue generated from sales to distributors accounted for 3.9%, 2.3% and 0.8% of our total revenue in 2023, 2024 and 2025, respectively. Our revenue derived from sales to distributors declined during the Track Record Period, as we did not renew our agreements with certain distributors upon expiration, based on our evaluation of their market potential and our future business strategies. We established business relationships with certain end customers of such distributors under our direct sales mode, thereby ensuring the consistent quality of our solutions and enhancing our ability to respond to their specific needs in a timely manner. See "Business — Marketing and Promotion — Our Sales Network" for details.

For breakdowns of our revenue by type of deployment, type of digital human agent and industry vertical of customers, see "Business — Key Operating Data."

Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Project fulfillment costs	162,070	56.3	334,621	77.7	397,641	77.0
Cost of cloud services	110,367	38.4	84,209	19.6	73,150	14.1
Cost of hardware and software	7,775	2.7	10,314	2.4	45,602	8.8
Staff costs	3,792	1.3	505	0.1	—	—
Others[(1)]	3,641	1.3	710	0.2	354	0.1
Total	**287,645**	**100.0**	**430,359**	**100.0**	**516,747**	**100.0**

Note:

(1) Others primarily comprise taxes and surcharges and telecom line costs for GJ AI Real-time Voice Agent business.

Project fulfillment costs represent implementation costs incurred for the provision of GJ AI workforce solutions to our customers. Being our largest cost component, project fulfillment costs increased during the Track Record Period, which was generally in line with our revenue growth.

Cost of cloud services represents the procurement costs of cloud computing power from third-party cloud service providers for the provision of GJ AI workforce solutions. Cost of cloud services decreased in 2024, mainly due to our decreased reliance on third-party cloud services driven by the completion of key technological upgrades in GJ AI workforce solutions in 2024, where we achieved architectural optimization of DUIX ONE to enable the distributed deployment of certain computing

tasks to users' end devices for execution. Cost of cloud services further decreased in 2025, primarily attributable to the growing number of customers possessing their own cloud computing infrastructure and therefore no longer requiring our cloud computing resources.

Cost of hardware and software relates to the procurement of equipment and software for GJ AI Real-time Video Agent. During the Track Record Period, cost of hardware and software exhibited an upward trend, with a notable increase particularly in 2025, aligning with the expansion of GJ AI Real-time Video Agent business.

Staff costs represent salaries, bonuses, pension and other social security and welfare of our full-time product delivery staff engaging in GJ AI Real-time Voice Agent and offline deployment. During the Track Record Period, our staff costs exhibited a downward trend, primarily due to a reduction in headcount and gradual phasing out of our product delivery personnel and offline deployment personnel along with the contraction of GJ AI Real-time Voice Agent, as well as the standardization and productization of our cloud-based solutions and the establishment of standard operating procedures.

Gross Profit

For the years ended December 31, 2023, 2024 and 2025, our gross profit was RMB243.2 million, RMB225.1 million and RMB272.1 million, respectively. For the years ended December 31, 2023, 2024 and 2025, our gross profit margin was 45.8%, 34.3% and 34.5%, respectively.

Our gross profit and gross profit margin recorded decreases in 2024, mainly due to (i) our proactive downward price adjustment for certain earlier version products as a result of our product iteration initiatives; and (ii) more favorable discount terms we offered for our productized GJ AI workforce solutions to support our business expansion in the lower-tier market. Our gross profit increased in 2025 aligning with our revenue growth. Our growth profit margin remained relatively stable in 2024 and 2025.

Other Income

The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Government grants	13,763	86.1	10,185	93.9	2,422	94.8
VAT refund and deduction	2,082	13.0	524	4.8	35	1.4
Others[(1)]	131	0.8	137	1.3	97	3.8
Total	**15,976**	**100.0**	**10,846**	**100.0**	**2,554**	**100.0**

Note:

(1) Others primarily represent the refund of IIT handling fee.

Government grants recognized under other income primarily comprise (i) unconditional government grants as incentives for our contribution to technology R&D and regional economic development; (ii) unconditional government grants as subsidies for the leased properties; and (iii) conditional government grants as subsidies for the leased properties, which are recorded in the consolidated statements of profit or loss when related conditions were satisfied, all of which are generally non-recurring in nature. For the conditional government subsidies for leased properties, we recognize subsidies as government grants under other income pursuant to the amortization over the lease term of the leased properties. For financial assistance received but not yet amortized, we recognize the amount as deferred income.

Our other income decreased during the Track Record Period, mainly due to the decrease in government grants as the one-off and large-sum subsidies initially granted by the relevant government authorities to support our business launch and development have been gradually fully disbursed.

Other Net Gain/(loss)

Our other net gain or loss primarily comprise (i) net gain on disposal of property, plant and equipment in relation to the disposal of computers and office equipment; and (ii) net gain on disposal of associates generated from the disposal of our equity interest in Hangzhou Qianyu Intelligent Technology Co., Ltd. (杭州謙語智能科技有限公司) ("**Hangzhou Qianyu**") and Guiyu (Kunshan) Intelligent Technology Co., Ltd. (硅語(昆山)智能科技有限公司) ("**Guiyu Kunshan**"). The following table sets forth a breakdown of our other net gain or loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Net gain on disposal of property, plant and equipment	48	15	—
Net gain on disposal of associates	—	—	801
Others[(1)]	(10)	(693)	(84)
Total	**38**	**(678)**	**717**

Note:

(1) Others primarily comprise loss of deposits due to early termination of leases and litigation fees incurred in the ordinary course of our business.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee benefit expenses, representing salaries, bonuses and share-based payment expenses relating to the share options granted to our sales and marketing personnel under the **[REDACTED]** Share Option Plan; (ii) marketing service expenses, which mainly represent service fees and referral fees paid or payable to third-party offline marketing service providers, such as our channel partners; (iii) advertising and promotion expenses primarily relating to the online advertising and promotion of our solutions; and (iv) office, utilities and travelling expenses incurred by our sales and marketing personnel.

The following table sets forth a breakdown of our selling and marketing expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	30,540	27.7	30,892	37.4	18,449	33.4
Marketing service expenses	14,132	12.8	28,202	34.2	21,325	38.6
Advertising and promotion expenses	61,067	55.4	17,784	21.5	10,940	19.8
Office, utilities and travelling expenses	3,346	3.0	3,238	3.9	2,398	4.3
Others[(1)]	1,178	1.1	2,454	3.0	2,123	3.9
Total	**110,263**	**100.0**	**82,570**	**100.0**	**55,235**	**100.0**

Note:

(1) Others primarily comprise depreciation and amortization associated with our leasehold improvements and right-of-use assets and short-term lease expenses incurred by our sales and marketing personnel.

Our selling and marketing expenses decreased in 2024, primarily due to declined advertising and promotion expenses driven by the long-tail effect and improved cost-effectiveness derived from the enhanced brand awareness and initial user acquisition achieved through our previous marketing investments, as well as and our strategic shift towards meticulous operations, moving away from previous reliance on heavy promotional expenditure. Our selling and marketing expenses further decreased in 2025, primarily due to (i) lower employee benefit expenses mainly resulting from our concerted efforts to streamline our sales and marketing team; (ii) decreased marketing service expenses driven by the aforementioned enhanced cost-effectiveness and strategic shift towards meticulous operations; and (iii) declined advertising and promotion expenses driven by the aforementioned long-tail effect and improved cost-effectiveness.

Administrative and Other Operating Expenses

Our administrative and other operating expenses primarily consist of (i) employee benefit expenses, representing salaries, bonuses and share-based payment expenses relating to the share options granted to our administrative personnel under the **[REDACTED]** Share Option Plan; (ii) depreciation and amortization, which comprise depreciation of leasehold improvements and right-of-use assets; (iii) professional service fees, which primarily comprise fees for legal, auditing, consulting and human resources services during our daily operation; (iv) **[REDACTED]** expenses; and (v) office, utilities, traveling and entertainment expenses incurred by our administrative personnel.

The following table sets forth a breakdown of our administrative and other operating expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	24,063	50.2	23,098	56.0	22,267	40.0
Depreciation and amortization	7,636	15.9	4,609	11.2	3,204	5.8
Professional service fees	5,375	11.2	4,958	12.0	4,782	8.6
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Office, utilities, traveling and entertainment expenses	7,978	16.6	5,620	13.6	5,344	9.6
Others[(1)]	2,915	6.1	1,786	4.4	1,709	3.1
Total	**47,967**	**100.0**	**41,211**	**100.0**	**55,634**	**100.0**

Note:

(1) Others primarily comprise short-term lease expenses incurred by our administrative personnel, bank fees, recruitment fees and communication fees.

Our administrative and other operating expenses decreased in 2024, mainly due to (i) decreased employee benefit expenses resulting from our concerted efforts to streamline our administrative team, optimize our labor structure and enhance overall operational efficiency; (ii) decreased depreciation and amortization in line with our downsized office premises; and (iii) lower office, utilities, traveling and entertainment expenses in line with the downsize of our administrative team. Our administrative and other operating expenses increased in 2025, primarily attributable to increased **[REDACTED]** expenses.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses, representing salaries, bonuses and share-based payment expenses relating to the share options granted to our R&D personnel under the **[REDACTED]** Share Option Plan; (ii) cloud service fees, representing fees for utilizing third-party cloud computing services associated with the R&D activities of GJ AI workforce solutions and frontier AI algorithms; and (iii) depreciation and amortization, representing depreciation of equipment and right-of-use assets in connection with our R&D activities and facilities, and amortization in relation to software which are classified as intangible assets used for our R&D activities.

The following table sets forth a breakdown of our research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee benefit expenses	45,856	35.4	32,644	21.7	19,281	11.8
Cloud service fees	74,395	57.4	108,237	72.1	136,886	83.8
Depreciation and amortization	7,165	5.5	8,217	5.5	4,806	2.9
Others[(1)]	2,153	1.7	1,031	0.7	2,369	1.5
Total	**129,569**	**100.0**	**150,129**	**100.0**	**163,342**	**100.0**

Note:

(1) Others primarily comprise office, utilities and traveling expenses incurred by our R&D personnel, and IP right protection expenses relating to our R&D activities.

Our research and development expenses increased during the Track Record Period, primarily attributable to increased cloud service fees in line with our increased R&D activities relating to GJ AI workforce solutions.

Impairment Loss on Trade and Other Receivables and Contract Assets

We recorded impairment loss on trade and other receivables and contract assets of RMB11.8 million, RMB21.2 million and RMB27.6 million for the years ended December 31, 2023, 2024 and 2025, respectively. The fluctuation in the impairment loss on trade and other receivables and contract assets was generally in line with the fluctuation in the balance of trade receivables, other receivables and contract assets. For further details, see Note 30(a) to the Accountants' Report set out in Appendix I to this document.

Finance Income and Costs

The following table sets forth a breakdown of our finance income and costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Finance income			
Interest income on bank deposits	4,606	2,239	857
	4,606	**2,239**	**857**
Finance costs			
Interest expense on lease liabilities	(435)	(240)	(144)
	(435)	**(240)**	**(144)**
Net finance income	**4,171**	**1,999**	**713**

During the Track Record Period, our interest income on bank deposits decreased, which was in line with the decrease in the principal amount of our bank deposits. Our interest expense on lease liabilities also decreased during the Track Record Period resulting from the rent we paid and our downsized office premises following the termination of certain office leases in 2024 and 2025.

Share of Loss of Associates

During the Track Record Period, our share of loss of associates primarily represented losses from our investments in Hangzhou Qianyu, Guiyu Kunshan and Hangzhou Guiyu Intelligent Technology Co., Ltd. (杭州硅羽智能科技有限公司). For details of our interests in theses associates, please see and Notes 2 and 15 to the Accountants' Report set out in Appendix I to this document. We recorded share of loss of associates of RMB1.1 million, RMB27.0 thousand and RMB164.0 thousand for the years ended December 31, 2023, 2024 and 2025, respectively. We expect that our share of results of associates will not have any significant impact on our results of operations in the near future.

Accretion of Redemption Liabilities

Our accretion of redemption liabilities primarily relates to the redemption liabilities from the **[REDACTED]** Investments. We recorded accretion of redemption liabilities of RMB58.7 million, RMB53.8 million and nil for the years ended December 31, 2023, 2024 and 2025, respectively, resulting from the interest expense thereof being included in accretion of redemption liabilities. In November 2024, we entered into a supplemental agreement with our **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were reclassified as equity. For more details, please see "History, Development and Corporate Structure — **[REDACTED]** Investments — Special Rights" and Notes 2 and 26 to the Accountants' Report set out in Appendix I to this document.

Income Tax

Our income tax credit or expense arises from current income tax which comprises provision for PRC corporate income tax for the year and over-provision in respect of prior year. The following table sets forth a breakdown of our income tax credit or expense for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Current tax			
Provision for PRC corporate income tax for the year	—	—	—
Over-provision in respect of prior year	(60)	—	—
Total	**(60)**	**—**	**—**

During the Track Record Period, our subsidiaries in PRC were subject to the statutory EIT rate of 25%, except for our Company which was qualified as a High and New Technology Enterprise (高新技術企業) and enjoyed a preferential income tax rate of 15%.

During the Track Record Period and up to the Latest Practicable Date, we paid all relevant taxes that were due and applicable to us and had no disputes or unresolved tax issues with relevant tax authorities.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year ended December 31, 2025 Compared to Year ended December 31, 2024

Revenue

Our revenue increased by 20.3% from RMB655.4 million for the year ended December 31, 2024 to RMB788.8 million for the year ended December 31, 2025, as (i) we optimized the product model and improved operational efficiency through DUIX ONE to achieve sustained and stable growth; and (ii) we strategically focused more resources on deepening partnerships with key account customers and benefited from the increased revenue derived therefrom.

Cost of Sales

Our cost of sales increased by 20.1% from RMB430.4 million for the year ended December 31, 2024 to RMB516.7 million for the year ended December 31, 2025, primarily attributable to an increase of RMB63.0 million in project fulfillment costs for the provision of GJ AI workforce solutions aligning with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 20.9% from RMB225.1 million for the year ended December 31, 2024 to RMB272.1 million for the year ended December 31, 2025. Our gross profit margin remained relatively stable at 34.3% for the year ended December 31, 2024 and 34.5% for the year ended December 31, 2025.

Other Income

Our other income decreased by 76.5% from RMB10.8 million for the year ended December 31, 2024 to RMB2.6 million for the year ended December 31, 2025, mainly due to a decrease in government grants of RMB7.8 million, as the one-off and large-sum subsidies initially granted by the relevant government authorities to support our business launch and development have been gradually fully disbursed.

Other Net Gain/(Loss)

We recorded other net loss of RMB0.7 million for the year ended December 31, 2024, while recorded other net gain of RMB0.7 million for the year ended December 31, 2025, mainly because we recorded net gain on disposal of associates of RMB0.8 million generated from the disposal of our equity interest in Hangzhou Qianyu and Guiyu Kunshan.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 33.1% from RMB82.6 million for the year ended December 31, 2024 to RMB55.2 million for the year ended December 31, 2025, primarily due to (i) a decrease of RMB12.4 million in employee benefit expenses resulting from our concerted efforts to streamline our sales and marketing team; (ii) a decrease of RMB6.9 million in marketing service expenses due to our strategic shift towards meticulous operations; and (iii) a decrease of RMB6.8 million in advertising and promotion expenses driven by the long-tail effect and improved cost-effectiveness derived from the enhanced brand awareness and initial user acquisition achieved through our previous marketing investments.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 35.0% from RMB41.2 million for the year ended December 31, 2024 to RMB55.6 million for the year ended December 31, 2025, primarily attributable to an increase of RMB**[REDACTED]** in **[REDACTED]** expenses.

Research and Development Expenses

Our research and development expenses increased by 8.8% from RMB150.1 million for the year ended December 31, 2024 to RMB163.3 million for the year ended December 31, 2025, primarily attributable to an increase of RMB28.6 million in cloud service fees in line with our increased R&D activities relating to GJ AI workforce solutions.

Impairment Loss on Trade and Other Receivables and Contract Assets

Our impairment loss on trade and other receivables and contract assets increased by 30.3% from RMB21.2 million for the year ended December 31, 2024 to RMB27.6 million for the year ended December 31, 2025, which was generally in line with the increase in the balance of trade receivables, other receivables and contract assets.

Finance Income and Costs

Our finance income decreased by 61.7% from RMB2.2 million for the year ended December 31, 2024 to RMB0.9 million for the year ended December 31, 2025, due to a decrease of RMB1.4 million in interest income from bank deposits, which was in line with the decrease in the principal amount of our bank deposits. Our finance costs decreased by 40.0% from RMB0.2 million for the year ended December 31, 2024 to RMB0.1 million for the year ended December 31, 2025, primarily due to a decrease of RMB96.0 thousand in interest expenses on lease liabilities resulting from the rent we paid and our downsized office premises following the termination of certain office leases.

Loss for the Year

As a result of the foregoing, our loss for the year decreased from RMB111.7 million for the year ended December 31, 2024 to RMB25.9 million for the year ended December 31, 2025. Our net loss margin, which represents loss for the year as a percentage of revenue, decreased from 17.0% for the year ended December 31, 2024 to 3.3% for the year ended December 31, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 23.5% from RMB530.8 million for the year ended December 31, 2023 to RMB655.4 million for the year ended December 31, 2024, primarily attributable to the launch of GJ AI Real-time Video Agent and the development of DUIX ONE, where we integrated more advanced AI large-model technologies into our solutions and significantly enhanced the interaction ability, naturalness and generation efficiency of the digital human agents to meet the diversified demands of customers.

Cost of Sales

Our cost of sales increased by 49.6% from RMB287.6 million for the year ended December 31, 2023 to RMB430.4 million for the year ended December 31, 2024, primarily attributable to an increase in project fulfillment costs of RMB172.6 million for the provision of GJ AI workforce solutions aligning with our revenue growth. Such increase was partially offset by a decrease of RMB26.2 million in cost of cloud services, mainly due to our decreased reliance on third-party cloud services driven by the completion of key technological upgrades in GJ AI workforce solutions, where we achieved architectural optimization of DUIX ONE to enable the distributed deployment of certain computing tasks to users' end devices for execution.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by 7.4% from RMB243.2 million for the year ended December 31, 2023 to RMB225.1 million for the year ended December 31, 2024. Our gross profit margin decreased from 45.8% for the year ended December 31, 2023 to 34.3% for the year ended December 31, 2024, mainly due to (i) our proactive downward price adjustment for certain old products as a result of our product iteration initiatives; and (ii) more favorable discount terms we offered for our productized GJ AI workforce solutions to support our business expansion in the lower-tier market.

Other Income

Our other income decreased by 32.1% from RMB16.0 million for the year ended December 31, 2023 to RMB10.8 million for the year ended December 31, 2024, mainly due to a decrease of RMB3.6 million in government grants, as the one-off and large-sum subsidies initially granted by the relevant government authorities to support our business launch and development have been gradually fully disbursed.

Other Net (Loss)/Gain

We recorded other net gain of RMB38.0 thousand for the year ended December 31, 2023, while we recorded other net loss of RMB0.7 million for the year ended December 31, 2024, mainly because we recorded loss of deposits of RMB0.6 million in 2024 due to early termination of leases, whereas no similar losses were recognized in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 25.1% from RMB110.3 million for the year ended December 31, 2023 to RMB82.6 million for the year ended December 31, 2024, primarily due to a decrease of RMB43.3 million in advertising and promotion expenses driven by the long-tail effect and improved cost-effectiveness derived from the enhanced brand awareness and initial user acquisition achieved through our previous marketing investments, as well as and our strategic shift towards meticulous operations, moving away from previous reliance on heavy promotional expenditure. Such decrease was partially offset by an increase of RMB14.1 million in marketing service expenses relating to development of key account customers.

Administrative and Other Operating Expenses

Our administrative and other operating expenses decreased by 14.1% from RMB48.0 million for the year ended December 31, 2023 to RMB41.2 million for the year ended December 31, 2024, mainly due to (i) a decrease of RMB1.0 million in employee benefit expenses resulting from our concerted efforts to streamline our administrative team, optimize our labor structure and enhance overall operational efficiency; (ii) a decrease of RMB3.0 million in depreciation and amortization in line with our downsized office premises; and (iii) a decrease of RMB2.4 million in office, utilities, traveling and entertainment expenses in line with the downsize of our administrative team.

Research and Development Expenses

Our research and development expenses increased by 15.8% from RMB129.6 million for the year ended December 31, 2023 to RMB150.1 million for the year ended December 31, 2024, primarily attributable to an increase of RMB33.8 million in cloud service fees in line with our increased R&D activities relating to GJ AI workforce solutions. Such increase was partially offset by a decrease in employee benefit expenses of RMB13.2 million, reflecting our focused efforts to streamline our R&D team, optimize our labor structure and enhance overall operational efficiency.

Impairment Loss on Trade and Other Receivables and Contract Assets

Our impairment loss on trade and other receivables and contract assets increased by 80.2% from RMB11.8 million for the year ended December 31, 2023 to RMB21.2 million for the year ended December 31, 2024, which was generally in line with the increase in the balance of trade receivables, other receivables and contract assets.

Finance Income and Costs

Our finance income decreased by 51.4% from RMB4.6 million for the year ended December 31, 2023 to RMB2.2 million for the year ended December 31, 2024, primarily due to a decrease of RMB2.4 million in interest income on bank deposits, which was in line with the decrease in the principal amount of our bank deposits.

Our finance costs decreased by 44.9% from RMB0.4 million for the year ended December 31, 2023 to RMB0.2 million for the year ended December 31, 2024, primarily due to a decrease of RMB0.2 million in interest expense on lease liabilities resulting from the rent we paid and our downsized office premises following the termination of certain office leases.

Income Tax Credit

We recorded income tax credit of RMB60.0 thousand for the year ended December 31, 2023, while did not record any income tax credit or expense for the year ended December 31, 2024, primarily due to the overprovision of income tax in respect of prior year of RMB60.0 thousand recorded for the year ended December 31, 2023.

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB95.9 million for the year ended December 31, 2023 to RMB111.7 million for the year ended December 31, 2024. Our net loss margin, which represents loss for the year as a percentage of revenue, decreased from 18.1% for the year ended December 31, 2023 to 17.0% for the year ended December 31, 2024.

DISCUSSION OF CERTAIN KEY ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth statements of our financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Non-current assets			
Property, plant and equipment	13,965	9,842	4,746
Right-of-use assets	6,704	3,466	4,887
Intangible assets	713	493	418
Contract assets	1,358	7,137	5,463
Interests in associates	—	173	—
Total non-current assets	**22,740**	**21,111**	**15,514**
Current assets			
Inventories	14,994	42,368	79,208
Trade receivables	146,717	232,475	281,637
Contract assets	4,017	674	14,792
Prepayments, deposits and other receivables	72,327	40,825	81,874
Restricted bank deposits	—	1,412	—
Cash and cash equivalents	256,107	168,838	217,756
Total current assets	**494,162**	**486,592**	**675,267**
Current liabilities			
Trade payables	96,413	115,689	102,487
Other payables and accruals	15,567	23,527	16,374
Contract liabilities	46,497	50,237	75,574
Lease liabilities	5,802	1,220	3,107
Redemption liabilities	912,999	—	—
Total current liabilities	**1,077,278**	**190,673**	**197,542**
Net current (liabilities)/assets	**(583,116)**	**295,919**	**477,725**
Total assets less current liabilities	**(560,376)**	**317,030**	**493,239**

	As of December 31,		
	2023	2024	2025
		RMB'000	
Non-current liabilities			
Lease liabilities	306	1,271	1,961
Deferred income	176	—	—
Total non-current liabilities	**482**	**1,271**	**1,961**
(NET DEFICIT) / TOTAL EQUITY	**(560,858)**	**315,759**	**491,278**

Property, Plant and Equipment

The table below sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Electronic equipment	11,358	7,593	3,485
Leasehold improvements	1,040	1,257	719
Furniture and vehicles	1,567	992	542
Total	**13,965**	**9,842**	**4,746**

The net book value of our property, plant and equipment decreased by 29.5% from RMB14.0 million as of December 31, 2023 to RMB9.8 million as of December 31, 2024, primarily due to the depreciation of electronic equipment. The net book value of our property, plant and equipment further decreased by 51.8% from RMB9.8 million as of December 31, 2024 to RMB4.7 million as of December 31, 2025, primarily due to the continued depreciation of electronic equipment.

Right-of-use Assets

Our right-of-use assets primarily relate to our leased properties for office premises, R&D facilities and employee dormitories, which typically have terms of two to five years. Our right-of-use assets decreased by 47.8% from RMB6.7 million as of December 31, 2023 to RMB3.5 million as of December 31, 2024, primarily due to our downsized office premises following the termination of certain office leases in 2024 and the depreciation provided. Our right-of-use assets increased by 41.0% from RMB3.5 million as of December 31, 2024 to RMB4.9 million as of December 31, 2025, primarily attributable to the renewal of an office lease in 2025.

Intangible Assets

The table below sets forth a breakdown of the net book value of our intangible assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Software	145	—	—
Patents	568	493	418
Total	**713**	**493**	**418**

The net book value of our intangible assets decreased during the Track Record Period due to amortization charged for the relevant year.

Impairment Assessment for Non-financial assets

At each reporting date, we review the carrying amounts of our non-financial assets to determine whether there is any indication of impairment according to the accounting policy as set out in Note 2i(ii) to the Accountants' Report set out in Appendix I to this document.

During the Track Record Period, we were still in net loss position, which was within the expectation of our Directors given our substantial investment in our R&D activities. We expect to narrow our net loss in the foreseeable future. Based on the available internal and external sources of information, we did not identify any impairment indications of our non-financial assets. Therefore, we concluded that no impairment losses were required to be recognized for the non-financial assets during the Track Record Period.

Contract Assets

Our contract assets mainly represent the retention money for providing GJ AI workforce solutions for telecom operators, which may be paid by the telecom operators in full or by part when due at the end of the warranty period. The warranty period for GJ AI workforce solution for telecom operators typically ranged between one to three years. The following table sets forth our contract assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Current	4,017	674	15,285
Non-current	1,586	7,469	5,835
Less:			
Loss allowance	(228)	(332)	(865)
Contract assets, net	**5,375**	**7,811**	**20,255**

The net book value of our contract assets increased during the Track Record Period, which was generally in line with the growth of our GJ AI workforce solutions provided.

As of April 30, 2026, RMB7.9 million, or approximately 39.1% of our contract assets as of December 31, 2025 had been subsequently certified.

Inventories

Inventories primarily represent contract fulfillment cost, mainly representing costs incurred for the provision of GJ AI workforce solutions to our customers, which will be recognized as cost of sales upon our customers' acceptance. Our contract fulfillment period, depending on the complexity of our solutions, typically ranges within one year. The following table sets forth our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Contract fulfillment cost	14,994	42,368	79,208
Less:			
Write-down of inventories	—	—	—
Total	**14,994**	**42,368**	**79,208**

Our inventories continued to increase during the Track Record Period due to the gradual rise in our contract fulfillment cost, which was generally in line with the business expansion of GJ AI workforce solutions.

As all of our inventories are expected to be recovered within one year, we did not record any provision for write-down of inventories during the Track Record Period. Our management monitored our inventories carefully and kept the long-aged inventory at a relatively low level. All of our inventories were aged within 180 days during the Track Record Period.

The following table sets forth the number of our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days[(1)]	10	24	43

Note:

(1) Calculated as the average of the opening and closing balances of the carrying amount of inventories for the year, divided by cost of sales for the relevant year, multiplied by the number of days for the relevant year (being 365 days of the years ended December 31, 2023, 2024 and 2025).

Our inventory turnover days increased during the Track Record Period, primarily attributable to our increased inventories balances, which was generally in line with our business expansion.

As of April 30, 2026, RMB71.6 million, or approximately 90.4% of our inventories as of December 31, 2025 had been utilized or sold.

Trade Receivables

Our trade receivables mainly represent outstanding balances due from our customers for GJ AI workforce solutions. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Amounts due from third parties	160,933	269,747	345,971
Amounts due from related parties	2,306	316	316
Less:			
Loss allowance	(16,522)	(37,588)	(64,650)
Trade receivables, net	**146,717**	**232,475**	**281,637**

Our trade receivables increased by 58.5% from RMB146.7 million as of December 31, 2023 to RMB232.5 million as of December 31, 2024 and further increased by 21.1% to RMB281.6 million as of December 31, 2025, primarily attributable to increased balances due from telecom operators arising from our deepened partnerships with key account customers.

For details of our amounts due from related parties, see "— Related Party Transactions" and Note 32(d) to the Accountants' Report set out in Appendix I to this document.

As of December 31, 2023, 2024 and 2025, we recorded loss allowance of trade receivables of RMB16.5 million, RMB37.6 million and RMB64.7 million, respectively. The increases in the loss allowance of trade receivables during the Track Record Period were generally in line with the increase in the balance of trade receivables. We recognize a loss allowance for ECLs on trade receivables. For details regarding the loss allowance for our trade receivables, see Note 2 to the Accountants' Report set out in Appendix I to this document.

The following table sets forth aging analysis of trade receivables, based on invoice date and net of loss allowance, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Within 6 months	116,700	141,902	172,613
Over 6 months but within 1 year	23,599	57,991	70,436
Over 1 year but within 18 months	6,418	21,317	21,127
Over 18 months but within 2 years	—	11,265	17,461
Trade receivables, net	**146,717**	**232,475**	**281,637**

During the Track Record Period, the vast majority of our trade receivables were aged within one year. Our trade receivables aged over one year increased during the Track Record Period, primarily attributable to increased trade receivables due from key account customers, as well as the relatively long project cycles of our GJ AI workforce solutions for key account customers, such as commercial banks, telecom operators and public service providers, where the collection is usually time-consuming involving prolonged internal administrative procedures.

Trade receivables are generally due from the date of billing. We have established a credit risk management policy under which individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. We seek to maintain strict control over our outstanding trade receivables and overdue balances are reviewed closely and regularly by our management. We perform periodic assessment on recoverability of trade receivables, hold periodic meetings to discuss the status of trade receivables, timely communicate with the relevant customers and remind them of due payments, and closely monitor the status of the trade receivables to ensure that follow-up actions are taken to recover overdue debts.

Our exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. Significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. As of December 31, 2023, 2024 and 2025, 56.8%, 77.4% and 62.5% of our total trade receivables was due from Customer A, a leading telecom operator. See Note 29(a) to the Accountants' Report set out in Appendix I to this document for details. The prolonged settlement cycle of our trade receivables due from Customer A primarily stemmed from its acceptance review arrangements for our system integration and software development projects and its internal budget management policy, which is generally in line with the industry norm of telecom operators according to CIC. We have made sufficient loss allowance provisions for our trade receivables due from Customer A in accordance with IFRS Accounting Standards. As of December 31, 2025, trade receivables due from Customer A aged over one year amounted to RMB79.9 million, and we made corresponding loss allowance provisions of RMB41.3 million.

We have assessed the recoverability of our trade receivables, including reviewing customer profiles, assessing the likelihood of collection and considering any subsequent settlement. We measure loss allowances for trade receivables at an amount equal to lifetime ECL based on the customers' historical settlement records and forward-looking information. Sufficient loss allowance provisions for our trade receivables were made in accordance with IFRS Accounting Standards to reflect uncertainties associated with the outstanding balances. Having considered that (i) the trade receivables balances were mainly due from customers with ongoing business relationships with us, (ii) there were no material ongoing disputes with such customers, (iii) these customers had been making continuous subsequent repayment to us and their historical repayment patterns were generally consistent during the Track Record Period, (iv) we have continuously carried out stringent credit management policy, monitored the progress on the recoverability of our trade receivables and increased effort in trade receivables collection, (v) the vast majority of our trade receivables were aged within one year during the Track Record Period, and (vi) the creditworthiness of Customer A as a leading state-owned telecom operator, our Directors are of the view, and the Joint Sponsors concur, that there is no material risk in the recoverability of our trade receivables, and our provisions for loss allowance for trade receivables are sufficient.

The following table sets forth the number of our trade receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days[(1)]	70	106	119

Note:

(1) Calculated as the average of the opening and closing balances of the carrying amount of trade receivables for the year, divided by revenue for the relevant year, multiplied by the number of days for the relevant year (being 365 days of the years ended December 31, 2023, 2024 and 2025).

Our trade receivables turnover days increased from 70 days in 2023 to 106 days in 2024, and further increased to 119 days in 2025, primarily attributable to the increase in the balance of trade receivables, in line with the expansion of our business scale.

We experienced mismatch in longer inventory and trade receivables turnover days together as compared to the trade payables turnover days in 2024 and 2025, primarily attributable to increased trade receivables due from key account customers, as well as the relatively long project cycles of our GJ AI workforce solutions with them. To mitigate such cash flow mismatch, we have established the aforementioned credit management policy and maintained strict control over our outstanding trade receivables. Moreover, we have been strategically standardizing and productizing solution offerings to address the underserved needs of SMBs, which is expected to facilitate the diversification of our customer base and shorten our overall trade receivables turnover days. We are also strategically advancing towards AI Autopilot to capitalize on emerging industry opportunities, which we expect to expedite the project delivery cycle and shorten our inventory turnover days.

As of April 30, 2026, RMB124.6 million, or approximately 44.2% of our trade receivables as of December 31, 2025 were subsequently settled.

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables primarily comprise (i) prepayments, representing advance payments to suppliers for technical services, operational support and system integration for GJ AI workforce solutions; (ii) VAT recoverable, mainly representing deductible input VAT; (iii) deferred cloud services, representing amounts we prepaid for utilizing third-party cloud services; (iv) prepayments for **[REDACTED]** expenses, representing representing **[REDACTED]** expenses which will be recognized as a deduction to equity upon the **[REDACTED]**; (v) other deposits and receivables, primarily comprising deposits we paid for our leased properties, cash advanced to our employees and bid securities; and (vi) amounts due from related parties.

The following table sets forth our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Prepayments	39,470	2,897	6,032
VAT recoverable	2,557	11,531	13,388
Deferred cloud services	24,649	25,485	53,920
Prepayments for **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other deposits and receivables	5,633	712	1,952
Amounts due from related parties	18	200	—
Less:			
Loss allowance	—	—	—
Total	**72,327**	**40,825**	**81,874**

Our prepayments, deposits and other receivables decreased by 43.6% from RMB72.3 million as of December 31, 2023 to RMB40.8 million as of December 31, 2024, primarily due to a reduction of RMB36.6 million in prepayments relating to technical services, mainly because we chose to collaborate with computing power suppliers that offer more favorable payment terms, which alleviated the need for new prepayments for such services. Such decrease was partially offset by an increase of RMB9.0 million in VAT recoverable aligning with our business growth. Our prepayments, deposits and other receivables increased from RMB40.8 million as of December 31, 2024 to RMB81.9 million as of December 31, 2025, primarily attributable to (i) an increase of RMB28.4 million in deferred cloud services resulting from our annual purchase of cloud services and continuous amortization; and (ii) an increase of RMB**[REDACTED]** in prepayments for **[REDACTED]** expenses relating to the **[REDACTED]**.

As of April 30, 2026, RMB22.1 million, or approximately 27.0% of our prepayments, deposits and other receivables as of December 31, 2025 had been settled.

Cash and Cash Equivalents and Restricted Bank Deposits

The restricted bank deposits were primarily in relation to an application for pre-litigation property preservation in respect of certain disputes where our Company was named as the defendant, which was later withdrawn by the plaintiff. The vast majority of our cash and cash equivalents during the Track Record Period were denominated in Renminbi, and to a lesser extent, dominated in U.S. dollars. The following table sets forth a breakdown of our cash and cash equivalents as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Cash at bank	256,107	170,250	217,756
Less:			
Restricted bank deposits	—	(1,412)	—
Cash and cash equivalents	**256,107**	**168,838**	**217,756**

Our cash and cash equivalents decreased by 34.1% from RMB256.1 million as of December 31, 2023 to RMB168.8 million as of December 31, 2024, primarily due to cash used to support daily business operations. Our cash and cash equivalents increased by 29.0% from RMB168.8 million as of December 31, 2024 to RMB217.8 million as of December 31, 2025, primarily attributable to the capital contributions from our **[REDACTED]** Investors.

Trade Payables

Trade payables primarily represent outstanding amounts due to our suppliers of cloud services, hardware and project implementation. All of our trade payables are expected to be settled within one year or repayable on demand. The following table sets forth our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Amounts due to third parties	96,368	115,681	102,453
Amounts due to related parties	45	8	34
Total	**96,413**	**115,689**	**102,487**

Our trade payables increased by 20.0% from RMB96.4 million as of December 31, 2023 to RMB115.7 million as of December 31, 2024, primarily attributable to the increased payables relating to project implementation and cloud services in line with the business expansion of GJ AI workforce solutions. Our trade payables decreased by 11.4% from RMB115.7 million as of December 31, 2024 to RMB102.5 million as of December 31, 2025, mainly due to reduced trade payables for third-party cloud services driven by the growing number of customers possessing their own cloud computing infrastructure and therefore no longer requiring our cloud computing resources.

For details of our amounts due to related parties, see "— Related Party Transactions" and Note 32(d) to the Accountants' Report set out in Appendix I to this document.

The following table sets forth an aging analysis of our trade payables, based on invoice date, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Within 1 year	94,861	107,928	79,136
Over 1 year but within 2 years	1,447	7,407	18,290
Over 2 years but within 3 years	105	354	5,000
Over 3 years but within 4 years	—	—	61
Total	**96,413**	**115,689**	**102,487**

During the Track Record Period, the vast majority of our trade payables were aged within one year. Our trade payables aged over two years increased during the Track Record Period, primarily attributable to the extension of our payment cycle for project implementation fees in respect of an AI workforce project initiated in 2022, resulting from the prolonged collection cycle we experienced from the relevant large scale customer, due to its internal review and approval procedures. We do not expect to experience any material difficulties to pay such amount.

The following table sets forth the number of our trade payables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days[(1)]	85	90	77

Note:

(1) Calculated as the average of the opening and closing balances of the trade payables for the year, divided by cost of sales for the relevant year, multiplied by the number of days for the relevant year (being 365 days of the years ended December 31, 2023, 2024 and 2025).

Our trade payables turnover days increased from 85 days in 2023 to 90 days in 2024, primarily attributable to higher balance of trade payables relating to project implementation and cloud services in line with the business expansion of GJ AI workforce solutions. Our trade payables turnover days decreased to 77 days in 2025, mainly due to lower balance of trade payables for third-party cloud services driven by the completion of key technological upgrades in GJ AI workforce solutions.

Our Directors confirm that we had no material defaults in our trade payables during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2026, RMB57.0 million, or approximately 55.6% of our trade payables as of December 31, 2025 had been subsequently settled.

Other Payables and Accruals

Other payables and accruals primarily comprise (i) accrued expenses, primarily comprising amounts due to our suppliers for the **[REDACTED]**, consulting and professional services and promotion and marketing services; (ii) accrued staff costs, representing salary, benefits and bonus payable to our employees and social insurance and housing provident fund contributions to be made for our employees; and (iii) other tax payables, representing VAT and other tax payable.

The following table sets forth our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Accrued expenses	2,246	10,805	6,507
Accrued staff costs	8,529	6,597	5,958
Other tax payables	2,372	993	1,392
Others[(1)]	2,420	5,132	2,517
Total	**15,567**	**23,527**	**16,374**

Note:

(1) Others primarily comprise VAT payables relating to contract liabilities, employee reimbursement payables, and deposits and property management fees payables for our leased properties.

Our other payables and accruals increased by 51.1% from RMB15.6 million as of December 31, 2023 to RMB23.5 million as of December 31, 2024, primarily attributable to an increase of RMB8.6 million in accrued expenses resulting from increased accruals for suppliers of offline marketing services. Our other payables and accruals decreased by 30.4% from RMB23.5 million as of December 31, 2024 to RMB16.4 million as of December 31, 2025, primarily attributable to a decrease of RMB4.3 million in accrued expenses as a result of settlement of the aforementioned marketing service fees.

For details of our amounts due to related parties, see "— Related Party Transactions" and Note 32(d) to the Accountants' Report set out in Appendix I to this document.

Our Directors confirm that we had no material defaults in our other payables and accruals during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2026, RMB10.2 million, or approximately 62.2% of our other payables and accruals as of December 31, 2025 had been settled.

Contract Liabilities

Our contract liabilities represent the non-refundable advance payments made by customers while the underlying services are yet to be provided. Our contract liabilities mainly arise from payments received from customers for GJ AI workforce solutions before acceptance check. Our contract liabilities increased by 8.0% from RMB46.5 million as of December 31, 2023 to RMB50.2 million as of December 31, 2024, and further increased by 50.4% to RMB75.6 million as of December 31, 2025, which was generally in line with the substantial growth of GJ AI workforce solutions.

As of April 30, 2026, RMB72.2 million, or approximately 95.5% of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Redemption Liabilities

Our redemption liabilities arise from the redemption right granted to our **[REDACTED]** Investors. We recorded redemption liabilities of RMB913.0 million, nil and nil as of December 31, 2023, 2024 and 2025, respectively. In November 2024, we entered into a supplemental agreement with our **[REDACTED]** Investors to unconditionally terminate our redemption obligations, pursuant to which, the redemption liabilities were reclassified as equity thereafter. We do not expect to recognize any further accretion of redemption liabilities in the future. For key terms of the above-mentioned redemption liabilities, see Notes 2 and 26 to the Accountants' Report set out in Appendix I to this document.

Lease Liabilities

We leased certain properties for office premises, R&D facilities and employee dormitories during the Track Record Period. Leases of premises generally have lease terms between two and five years. Our lease liabilities mainly represent the amount to be paid for such leases. The following table sets forth the present value of our lease liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Current	5,802	1,220	3,107
Non-current	306	1,271	1,961
Total	**6,108**	**2,491**	**5,068**

Our lease liabilities decreased by 59.2% from RMB6.1 million as of December 31, 2023 to RMB2.5 million as of December 31, 2024, primarily due to the decreases in GFA and rental expense of our office premises following the termination of certain office leases in 2024. Our lease liabilities substantially increased from RMB2.5 million as of December 31, 2024 to RMB5.1 million as of December 31, 2025, primarily attributable to the renewal of an office lease in 2025.

The table below sets forth the maturity profile of our lease liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		RMB'000	
Within 1 year	5,802	1,220	3,107
After 1 year but within 2 years	306	1,271	1,961
Total	**6,108**	**2,491**	**5,068**

Deferred Income

Our deferred income represents unamortized conditional government grants as subsidies for leased properties. We recognize subsidies for leased properties as government grants under other income pursuant to the amortization over the lease term of the leased properties. For financial assistance received but not yet amortized, we recognize the amount as deferred income. Our deferred income amounted to RMB0.2 million, nil and nil as of December 31, 2023, 2024 and 2025, respectively.

NET CURRENT ASSETS/LIABILITIES

The table below sets forth, as of the dates indicated, our current assets, current liabilities and net current assets or liabilities:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000			*(Unaudited)*
Current assets				
Inventories	14,994	42,368	79,208	70,719
Trade receivables	146,717	232,475	281,637	214,631
Contract assets	4,017	674	14,792	14,792
Prepayments, deposits and other receivables	72,327	40,825	81,874	85,443
Restricted bank deposits	—	1,412	—	—
Cash and cash equivalents	256,107	168,838	217,756	179,259
Total current assets	**494,162**	**486,592**	**675,267**	**564,845**
Current liabilities				
Trade payables	96,413	115,689	102,487	62,917
Other payables and accruals	15,567	23,527	16,374	9,995
Contract liabilities	46,497	50,237	75,574	6,336
Lease liabilities	5,802	1,220	3,107	2,495
Redemption liabilities	912,999	—	—	—
Total current liabilities	**1,077,278**	**190,673**	**197,542**	**101,743**
Net current (liabilities)/assets	**(583,116)**	**295,919**	**477,725**	**463,101**

Our net current assets remain relatively stable at RMB463.1 million as of April 30, 2026 and RMB477.7 million as of December 31, 2025.

We had net current assets of RMB477.7 million as of December 31, 2025, which represented an increase of RMB181.8 million from our net current assets of RMB295.9 million as of December 31, 2024. This increase was primarily attributable to (i) an increase of RMB49.2 million in trade receivables; (ii) an increase of RMB48.9 million in cash and cash equivalents; and (iii) an increase of RMB41.0 million in prepayments, deposits and other receivables. This was partially offset by an increase of RMB25.3 million in contract liabilities.

We had net current assets of RMB295.9 million as of December 31, 2024, representing a turnaround from our net current liabilities position as of December 31, 2023. This was primarily due to (i) a decrease in redemption liabilities of RMB913.0 million arising from the reclassification of redemption liabilities from current liabilities to equity; (ii) an increase in trade receivables of RMB85.8 million; and (iii) an increase in inventories of RMB27.4 million. This was partially offset by (i) a decrease in cash and cash equivalents of RMB87.3 million; and (ii) a decrease in prepayments, deposits and other receivables of RMB31.5 million.

We had net current liabilities of RMB583.1 million as of December 31, 2023, consisting of current assets of RMB494.2 million and current liabilities of RMB1,077.3 million.

LIQUIDITY AND CAPITAL RESOURCES

Our business operations and expansion plans require a significant amount of capital, including cash and cash equivalents as well as other working capital requirements. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, capital injection from shareholders and **[REDACTED]** investments. Going forward, we believe that our working capital and other liquidity requirements will be satisfied by using a combination of cash flow from our operating activities and the **[REDACTED]** received from the **[REDACTED]**. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB256.1 million, RMB168.8 million and RMB217.8 million, respectively.

Cash Flows

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Operating (loss)/profit before changes in working capital	(7,870)	(6,368)	30,727
Changes in working capital	(42,998)	(75,848)	(153,114)
Cash used in operations	(50,868)	(82,216)	(122,387)
Tax refunded	60	—	—
Net cash used in operating activities	(50,808)	(82,216)	(122,387)
Net cash generated from/(used in) investing activities	106,117	(1,114)	532
Net cash (used in)/generated from financing activities	(6,243)	(3,939)	171,248
Net increase/(decrease) in cash and cash equivalents	49,066	(87,269)	49,393
Cash and cash equivalents at the beginning of the year	207,041	256,107	168,838
Effect of foreign exchange rate changes	—	—	(475)
Cash and cash equivalents at the end of the year	**256,107**	**168,838**	**217,756**

Net Cash Used in Operating Activities

Our net cash used in operating activities primarily reflects our profit or loss before taxation adjusted for certain non-cash or non-operating activities related items and changes in working capital.

Our net cash used in operating activities was RMB122.4 million for the year ended December 31, 2025, primarily attributable to a loss before taxation of RMB25.9 million, as adjusted to reflect certain non-cash or non-operating activities related items which mainly included (i) impairment loss on trade and other receivables and contract assets of RMB27.6 million, (ii) equity-settled share-based payment expenses of RMB21.4 million, (iii) depreciation of property, plant and equipment of RMB5.2 million, (iv) depreciation of right-of-use assets of RMB3.7 million. Changes in the working capital mainly included (i) an increase in trade receivables of RMB76.2 million; (ii) an increase in prepayments, deposits and other receivables of RMB33.5 million; (iii) an increase in inventories of RMB36.8 million; (iv) a decrease in trade payables of RMB13.2 million; and (v) an increase in contract liabilities of RMB25.3 million.

Our net cash used in operating activities was RMB82.2 million for the year ended December 31, 2024, primarily attributable to a loss before taxation of RMB111.7 million, as adjusted to reflect certain non-cash or non-operating activities related items which mainly included (i) accretion of redemption liabilities of RMB53.8 million, (ii) equity-settled share-based payment expenses of RMB21.5 million, and (iii) impairment loss on trade and other receivables and contract assets of RMB21.2 million.

Changes in the working capital mainly included (i) an increase in trade receivables of RMB106.8 million; (ii) an increase in inventories of RMB27.4 million; (iii) an increase in contract assets of RMB2.5 million; (iv) a decrease in prepayments, deposits and other receivables of RMB31.5 million; and (v) an increase in trade payables of RMB19.3 million.

Our net cash used in operating activities was RMB50.8 million for the year ended December 31, 2023, primarily attributable to a loss before taxation of RMB96.0 million, as adjusted to reflect certain non-cash or non-operating activities related items which mainly included (i) accretion of redemption liabilities of RMB58.7 million, (ii) impairment loss on trade and other receivables and contract assets of RMB11.8 million, and (iii) equity-settled share-based payment expenses of RMB7.8 million. Changes in the working capital mainly included (i) an increase in trade receivables of RMB101.2 million; (ii) an increase in prepayments, deposits and other receivables of RMB12.8 million; (iii) an increase in inventories of RMB14.7 million; (iv) an increase in trade payables of RMB58.9 million; and (v) an increase in contract liabilities of RMB39.7 million.

Net Cash Generated from or Used in Investing Activities

Our cash generated from investing activities mainly comprises proceeds from disposal of property, plant and equipment, proceeds from deregistration of associates, proceeds from disposal of other investments in equity securities, proceeds from certificate of deposits, as well as interest income received. Our cash used in investing activities mainly comprises payment for the acquisition of property, plant and equipment and payment for capital contribution to associates.

Our net cash generated from investing activities was RMB0.5 million for the year ended December 31, 2025, primarily attributable to interest income received of RMB0.9 million. This net cash inflow was partially offset by (i) payment for capital contribution to associates of RMB0.2 million; and (ii) payment for the acquisition of property, plant and equipment of RMB0.1 million.

Our net cash used in investing activities was RMB1.1 million for the year ended December 31, 2024, primarily due to (i) payment for the acquisition of property, plant and equipment of RMB3.2 million; and (ii) payment for capital contribution to associates of RMB0.2 million. This net cash outflow was partially offset by interest income received of RMB2.2 million.

Our net cash generated from investing activities was RMB106.1 million for the year ended December 31, 2023, primarily attributable to (i) proceeds from certificate of deposits of RMB110.0 million; and (ii) interest income received of RMB4.6 million. This net cash inflow was partially offset by (i) payment for the acquisition of property, plant and equipment of RMB7.5 million; and (ii) payment for capital contribution to associates of RMB1.5 million.

Net Cash Used in or Generated from Financing Activities

Our cash inflow from financing activities represents capital contribution from an investor. Our cash flow used in financing activities mainly comprises payment of lease rental.

Our net cash generated from financing activities was RMB171.2 million for the year ended December 31, 2025, primarily attributable to issue of ordinary shares of RMB180.5 million. This net cash inflow was partially offset by payment of **[REDACTED]** expenses to be capitalized of RMB**[REDACTED]** and capital element of lease rental paid of RMB2.5 million.

Our net cash used in financing activities was RMB3.9 million for the year ended December 31, 2024, primarily due to capital element of lease rental paid of RMB3.7 million and interest element of lease rental paid of RMB0.2 million.

Our net cash used in financing activities was RMB6.2 million for the year ended December 31, 2023, primarily due to capital element of lease rental paid of RMB5.8 million and interest element of lease rental paid of RMB0.4 million.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

During the Track Record Period, our indebtedness mainly consisted of redemption liabilities, lease liabilities and amounts due to related parties recorded in other payables and accruals.

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000			
				(Unaudited)
Included in current liabilities				
Lease liabilities	5,802	1,220	3,107	2,495
Redemption liabilities	912,999	—	—	—
Sub-total	**918,801**	**1,220**	**3,107**	**2,495**
Included in non-current liabilities				
Lease liabilities	306	1,271	1,961	1,495
Sub-total	**306**	**1,271**	**1,961**	**1,495**
Total	**919,107**	**2,491**	**5,068**	**3,990**

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenant during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2026, we had unutilized uncommitted credit facilities of RMB410.0 million. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

As of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any material outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has been no material change in our indebtedness position since April 30, 2026, and up to the Latest Practicable Date.

Contingent Liabilities

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of expenditures on purchases of property, plant and equipment. The following table sets forth our capital expenditures for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		RMB'000	
Payment for the acquisition of property, plant and equipment	7,451	3,201	135
Total	**7,451**	**3,201**	**135**

We do not expect to incur additional capital expenditure for the year ending December 31, 2026. We intend to fund our planned capital expenditures through a combination of the **[REDACTED]** from the **[REDACTED]** as well as cash generated from operating activities.

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the PRC, the availability of financing on terms acceptable to us and changes in the regulatory environment in the PRC. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including cash flow from operating activities, cash and cash equivalents and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet commitments or arrangements. We have not entered into any derivative contracts that are indexed to our equity interest and classified as owners' equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or R&D services with us.

RELATED PARTY TRANSACTIONS

Transactions with Related Parties

During the Track Record Period, we had certain transactions with related parties, a summary of which is set forth below.

Purchase of Services from Related Parties

For the years ended December 31, 2024 and 2025, we purchased certain operating services from Nanjing Wanruyi, our former subsidiary and a company controlled by one of our Directors, and we incurred service fees of RMB0.7 million and RMB4.9 million, respectively. Such transaction had been terminated as of the Latest Practicable Date. On November 26, 2025, our Director disposed all her equity interest in Nanjing Wanruyi to an Independent Third Party, and Nanjing Wanruyi was no longer our related party since then.

During the Track Record Period, Tencent Cloud, an associate of one of our **[REDACTED]** Investors Linzhi Tencent, provided technical services for us, and we incurred service fees of RMB1.1 million, RMB0.3 million and RMB0.4 million for the years ended December 31, 2023, 2024 and 2025, respectively. See "Connected Transactions — Fully-exempt Continuing Connected Transactions — 1. Technical Services" for details.

Sale of Goods and Services

For the years ended December 31, 2023, 2024 and 2025, we provided GJ AI workforce solutions for CMB and its branches and subsidiaries ("**CMB Group**"), a substantial shareholder of our Company, with an aggregate amount of RMB4.8 million, RMB0.2 million and RMB9.0 thousand, respectively.

For the year ended December 31, 2025, we entered into advertisement cooperation arrangements with Tencent Computer, an associate of one of our **[REDACTED]** Investors Linzhi Tencent, and we recorded display service income of RMB0.1 million. See "Connected Transactions — Fully-exempt Continuing Connected Transactions — 2. Advertisement Cooperation" for details.

Redemption of Certificate of Deposits

We invested in a certificate of deposits amounted to RMB10.0 million from CMB Group in 2022, which we redeemed in 2023 upon its maturity.

Our Directors believe that our transactions with related parties during the Track Record Period disclosed above (i) were conducted on arm's length basis; and (ii) do not distort our Track Record Period results or make our historical results not reflective of future performance.

Balances with Related Parties

The following table sets forth a breakdown of our balances with related parties as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
		RMB'000	
Trade in nature			
Prepayments, deposits and other receivables			
Nanjing Wanruyi	—	189	—
Trade receivables			
CMB Group	2,306	316	316
Trade payables			
Tencent Cloud	45	8	34
Non-trade in nature			
Prepayments, deposits and other receivables			
Nanjing Silicon Life	9	—	—
Jiaxing Silicon Language	9	11	—
	18	**11**	**—**

In 2019, Nanjing Silicon Life, a member of the Single Largest Shareholder Group, granted certain advances to us with an aggregate amount of RMB3.0 million as petty cash, which were non-trade in nature and were repaid by us in 2023. We granted certain de minimis advances to Nanjing Silicon Life as petty cash, which were fully repaid in 2024. As of December 31, 2023, 2024 and 2025, prepayments, deposits and other receivables due from Nanjing Silicon Life amounted to RMB9.0 thousand, nil and nil, respectively, which were non-trade in nature.

During the Track Record Period, we granted certain de minimis advances to Jiaxing Silicon Language, a member of the Single Largest Shareholder Group, for the payment of bank handling fees on its behalf and covering other non-operating expenses. As of December 31, 2023, 2024 and 2025, prepayments, deposits and other receivables due from Jiaxing Silicon Language amounted to RMB9.0 thousand, RMB11.0 thousand and nil, respectively, which were non-trade in nature.

All the non-trade receivables from or payables to related parties as of the relevant dates were unsecured, interest-free and repayable on demand. We had settled all amounts due from related parties in non-trade nature as of the Latest Practicable Date. We will discontinue all non-trade related party transactions after the **[REDACTED]**, except as in compliance with the Listing Rules.

KEY FINANCIAL RATIOS

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

	Year ended December 31,		
	2023	2024	2025
		(%)	
Profitability ratios			
Gross profit margin[(1)]	45.8	34.3	34.5
Net loss margin[(2)]	(18.1)	(17.0)	(3.3)
Adjusted net (loss)/profit margin (non-IFRS measure) [(3)]	(5.5)	(5.4)	1.8

	As of December 31,		
	2023	2024	2025
Liquidity ratios			
Current ratio[(4)]	0.5	2.6	3.4
Capital adequacy ratio			
Gearing ratio[(5)]	N/A	<0.1	<0.1

Notes:

(1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.

(2) Net loss margin is calculated based on loss for the year divided by revenue and multiplied by 100%.

(3) Adjusted net (loss)/profit margin (non-IFRS measure) is calculated based on adjusted net (loss)/profit (non-IFRS measure) divided by revenue and multiplied by 100%.

(4) Current ratio is calculated based on total current assets divided by total current liabilities.

(5) Gearing ratio is calculated based on total borrowings (including redemption liabilities and lease liabilities) divided by net deficit/total equity as of the end of the relevant year.

FINANCIAL RISKS

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and currency risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. As of the Latest Practicable Date, we did not hedge or consider necessary to hedge any of these risks. For further details, see Note 30 to the Accountants' Report set out in Appendix I to this document.

DIVIDENDS AND DIVIDEND POLICY

We are incorporated under the laws of the PRC. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider

relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. We do not currently have a fixed dividend policy nor pre-determined dividend payout ratio.

Under the applicable PRC laws and regulations, a PRC incorporated company is required to set aside 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. The company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, our PRC companies cannot pay dividends if such companies are in an accumulated loss position.

During the Track Record Period, we did not declare or pay any dividend. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our Directors have the absolute discretion to recommend any dividend subject to our constitutional documents and the relevant laws. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had no distributable reserves available for distribution to our Shareholders.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses primarily include **[REDACTED]** and professional fees paid or payable to legal advisors, the Reporting Accountants and other professional parties for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**. The estimated total **[REDACTED]** expenses (based on the mid-point of our indicative **[REDACTED]** range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) (including (i) **[REDACTED]**, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all **[REDACTED]** of approximately HK$**[REDACTED]**; and (ii) non-**[REDACTED]** related expenses of approximately HK$**[REDACTED]**, which consist of (a) fees and expenses of legal advisors and accountants of approximately HK$**[REDACTED]**; and (b) sponsors fee and other fees and expenses of approximately HK$**[REDACTED]**), representing **[REDACTED]**% of the **[REDACTED]** (based on the mid-point of our indicative **[REDACTED]** range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**.

During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) were recognized as administrative and other operating expenses in the consolidated statements of profit or loss and other comprehensive income and RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as a deduction to equity directly upon the **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), of which approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as administrative and other operating expenses in the consolidated statements of profit or loss and other comprehensive income and approximately RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) are expected to be recognized as a deduction in equity directly upon the **[REDACTED]**.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

See the unaudited pro forma statement of adjusted net tangible assets in Appendix II to this document for details.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material changes to our business model and the general economic and regulatory environment in which we operate, there has been no material adverse change in our financial or **[REDACTED]** position or prospects since December 31, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules upon the **[REDACTED]** of the Shares on the Stock Exchange.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please see the section headed "Business — Business Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate the **[REDACTED]** of the **[REDACTED]** which we will receive, assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-end of the **[REDACTED]** range stated in this document), will be approximately HK$**[REDACTED]**, after deducting the estimated **[REDACTED]** and other fees and expenses payable by us in connection with the **[REDACTED]** and assuming the **[REDACTED]** is not exercised.

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

- approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used to continually strengthen our R&D capabilities. In particular,

  (i) approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used to procure hardware products, such as servers and data storage devices, and cloud computing services, mainly from suppliers located in China, in order to strengthen our AI technological capabilities. With respect to the U.S.-origin hardware supplies, we expect to source alternative products through legitimate and compliant channels as there remains a range of Chinese suppliers that are not included on U.S. export control lists. See "Business — Relevant Activities with International Sanctions Exposure." Specifically, over the next three years, leveraging our investments in advanced hardware and cloud computing, we expect to significantly entrench our technological strengths and enhance computing capacity. Enhanced R&D infrastructure will accelerate the iteration and advancement of core AI technologies, such as our Yan Di large model and the DUIX ONE. Through sustained model training and systematic R&D, we aim to continuously improve model generality and accuracy, progressively advancing toward the AI Autopilot outcome-based solutions;

  (ii) approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used to hire approximately 30 R&D employees, who will be responsible for further strengthening our technological capabilities. In particular, we expect to recruit R&D team leaders with strategic vision in AI technology research, cutting-edge AI applications, and AI commercialization, and R&D team management experience, senior R&D experts with expertise in large model training, algorithm optimization and other key fields of AI technology, and young R&D talent graduated from renowned universities embracing skills to execute on specific research tasks;

  (iii) approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used to fund external R&D collaborations. We expect to collaborate with universities and other academic institutions to enhance our R&D capabilities, focusing on two key areas: (i) pioneering research in next-generation AI technologies; and (ii) diversifying our offerings to address the evolving market demands and propel the commercial applications of digital human agents. We expect such attempt to accelerate technological advancement while improving overall R&D efficiency. We believe partnership with universities and other academic institutions will provide direct access to cutting-edge academic research and top-tier talent. This partnership merges academic research in foundational AI technologies with our expertise in solution development and market application. It cultivates the next-generation AI talent and steers the AI R&D practices toward greater transparency, inclusivity and social benefit;

  See "Business — Business Strategies — Continuously investing in R&D to enhance our multimodal technological capabilities while integrating industry-specific insights from leading enterprises across industries to build a robust competitive moat."

- approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used for marketing and promotion. In particular,

  (i) approximately **[REDACTED]**% (or HK$**[REDACTED]**) is expected to be used for our global business exploration, including media platform marketing and cooperating with industry-specific channel partners. Specifically, over the next three years, we plan to collaborate with multiple internet celebrities on live streaming platforms, short-video channels and other online channels to promote our GJ AI workforce solutions through their live streams and short videos. Additionally, we intend to collaborate with more industry-specific channel partners to drive sales of our solutions to enterprises in targeted industries, such as cross-border e-commerce, culture, education and tourism and pan-entertainment, in Hong Kong and countries in Southeast Asia, such as Thailand, Malaysia, Singapore and Vietnam;

  (ii) approximately **[REDACTED]**% (or HK$**[REDACTED]**) is expected to be used to recruit approximately 10 sales and marketing employees, who will be responsible for attracting customers, maintaining customer relationships and conducting marketing and promotion activities on media platforms. Apart from the domestic market, we also expect to recruit sales and marketing employees in our newly established subsidiary in Singapore to propel our global business expansion;

  See "Business — Business Strategies — Accelerating worldwide business exploration and developing internationally competitive AI solutions under our global expansion strategy."

- approximately **[REDACTED]**% (or HK$**[REDACTED]**) will be used for global acquisitions and ecosystem partnerships. We plan to explore opportunities with solution providers along the AI industry chain when proper opportunities arise. We plan to pursue opportunities through multiple arrangements, such as minority equity investments and joint ventures. Where the target company has a relatively small asset and business scale but demonstrates strong synergies with our operations, we may also consider strategic acquisitions. We will mainly target companies with proven market recognition and brand influence and capable of creating synergies with our business operations. We will prioritize companies with market-based financing experience, capital market validation, annual revenue of over RMB100 million, and a valuation of no less than RMB500 million, demonstrating their technical capabilities, operational foundation, and growth potential. According to CIC, based on expert interviews and market research, there were sufficient potential targets in the industry that meet our selection criteria for our strategic acquisition as of the Latest Practicable Date. Through such collaborations or acquisitions, we expect to expand the application ecosystem for our solutions. We expect to generate synergies with the acquired companies in strengthening core technology barriers, algorithmic capabilities, and commercial rollout, boosting our technical strength and commercialization capabilities. For instance, for companies with hardware production and implementation expertise, we target collaborations or acquisitions that strengthen our supply chain and create mutual benefits. Furthermore, we seek to expand our business presence in the non-domestic markets, especially Europe, the United States and Southeast Asia, through minority equity investments or acquisitions. As of the Latest Practicable Date, we had not identified any definite acquisition targets.

  We expect the depreciation and amortization costs with respect to the non-current assets and subsequent renovation cost of the above mentioned acquisitions may adversely affect our net loss. In addition, the consideration we paid for the acquisitions in excess of the fair value of identifiable net assets and liabilities acquired would be accounted for as goodwill, which might also adversely affect our net loss and financial position if impaired. Future acquisitions and the integration of new assets and businesses would require significant management attention and could divert resources from our existing operations. Acquisitions could also involve cash outlays, potentially dilutive equity issuances, debt incurrence, intangible asset amortization, and exposure to liabilities of the acquired business. See "Risk

Factors — Risks Relating to Our Business and Industry — Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations;" and

See "Business — Business Strategies — Expanding strategic partnerships and pursuing targeted investments and acquisitions to complete our AI industrial layout."

- approximately **[REDACTED]**% (or HK$**[REDACTED]**) for working capital and other general corporate purposes.

If the **[REDACTED]** is fixed at HK$**[REDACTED]** per **[REDACTED]** (being the high-end of the **[REDACTED]** range stated in this document) and assuming the **[REDACTED]** is not exercised, we will receive additional **[REDACTED]** of approximately HK$**[REDACTED]**. If the **[REDACTED]** is fixed at HK$**[REDACTED]** per **[REDACTED]** (being the low-end of the **[REDACTED]** range stated in this document) and assuming the **[REDACTED]** is not exercised, the **[REDACTED]** we receive will be reduced by approximately HK$**[REDACTED]**. The above allocation of the **[REDACTED]** will be adjusted on a pro rata basis in the event that the **[REDACTED]** is fixed at a higher or lower level compared to the mid-end of the estimated **[REDACTED]** range.

The additional **[REDACTED]** that we would receive if the **[REDACTED]** were exercised in full would be (i) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the high-end of the **[REDACTED]** range stated in this document), (ii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-end of the **[REDACTED]** range stated in this document) and (iii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the low-end of the **[REDACTED]** range stated in this document). Additional **[REDACTED]** received due to the exercise of any **[REDACTED]** will be used for the above purposes accordingly on a pro rata basis in the event that the **[REDACTED]** is exercised.

To the extent that the **[REDACTED]** are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

To the extent that the **[REDACTED]** are not immediately applied to the above purposes, or if we are unable to effect any part of our future development plans as envisaged, we will only deposit the **[REDACTED]** into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

In the event of any material change in our use of **[REDACTED]** of the **[REDACTED]** from the purposes described above or in our allocation of the **[REDACTED]** among the purposes described above, a formal announcement will be made.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I–1 to I–[•], received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 南京硅基智能科技集團股份有限公司 NANJING SILICON INTELLIGENCE TECHNOLOGY GROUP CO., LTD., CMB INTERNATIONAL CAPITAL LIMITED AND DBS ASIA CAPITAL LIMITED

Introduction

We report on the historical financial information of 南京硅基智能科技集團股份有限公司Nanjing Silicon Intelligence Technology Group Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I–3 to I–[•], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I–3 to I–[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the initial **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2023, 2024 and 2025 of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I–4 have been made.

Dividends

We refer to Note 28(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[REDACTED]

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

Consolidated statements of profit or loss
(Expressed in RMB)

		Year ended December 31		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	530,806	655,438	788,818
Cost of sales		(287,645)	(430,359)	(516,747)
Gross profit		**243,161**	**225,079**	**272,071**
Other income	*5(a)*	15,976	10,846	2,554
Other net gain/(loss)	*5(b)*	38	(678)	717
Selling and marketing expenses		(110,263)	(82,570)	(55,235)
Administrative and other operating expenses		(47,967)	(41,211)	(55,634)
Research and development expenses		(129,569)	(150,129)	(163,342)
Impairment loss on trade and other receivables and contract assets	*29(a)*	(11,750)	(21,170)	(27,595)
Loss from operations		**(40,374)**	**(59,833)**	**(26,464)**
Finance income	*6(a)*	4,606	2,239	857
Finance costs	*6(a)*	(435)	(240)	(144)
Share of loss of associates	*15*	(1,104)	(27)	(164)
Accretion of redemption liabilities	*25*	(58,660)	(53,838)	—
Loss before taxation	*6*	**(95,967)**	**(111,699)**	**(25,915)**
Income tax	*7*	60	—	—
Loss for the year		**(95,907)**	**(111,699)**	**(25,915)**
Attributable to:				
Equity shareholders of the Company		(95,907)	(111,699)	(25,915)
Loss per share				
Basic and diluted (RMB)	*10*	(5.99)	(6.98)	(1.56)

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of profit or loss and other comprehensive income
(Expressed in RMB)

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	(95,907)	(111,699)	(25,915)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of a foreign subsidiary, net of nil tax	—	—	(475)
Total comprehensive income for the year	**(95,907)**	**(111,699)**	**(26,390)**
Attributable to:			
Equity shareholders of the Company	(95,907)	(111,699)	(26,390)
Total comprehensive income for the year	**(95,907)**	**(111,699)**	**(26,390)**

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of financial position
(Expressed in RMB)

	Note	As at December 31		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	13,965	9,842	4,746
Right-of-use assets	*12*	6,704	3,466	4,887
Intangible assets	*13*	713	493	418
Contract assets	*22(a)*	1,358	7,137	5,463
Interests in associates	*15*	—	173	—
		22,740	21,111	15,514
Current assets				
Inventories	*16*	14,994	42,368	79,208
Trade receivables	*17*	146,717	232,475	281,637
Contract assets	*22(a)*	4,017	674	14,792
Prepayments, deposits and other receivables	*18*	72,327	40,825	81,874
Restricted bank deposits	*19*	—	1,412	—
Cash and cash equivalents	*19*	256,107	168,838	217,756
		494,162	486,592	675,267
Current liabilities				
Trade payables	*20*	96,413	115,689	102,487
Other payables and accruals	*21*	15,567	23,527	16,374
Contract liabilities	*22(b)*	46,497	50,237	75,574
Lease liabilities	*23*	5,802	1,220	3,107
Redemption liabilities	*25*	912,999	—	—
		1,077,278	190,673	197,542
Net current (liabilities)/assets		(583,116)	295,919	477,725
Total assets less current liabilities		(560,376)	317,030	493,239
Non-current liabilities				
Lease liabilities	*23*	306	1,271	1,961
Deferred income	*24*	176	—	—
		482	1,271	1,961
NET (LIABILITIES)/ASSETS		(560,858)	315,759	491,278
CAPITAL AND RESERVES				
Paid-in capital	*28(c)*	15,788	15,788	—
Share capital	*28(d)*	—	—	17,085
Reserves		(576,646)	299,971	474,193
(TOTAL DEFICIT)/TOTAL EQUITY		(560,858)	315,759	491,278

The accompanying notes form part of the Historical Financial Information.

Statements of financial position of the Company
(Expressed in RMB)

	Note	As at December 31		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	3,190	1,557	989
Right-of-use assets	*12*	5,204	1,024	3,666
Intangible assets	*13*	568	393	333
Contract assets	*22*	1,358	7,137	5,463
Investments in subsidiaries	*14*	14,000	102,000	302,000
Amounts due from subsidiaries, non-current	*18*	92,055	37,662	38,172
		116,375	149,773	350,623
Current assets				
Inventories	*16*	14,772	38,608	33,045
Trade receivables	*17*	103,128	185,878	169,983
Contract assets	*22*	4,017	674	1,249
Prepayments, deposits and other receivables	*18*	47,526	7,333	16,347
Restricted bank deposits	*19(a)*	—	1,412	—
Cash and cash equivalents	*19(a)*	217,771	125,287	53,672
		387,214	359,192	274,296
Current liabilities				
Trade payables	*20*	47,891	60,907	29,554
Other payables and accruals	*21*	15,002	33,493	43,874
Contract liabilities	*22*	41,577	42,299	16,683
Lease liabilities	*23*	5,088	—	1,836
Redemption liabilities	*25*	912,999	—	—
		1,022,557	136,699	91,947
Net current (liabilities)/assets		(635,343)	222,493	182,349
Total assets less current liabilities		(518,968)	372,266	532,972
Non-current liability				
Lease liabilities	*23*	—	—	1,961
NET (LIABILITIES)/ASSETS		(518,968)	372,266	531,011
CAPITAL AND RESERVES				
Paid-in capital	*28(c)*	15,788	15,788	—
Share capital	*28(d)*	—	—	17,085
Reserves		(534,756)	356,478	513,926
(TOTAL DEFICIT)/TOTAL EQUITY		(518,968)	372,266	531,011

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of changes in equity

(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company				
		Paid-in capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023		15,788	(15,664)	20,681	(493,591)	(472,786)
Changes in equity for 2023:						
Total comprehensive income for the year		—	—	—	(95,907)	(95,907)
Equity settled share-based payments		—	—	7,835	—	7,835
Balance at December 31, 2023 and January 1, 2024		15,788	(15,664)	28,516	(589,498)	(560,858)
Changes in equity for 2024:						
Loss and total comprehensive income for the year		—	—	—	(111,699)	(111,699)
Equity settled share-based payments		—	—	21,479	—	21,479
Termination of redemption liabilities		—	966,837	—	—	966,837
Balance at December 31, 2024		15,788	951,173	49,995	(701,197)	315,759

The accompanying notes form part of the Historical Financial Information.

		Attributable to equity shareholders of the Company							
	Note	**Paid-in capital**	**Share capital**	**Share premium**	**Capital reserve**	**Share-based payments reserve**	**Exchange reserve**	**Accumulated losses**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at December 31, 2024 and January 1, 2025		15,788	—	—	951,173	49,995	—	(701,197)	315,759
Changes in equity for 2025:									
Loss for the year		—	—	—	—	—	—	(25,915)	(25,915)
Other comprehensive income for the year		—	—	—	—	—	(475)	—	(475)
Total comprehensive income for the year		—	—	—	—	—	(475)	(25,915)	(26,390)
Equity settled share-based payments	*27*	—	—	—	—	21,437	—	—	21,437
Issue of ordinary shares	*28(d)*	—	1,085	179,387	—	—	—	—	180,472
Conversion into a joint stock company	*28(d)*	(15,788)	16,000	294,159	(951,173)	—	—	656,802	—
Balance at December 31, 2025		—	17,085	473,546	—	71,432	(475)	(70,310)	491,278

The accompanying notes form part of the Historical Financial Information.

Consolidated cash flow statements
(Expressed in RMB)

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash used in operations	*19(b)*	(50,868)	(82,216)	(122,387)
Tax refunded	*27(a)*	60	—	—
Net cash used in operating activities		(50,808)	(82,216)	(122,387)
Investing activities				
Payment for the acquisition of property, plant and equipment		(7,451)	(3,201)	(135)
Proceeds from disposal of property, plant and equipment		66	48	—
Payment for capital contribution to associates		(1,500)	(200)	(190)
Proceeds from deregistration of associates		396	—	—
Proceeds from certificate of deposits		110,000	—	—
Interest income received		4,606	2,239	857
Net cash generated from/(used in) investing activities		106,117	(1,114)	532
Financing activities				
Capital element of lease rental paid	*19(c)*	(5,808)	(3,699)	(2,498)
Interest element of lease rental paid	*19(c)*	(435)	(240)	(144)
Issue of ordinary shares	*28(d)*	—	—	180,472
Payment of **[REDACTED]** expenses to be capitalised		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Net cash (used in)/generated from financing activities		(6,243)	(3,939)	171,248
Net increase/(decrease) in cash and cash equivalents		49,066	(87,269)	49,393
Cash and cash equivalents at the beginning of the year		207,041	256,107	168,838
Effect of foreign exchange rate changes		—	—	(475)
Cash and cash equivalents at the end of the year	*19(a)*	256,107	168,838	217,756

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 Basis of preparation and presentation of Historical Financial Information

南京硅基智能科技集團股份有限公司 Nanjing Silicon Intelligence Technology Group Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") on August 8, 2017, as a limited liability company. On February 18, 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC.

The principal activities of the Company and its subsidiaries (together, "the **Group**") are mainly engaged in rendering of various Artificial Intelligence ("**AI**") workforce solutions to customers.

The financial statements of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The statutory financial statements of the Company for the years ended December 31, 2023, 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "**PRC GAAP**") and audited by Rongcheng Certified Public Accountants LLP (容誠會計師事務所(特殊普通合夥)). At the date of this report, the statutory financial statements of the Company for the year ended December 31, 2025 was not issued yet. The information of the Group's principal subsidiaries is set out in Note 14.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 32.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 Material accounting policy information

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis.

(b) Use of estimates and judgments

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the statements of financial position of the Company, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An investment in an associate or a joint venture is accounted for under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or a joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(h)(ii)). Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognized in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognized in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the

investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

In the Group's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see Note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal Group classified as held for sale).

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(h)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write-off the cost of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Electronic equipment	3–5 years
Furniture and vehicles	4–5 years
Leasehold improvements	Shorter of estimated useful life and remaining lease terms

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(f) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any impairment losses (see Note 2(h)(ii)).

Amortization of intangible assets is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Software	3 years
Patents	10 years

The estimated useful life for software and patent were decided with reference to the shortest period among the expected service life, the expected beneficial life and the effective life stipulated by the applicable law.

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognizes a loss allowance for expected credit losses ("**ECLs**") on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, other receivables and contract assets).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following rates if the effect is material:

— fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

— variable-rate financial assets: current effective interest rate;

— loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

— financial instruments that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default;

— the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

— it is probable that the debtor will enter bankruptcy or other financial reorganization; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written-off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written-off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

— Property, plant and equipment;

— Intangible assets;

— Right-of-use assets;

— Investments in subsidiaries in the Company's statement of financial position; and

— Interests in associates.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

— Recognition of impairment losses

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

(i) Inventories and other contract costs

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see Note 2(s)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(h)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(k)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(s)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(k)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(k) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(h)(i)).

(m) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Redemption liabilities

A contract that contains an obligation to purchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company's obligation to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognised in profit or loss. The then carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty's redemption right.

The redemption liability is classified as current as the Company does not have an unconditional right to defer payments beyond 12 months from the reporting date.

(o) Research and development expense

Research and development expense comprise all expenses that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Research and development expenses are recognized as expenses in the period in which they are incurred.

(p) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to local retirement schemes pursuant to the relevant labor rules and regulations in the jurisdictions in which the Group's subsidiaries located are recognized as an expense in profit or loss as incurred.

(ii) Share-based payments

The fair value of share options granted to employee is recognized as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of options that vested (with a corresponding adjustment to the capital reserve) except for forfeitures due to failures to meet vesting conditions relating to the market price of the Company's shares. The equity amount is recognized in the capital reserve until either the option is exercised (when it is included in the amount recognized in paid-in capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income ("**OCI**").

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

— temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Provisions and contingent liabilities

Provisions are recognized when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services in the ordinary course of the Group's business.

Revenue is recognized when control over a product or service is transferred to the customer. For each performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time, at the

amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is allocated to each performance obligation based on its standalone selling price. The Group generally determines standalone selling prices based on observable prices. If the standalone selling price is not observable through past transactions, the Group estimates the standalone selling price based on multiple factors, including, but not limited to management approved price list or cost-plus margin analysis.

Revenue is generally recognized on a gross basis as the Group is the principal and obtains control of the products or services before they are transferred to the customers. In addition, the Group is primarily responsible for fulfilling the contract, assumes inventory risk and has discretion in establishing the price when selling to the customer.

Further details of the Group's revenue and other income recognition policies are as follows.

(i) Revenue from contracts with customers

The principal activities of the Group are provision of AI workforce solutions to large-scale enterprises, such as telecom operators and commercial banks, which are predominantly delivered through on-premises project deployment and to a lesser extent, the Group also provides AI workforce solutions to small or medium size enterprises, which are offered via cloud-based services.

Depend on different nature of products and contract terms, the revenue of AI workforce solutions is recognized at a point of time when the customers accept the deliverables or when the customers obtain the control of solutions, or is recognized over time as the Group provides continuing services to the customers during the service period or the member subscription period. A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are presented in the consolidated statements of financial position by setting up the grant as deferred income and consequently are effectively recognized in profit or loss on a systematic basis over the useful life of the asset.

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

(u) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 Accounting judgments and estimates

Note 26 contains information about the assumptions and their risk factors relating to equity-settled share-based payments. Other significant sources of estimation uncertainty are as follows:

(i) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables and contract assets that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

(ii) Recognition of deferred tax assets

Deferred tax assets are recognized for unused tax losses and deductible temporary difference to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iii) Control assessment over other entities through Contractual Arrangements

On December 6, 2018, the Group entered into a series of contractual arrangements with Nanjing Wanruyi Network Technology Co., Ltd. and its registered shareholders (the "**Contractual Arrangements**").

The Group considers that it controls Nanjing Wanruyi Network Technology Co., Ltd. through Contractual Arrangements, notwithstanding the fact that it does not hold any direct interest in Nanjing Wanruyi Network Technology Co., Ltd. , as it has power over the financial and operating policies of the entity and receive substantially all of the benefits from the business activities of Nanjing Wanruyi Network Technology Co., Ltd. through Contractual Arrangements. Accordingly, Nanjing Wanruyi Network Technology Co., Ltd. has been accounted as subsidiary during the years ended December 31, 2022, 2023 and was deconsolidated on November 29, 2024 as disclosed in Note 14. However, uncertainties in the present legal system in the PRC could limit the Group's ability to enforce the PRC Contractual Arrangements. Significant judgment is involved in determining whether the Group can exercise control over these entities. Nevertheless, the directors of the Company, after receiving advice from the PRC Legal Advisor, considered that the PRC Contractual Arrangements are in compliance with the applicable laws and regulations and are legal and valid.

4 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are mainly engaged in rendering various AI workforce solutions to customers.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
AI workforce solutions	530,806	655,438	788,818

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition			
Point in time	516,828	654,320	787,546
Over time	13,978	1,118	1,272
	530,806	655,438	788,818

During the Track Record Period, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective years are as follows. Details of concentrations of credit risk of the Group are set out in Note 29(a).

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	195,094	422,152	325,548
Customer B	56,642	N/A*	N/A*

* Less than 10% of the Group's revenue in the respective year.

(ii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for goods and services such that information about revenue expected to be recognized in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an expected duration of one year or less.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

As substantially all of the Group's operations and assets are in the PRC, no geographic information is presented.

5 Other income and other net gain/(loss)

(a) Other income

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(Note i)*	13,763	10,185	2,422
Value-added tax ("**VAT**") refund and deduction *(Note ii)*	2,082	524	35
Others	131	137	97
	15,976	10,846	2,554

Notes:

(i) During the years ended December 31, 2023, 2024 and 2025, the Group received unconditional government grants of RMB10,280,000, RMB7,457,000, and RMB2,422,000, respectively, as incentives for the Group's contribution to technology research and development and regional economic development and unconditional government grants as subsidies for the leased properties of RMB2,430,000, RMB2,552,000, and RMB nil, respectively.

During the years ended December 31, 2023, 2024 and 2025, the Group recognized conditional government grants as subsidies for the leased properties of RMB1,053,000, RMB176,000 and RMB nil, respectively, in the consolidated statements of profit or loss when related conditions were satisfied.

(ii) Pursuant to Taxation Policy for Encouraging the Development of Software and Integrated Circuits Industry (Guofa [2011] No.4), enterprises engaged in the sales of self-developed software in the PRC are entitled to a VAT refund to the extent that the effective VAT rate of the sales of the software products in the PRC exceeds 3% of the sales amounts. During the years ended December 31, 2023, 2024 and 2025, the Group received such VAT refund of RMB268,000, RMB76,000 and RMB35,000, respectively.

Pursuant to Announcement on Policies for Deepening the VAT Reform (Announcement No. 39 of 2019), from April 1, 2019 to December 31, 2022 and in 2023, the Company and a subsidiary of the Group, will deduct the VAT payable by additional 10% and 5% of the qualified input VAT. During the years ended December 31, 2023, 2024 and 2025, the Group received such VAT deduction of RMB1,814,000, RMB448,000 and RMB nil, respectively.

(b) Other net gain/(loss)

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net gain on disposal of property, plant and equipment	48	15	—
Net gain on disposal of associates	—	—	801
Others	(10)	(693)	(84)
	38	(678)	717

6 Loss before taxation

Loss before taxation is arrived at after charging:

(a) Net finance income

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest income from bank deposits	4,606	2,239	857
Finance income	4,606	2,239	857
Interest expenses on lease liabilities *(Note 19(c))*	(435)	(240)	(144)
Finance costs	(435)	(240)	(144)
Net finance income	4,171	1,999	713

(b) Staff costs

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	82,843	60,301	41,206
Contribution to defined contribution retirement plan	3,353	2,115	1,563
Equity-settled share-based payment expenses *(Note 26)*	7,835	21,479	21,437
	94,031	83,895	64,206

Note:

(i) Employees of the Group are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits associated with the schemes beyond the contributions described above.

(c) Other items

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation and amortization			
— property, plant and equipment *(Note 11)*	7,446	7,276	5,231
— right-of-use assets *(Note 12)*	7,398	5,887	3,654
— intangible assets *(Note 13)*	553	220	75
Impairment loss on trade and other receivables and contract assets	11,750	21,170	27,595
Research and development expenses *(i)*	129,569	150,129	163,342
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

(i) During the years ended December 31, 2023, 2024 and 2025, research and development expenses include staff costs and depreciation charges of RMB53,021,000, RMB40,861,000 and RMB24,078,000, respectively, which amounts are also included in the respective total amounts disclosed separately above.

7 Income tax in the consolidated statements of profit or loss

(a) Income tax in the consolidated statements of profit or loss represents:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax:			
Provision for PRC Corporate Income Tax for the year	—	—	—
Over-provision in respect of prior year	(60)	—	—
Total	(60)	—	—

Note: According to the Corporate Income Tax Law of China (the "**Tax Law**"), the Group's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to high-technology enterprises of 15%. The Company obtained the certificate of high-technology enterprise in 2022 and renewed in 2025 and was entitled to a preferential income tax rate of 15% from the years from 2023 to 2025.

(b) Reconciliation between tax benefit and accounting loss at applicable tax rates:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before taxation	(95,967)	(111,699)	(25,915)
Notional tax on loss before taxation, calculated using the PRC statutory tax rate of 25%	(23,992)	(27,925)	(6,479)
Effect of preferential tax rate	6,167	9,708	4,172
Super-deduction of research and development expenses	(12,952)	(11,780)	(18,342)
Tax effect of accretion of redemption liabilities	8,799	8,076	—
Tax effect of tax losses and temporary differences not recognized	19,611	16,338	17,175
Tax effect of non-deductible expenses	2,367	5,583	3,474
Over provision in respect of prior year	(60)	—	—
Actual tax benefit	(60)	—	—

8 Directors' emoluments

Directors' emoluments as recorded in the Historical Financial Information are as follows:

	Year ended December 31, 2023						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Equity-settled share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Note (j))*	*RMB'000*
Executive directors							
Sima Huapeng	—	1,225	758	46	2,029	—	2,029
Sun Kai	—	747	144	18	909	1,246	2,155
Chen Liping	—	1,815	200	68	2,083	957	3,040
Tang Cuicui *(Note (d))*	—	668	—	14	682	140	822
Mao Liyan *(Note (d))*	—	905	200	48	1,153	1,939	3,092
Shao Jiahao *(Note (b))*	—	—	—	—	—	—	—
Non-executive directors							
Cheng HuaJie *(Note (f))*	—	—	—	—	—	—	—
Xiao Hongda *(Note (f))*	—	—	—	—	—	—	—
Zhang Peipeng *(Note (f))*	—	—	—	—	—	—	—
Li Yang	—	—	—	—	—	—	—
Lian Suping *(Note (d))*	—	—	—	—	—	—	—
Liu Wei *(Note (a))*	—	—	—	—	—	—	—
Zhang Dong *(Note (a))*	—	—	—	—	—	—	—
Qi Xiaoxiao *(Note (c))*	—	—	—	—	—	—	—
Supervisor							
Wang Qian *(Note (h))*	—	352	35	29	416	—	416
	—	5,712	1,337	223	7,272	4,282	11,554

	Year ended December 31, 2024						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Equity-settled share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Note (j))*	*RMB'000*
Executive directors							
Sima Huapeng	—	1,225	5	46	1,276	—	1,276
Sun Kai	—	675	126	19	820	1,249	2,069
Chen Liping	—	1,848	446	71	2,365	3,537	5,902
Tang Cuicui *(Note (d))*	—	803	30	15	848	141	989
Mao Liyan *(Note (d))*	—	1,006	144	47	1,197	1,945	3,142
Non-executive directors							
Cheng HuaJie *(Note (f))*	—	—	—	—	—	—	—
Xiao Hongda *(Note (f))*	—	—	—	—	—	—	—
Zhang Peipeng *(Note (f))*	—	—	—	—	—	—	—
Li Yang	—	—	—	—	—	—	—
Qi Xiaoxiao *(Note (c))*	—	—	—	—	—	—	—
Lian Suping *(Note (d))*	—	—	—	—	—	—	—
Zhang Hao *(Note (e))*	—	—	—	—	—	—	—
Supervisor							
Wang Qian *(Note (h))*	—	359	—	29	388	48	436
	—	5,916	751	227	6,894	6,920	13,814

	Year ended December 31, 2025						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Equity-settled share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Note(j))*	*RMB'000*
Executive directors							
Sima Huapeng	—	1,870	758	48	2,676	—	2,676
Sun Kai	—	648	5	20	673	1,246	1,919
Chen Liping	—	2,033	500	61	2,594	3,530	6,124
Tang Cuicui *(Note(d))*	—	780	—	15	795	140	935
Mao Liyan *(Note(d))*	—	1,062	—	54	1,116	1,939	3,055
Non-executive directors							
Cheng HuaJie *(Note(f))*	—	—	—	—	—	—	—
Xiao Hongda *(Note(f))*	—	—	—	—	—	—	—
Zhang Peipeng *(Note(f))*	—	—	—	—	—	—	—
Li Yang	—	—	—	—	—	—	—
Qi Xiaoxiao *(Note(c))*	—	—	—	—	—	—	—
Zhang Hao *(Note(e))*	—	—	—	—	—	—	—
Liu Zixuan *(Note(i))*	—	—	—	—	—	—	—
Independent non-executive directors							
Li Dong *(Note(g))*	54	—	—	—	54	—	54
Shen Peng *(Note(g))*	54	—	—	—	54	—	54
Dai Xianchi *(Note(g))*	54	—	—	—	54	—	54
Supervisor							
Wang Qian *(Note(h))*	—	58	—	5	63	24	87
	162	6,451	1,263	203	8,079	6,879	14,958

Notes:

(a) Mr. Liu Wei, Mr. Zhang Dong resigned from the position of a non-executive director in February 2023.

(b) Mr. Shao Jiahao resigned from the position of an executive director in February 2023.

(c) Ms. Qi Xiaoxiao was appointed as a non-executive director in February 2023.

(d) Ms. Tang Cuicui, Ms. Mao Liyan were appointed as an executive director in February 2023. Ms. Lian Suping resigned from the position of a non-executive director in August 2024 and Ms. Tang Cuicui resigned from the position of as an executive director in October 2025.

(e) Mr. Zhang Hao was appointed as a non-executive director in August 2024 and resigned from the position of a non-executive director in October 2025.

(f) Mr. Cheng Huajie, Mr. Xiao Hongda, Mr. Zhang Peipeng resigned from the position of a non-executive director in October 2025.

(g) Mr. Li Dong, Mr. Shen Peng, Mr. Dai Xianzhi were appointed as independent non-executive directors in October 2025.

(h) Ms. Wang Qian resigned from the position of supervisor in February 2026.

(i) Mr Liu Zixuan was appointed as a non-executive director in December 2025.

(j) These represent the estimated value of share options granted to the directors and supervisors under the Group's share option scheme. The value of share awards is measured according to the Group's accounting policies for share-based payments transactions as set out in Note 2(p)(ii) and in accordance with that policy. The details of these benefits in kind, including the principal terms and number of share options granted, are disclosed in Note 26.

During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors and supervisors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 Individuals with highest emoluments

Of the five individuals with the highest emoluments, four, four and four are directors during the years ended December 31, 2023, 2024 and 2025, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid non-director and non-supervisor individuals are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	710	490	488
Discretionary bonuses	93	—	—
Equity-settled share-based payment expenses	221	10,680	10,663
Retirement scheme contributions	46	12	13
	1,070	11,182	11,164

The emoluments of the one, one and one highest paid non-director and non-supervisor individuals during the years ended December 31, 2023, 2024 and 2025, respectively, are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*
Hong Kong Dollar ("**HK$**") nil to HK$1,000,000	—	—	—
HK$1,000,001 to HK$1,500,000	1	—	—
HK$4,000,001 to HK$4,500,001	—	—	—
HK$6,000,001 to HK$6,500,000	—	—	—
HK$12,000,001 to HK$12,500,000	—	1	1

10 Loss per share

(a) Basic loss per share

The calculation of the basic loss per share during the Track Record Period is based on the loss for the year attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue.

As described in Note 1, the Company was converted into a joint stock company with limited liability and 15,999,999 shares of RMB1 each were issued on February 18, 2025. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred since January 1, 2023, at the exchange ratio established in the conversion on February 18, 2025.

Loss for the year attributable to ordinary equity shareholders of the Company

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year attributable to all equity shareholders of the Company	(95,907)	(111,699)	(25,915)
Allocation of loss for the year attributable to redemption liabilities *(Note25)*	54,736	58,350	—
Loss for the year attributable to ordinary equity shareholders of the Company	(41,171)	(53,349)	(25,915)

Weighted average number of ordinary shares deemed to be in issue

	At December 31,		
	2023	2024	2025
Issued ordinary shares deemed to be in issue at January 1	15,999,999	15,999,999	15,999,999
Effect of redemption liabilities *(Note 25)*	(9,131,544)	(8,358,107)	—
Effect of ordinary shares in issue	—	—	600,325
Weighted average number of ordinary shares at the end of the year deemed to be in issue	6,868,455	7,641,892	16,600,324

(b) Diluted loss per share

Redemption liabilities (Note 25) were not included in the calculation of diluted loss per share because their effect would have been anti-dilutive. Accordingly, diluted loss per share for the Track Record Period are the same as basic loss per share.

11 Property, plant and equipment

The Group	Electronic equipment	Furniture and vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At January 1, 2023	23,570	3,417	5,225	32,212
Additions	7,300	—	151	7,451
Disposals	(129)	—	—	(129)
At December 31, 2023 and January 1, 2024	30,741	3,417	5,376	39,534
Additions	1,586	—	1,615	3,201
Disposals	(144)	(7)	—	(151)
At December 31, 2024 and January 1, 2025	32,183	3,410	6,991	42,584
Additions	98	37	—	135
At December 31, 2025	32,281	3,447	6,991	42,719

The Group	Electronic equipment	Furniture and vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:				
At January 1, 2023	(14,280)	(1,224)	(2,730)	(18,234)
Charge for the year	(5,214)	(626)	(1,606)	(7,446)
Written back on disposals	111	—	—	111
At December 31, 2023 and January 1, 2024	(19,383)	(1,850)	(4,336)	(25,569)
Charge for the year	(5,307)	(571)	(1,398)	(7,276)
Written back on disposals	100	3	—	103
At December 31, 2024 and January 1, 2025	(24,590)	(2,418)	(5,734)	(32,742)
Charge for the year	(4,206)	(487)	(538)	(5,231)
At December 31, 2025	(28,796)	(2,905)	(6,272)	(37,973)
Net book value:				
At December 31, 2023	**11,358**	**1,567**	**1,040**	**13,965**
At December 31, 2024	**7,593**	**992**	**1,257**	**9,842**
At December 31, 2025	**3,485**	**542**	**719**	**4,746**

The Company	Electronic equipment	Furniture and vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At January 1, 2023	17,131	1,086	535	18,752
Additions	225	—	—	225
Disposals	(129)	—	—	(129)
At December 31, 2023 and January 1, 2024	17,227	1,086	535	18,848
Additions	42	—	—	42
At December 31, 2024 and January 1, 2025	17,269	1,086	535	18,890
Additions	53	37	—	90
At December 31, 2025	17,322	1,123	535	18,980
Accumulated depreciation:				
At January 1, 2023	(11,462)	(775)	(520)	(12,757)
Charge for the year	(2,905)	(92)	(15)	(3,012)
Written back on disposals	111	—	—	111
At December 31, 2023 and January 1, 2024	(14,256)	(867)	(535)	(15,658)
Charge for the year	(1,579)	(96)	—	(1,675)
At December 31, 2024 and January 1, 2025	(15,835)	(963)	(535)	(17,333)
Charge for the year	(586)	(72)	—	(658)
At December 31, 2025	(16,421)	(1,035)	(535)	(17,991)
Net book value:				
At December 31, 2023	**2,971**	**219**	**—**	**3,190**
At December 31, 2024	**1,434**	**123**	**—**	**1,557**
At December 31, 2025	**901**	**88**	**—**	**989**

12 Right-of-use assets

The Group	Leased properties
	RMB'000
Cost:	
At January 1, 2023	29,884
Additions	1,432
Modification	(443)
Disposals	(567)
At December 31, 2023 and January 1, 2024	30,306
Additions	3,663
Disposals	(9,487)
At December 31, 2024 and January 1, 2025	24,482
Additions	5,075
Disposals	(20,819)
At December 31, 2025	8,738
Accumulated depreciation:	
At January 1, 2023	(16,772)
Charge for the year	(7,398)
Written back on disposals	568
At December 31, 2023 and January 1, 2024	(23,602)
Charge for the year	(5,887)
Written back on disposals	8,473
At December 31, 2024 and January 1, 2025	(21,016)
Charge for the year	(3,654)
Written back on disposals	20,819
At December 31, 2025	(3,851)
Net book value:	
At December 31, 2023	6,704
At December 31, 2024	3,466
At December 31, 2025	4,887

The Company	Leased properties
	RMB'000
Cost:	
At January 1, 2023	22,718
Modification	(443)
At December 31, 2023 and January 1, 2024	22,275
Disposals	(1,456)
At December 31, 2024 and January 1, 2025	20,819
Additions	5,076
Disposals	(20,819)
At December 31, 2025	5,076
Accumulated depreciation:	
At January 1, 2023	(12,395)
Charge for the year	(4,676)
At December 31, 2023 and January 1, 2024	(17,071)
Charge for the year	(4,180)
Written back on disposals	1,456
At December 31, 2024 and January 1, 2025	(19,795)
Charge for the year	(2,434)
Written back on disposals	20,819
At December 31, 2025	(1,410)
Net book value:	
At December 31, 2023	5,204
At December 31, 2024	1,024
At December 31, 2025	3,666

The analysis of expense items in relation to leases recognized in the Group's consolidated statements of profit or loss is as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:			
Properties held for own use leased properties *(Note i)*	7,398	5,887	3,654
Interest expenses on lease liabilities *(Note 6(a))*	435	240	144
Expense relating to short-term leases	1,403	1,378	1,505

Note:

(i) During the Track Record Period, the Group leased certain office properties and dormitories through tenancy agreements, which do not contain variable lease payment terms. The leases typically run for a period of 2 years.

Details of total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases are set out in Notes 19(d), 23 and 29(b), respectively.

13 Intangible assets

The Group	Software	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2023, January 1, 2024, January 1, 2025 and December 31, 2025	3,800	752	4,552
Accumulated depreciation:			
At January 1, 2023	(3,177)	(109)	(3,286)
Charge for the year	(478)	(75)	(553)
At December 31, 2023 and January 1, 2024	(3,655)	(184)	(3,839)
Charge for the year	(145)	(75)	(220)
At December 31, 2024 and January 1, 2025	(3,800)	(259)	(4,059)
Charge for the year	—	(75)	(75)
At December 31, 2025	(3,800)	(334)	(4,134)
Net book value:			
At December 31, 2023	145	568	713
At December 31, 2024	—	493	493
At December 31, 2025	—	418	418

The Company	Software	Patent	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1, 2023, January 1, 2024, January 1, 2025 and December 31, 2025	3,677	606	4,283
Accumulated depreciation:			
At January 1, 2023	(3,127)	(91)	(3,218)
Charge for the year	(436)	(61)	(497)
At December 31, 2023 and January 1, 2024	(3,563)	(152)	(3,715)
Charge for the year	(114)	(61)	(175)
At December 31, 2024 and January 1, 2025	(3,677)	(213)	(3,890)
Charge for the year	—	(60)	(60)
At December 31, 2025	(3,677)	(273)	(3,950)
Net book value:			
At December 31, 2023	114	454	568
At December 31, 2024	—	393	393
At December 31, 2025	—	333	333

The amortization charge for the year is included in "Administrative and other operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

14 Investments in subsidiaries

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted shares, at cost	14,000	102,000	302,000

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following subsidiaries.

Name of company	Place of incorporation and business/ establishment	Particulars of Registered capital	Particulars of paid-up capital	Proportion of ownership interest							
				Group's effective interest as at December 31			Held by the Company as at December 31			Held by subsidiaries as at December 31			Principal activity
				2023	2024	2025	2023	2024	2025	2023	2024	2025	
Shanghai Guishou Intelligence Technology Co., Ltd. (上海硅壽智能科技有限公司) *(Notes (i) (ii)(iii))*	PRC August 10, 2015	RMB50,000	RMBNil	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions
Nanjing Wanwuyi Network Technology Co., Ltd. (南京萬物藝網絡科技有限公司) *(Notes (i) (ii)(iii)(iv))*	PRC August 4, 2017 (deconsolidated on November 29, 2024)	RMB10,000,000	RMBNil	100%	—	—	100%	—	—	—	—	—	AI workforce solutions
Nanjing Guixin Intelligence Technology Co., Ltd. (南京硅信智能科技有限公司) *(Notes (i) (ii)(iii))*	PRC July 27, 2018	RMB10,000,000	RMB2,000,000	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions
Nanjing Guimeng Intelligence Technology Co., Ltd. (南京硅夢智能科技有限公司) *(Notes (i) (ii)(iii))*	PRC August 13, 2018	RMB100,000	RMBNil	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions
Nanjing Mengma Intelligent Technology Co., Ltd. (南京夢馬智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC August 22, 2018	RMB2,000,000	RMBNil	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions
Suqian Silicon Intelligence Technology Co., Ltd. (宿遷硅基智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC May 20, 2020	RMB20,000,000	RMBNil	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions
Mianyang Silicon Intelligence Technology Co., Ltd. (綿陽硅基智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC August 12, 2020	RMB10,000,000	RMBNil	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions
Wuhu Guiyu Intelligence Technology Co., Ltd. (蕪湖硅語智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC November 19, 2020 (deregistration on July 25, 2024)	RMB20,000,000	RMBNil	100%	—	—	100%	—	—	—	—	—	AI workforce solutions
Nanjing Guiyu Intelligence Technology Co., Ltd. (南京硅語智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC December 18, 2020	RMB10,000,000	RMBNil	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions
Beijing Silicon Intelligence Technology Co., Ltd. (北京硅基智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC April 14, 2021 (deregistration on July 3, 2024)	RMB30,000,000	RMBNil	100%	—	—	100%	—	—	—	—	—	AI workforce solutions
Shenzhen Guiji Intelligence Technology Co., Ltd. (深圳硅極智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC June 8, 2022	RMB10,000,000	RMBNil	100%	100%	100%	100%	100%	100%	—	—	—	AI workforce solutions

Name of company	Place of incorporation and business/ establishment	Particulars of Registered capital	Particulars of paid-up capital	Proportion of ownership interest									Principal activity
				Group's effective interest as at December 31			Held by the Company as at December 31			Held by subsidiaries as at December 31			
				2023	2024	2025	2023	2024	2025	2023	2024	2025	
Zhejiang Guimeng Intelligence Technology Co., Ltd. (浙江硅夢智能科技有限公司) *(Notes (i)(ii)(iii))*	PRC November 14, 2022	RMB10,000,000	RMBNil	100%	100%	100%	100%	100%	100%	–	–	–	AI workforce solutions
Guiji (Kunshan) Intelligence Technology Co., Ltd. (硅基 (昆山) 智能科技有限公司) *(Notes (i)(ii)(iii)(v))*	PRC June 8, 2023	RMB100,000,000	RMB100,000,000	100%	100%	100%	100%	100%	100%	–	–	–	AI workforce solutions
Kunshan Silicon Media & Communication Co., Ltd. (昆山硅基傳媒有限公司) *(Notes ((i)(ii)(iii))*	PRC October 12, 2024	RMB16,000,000	RMBNil	–	70%	70%	–	–	–	–	70%	70%	AI workforce solutions
Jiaxing Intelligence Technology Co., Ltd. (嘉興硅基智能科技有限公司) *(Notes ((i)(ii)(iii))*	PRC April 18, 2025	RMB200,000,000	RMB200,000,000	–	–	100%	–	–	100%	–	–	–	AI workforce solutions
SILICON-BASED INTELLIGENT TECHNOLOGY PTE. LTD. *(Notes (ii)(iii))*	Singapore November 20, 2024	SGD1,000	SGDNil	–	100%	100%	–	–	–	–	100%	100%	AI workforce solutions
Silicon Based Intelligent Technology Limited (硅基智能科技有限公司) *(Notes (i)((ii)(iii))*	Hong Kong July 18, 2025	HKD10,000	HKDNil	–	–	100%	–	–	–	–	–	100%	AI workforce solutions
Jiaxing Guiyu Culture Technology Co., Ltd. (嘉興硅語文化科技有限公司) *(Notes (i)((ii)(iii))*	PRC December 12,2025	RMB10,000,000	RMBNil	–	–	100%	–	–	–	–	–	100%	AI workforce solutions
Guiji (Yuxi) Intelligence Technology Co., Ltd. (硅基(玉溪)智能科技有限公司) *(Notes (i)((ii)(iii))*	PRC December 30,2025	RMB5,000,000	RMBNil	–	–	100%	–	–	100%	–	–	–	AI workforce solutions

Notes:

(i) The official names of these entities are in Chinese. The English translation of the names is for identification only. They have adopted December 31 as their financial year end date.

(ii) No audited statutory financial statements were prepared by this entity during the Track Record Period.

(iii) These entities are limited liability companies.

(iv) This entity became a subsidiary of the Company since 2018. The Company does not have direct or indirect legal ownership in the equity of this entity. Nevertheless, the Company and its other legally owned subsidiaries control this entity by way of entering into the Contractual Arrangements with this entity and its registered owners. In November 2024, the Company terminated the aforesaid contractual arrangements with this entity. This entity was then deconsolidated from our Group. The details of Contractual Agreements are set out in the section headed "Termination of Contractual Arrangements" in the document.

(v) The statutory financial statements of the entity for the years ended December 31, 2023 and 2024 were prepared in accordance with the relevant accounting principles and regulations in the PRC and audited by Rongcheng Certified Public Accountants LLP (容誠會計師事務所(特殊普通合夥)).

All companies comprising the Group have adopted December 31 as their financial year end date.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

15 Interests in associates

The following list contains all of associates, all of which are unlisted corporate entities whose quoted market price is not available:

Name of Company	Place of incorporation and business/ establishment	Particulars of issued and paid-up capital	Proportion of ownership interest									Principal activity
			Group's effective interest As at December 31			Held by the company As at December 31			Held by a subsidiary As at December 31			
			2023	2024	2025	2023	2024	2025	2023	2024	2025	
Associates												
Hangzhou Qianyu Intelligent Technology Co., Ltd. ("**Hangzhou Qianyu**") (杭州謙語智能科技有限公司*) *(Note(i))*	PRC May 10, 2023 (disposed on December 31, 2025)	RMB3,000,000/ RMB1,000,000	50%	50%	N/A	50%	50%	N/A	—	—	N/A	Software and Information Technology Services
Siyu (Kunshan) Intelligent Technology Co., Ltd. ("**Siyu (Kunshan)**") (硅語 (昆山) 智能科技有限公司*) *(Note(ii))*	PRC April 29, 2024 (deregistration on December 26, 2025)	RMB1,000,000/ RMB390,000	N/A	49%	N/A	N/A	—	—	N/A	49%	N/A	Software and Information Technology Services
Hangzhou Siyu Intelligent Technology Co., Ltd. ("**Hangzhou Siyu**") (杭州硅羽智能科技有限公司*) *(Note(iii))*	PRC March 21, 2023 (deregistration on August 1, 2024)	RMB5,000,000/ RMB500,000	50%	N/A	N/A	5%	N/A	N/A	45%	N/A	N/A	Software and Information Technology Services
Beijing Leyu Intelligent Technology Co., Ltd. ("**Beijing Leyu**") (北京樂嶼智能科技有限公司*) *(Note (iv))*	PRC May 29, 2023 (deregistration on July 31, 2024)	RMB3,000,000/ RMB Nil	50%	N/A	N/A	50%	N/A	N/A	—	N/A	N/A	Software and Information Technology Services

* The English translation of the associates' names is for reference only. The official names of these companies are in Chinese.

Notes:

(i) In May 2023, the Group invested 50% of the equity interest in Hangzhou Qianyu Intelligent Technology Co., Ltd. with contributed registered capital of RMB1,500,000. In 2023, the Group made the capital injection of RMB1,000,000. In December 2025, the Group dispose its 50% of the equity interest in Hangzhou Qianyu Intelligent Technology Co., Ltd. to a third party at a consideration of RMB1,000,000 in cash. The Group received the consideration in January 2026. The gain on the disposal amounted to RMB1,000,000 was recorded in the other net income of the consolidated statements of profit or loss.

(ii) In April 2024, the Group invested 49% of the equity interest in Siyu (Kunshan) Intelligent Technology Co., Ltd. with contributed registered capital of RMB490,000. In 2024 and 2025, the Group made the capital injection of RMB200,000 and RMB190,000 respectively. As at December 31, 2025, Siyu (Kunshan) Intelligent Technology Co., Ltd. has been deregistered.

(iii) In May 2023, the Group invested 50% of the equity interest in Hangzhou Siyu Intelligent Technology Co., Ltd. with contributed registered capital of RMB2,500,000. In 2023, the Group made the capital injection of RMB500,000. As at December 31, 2023, Hangzhou Siyu has been deregistered and the Group received the reimbursement of capital of RMB396,000 upon deregistration.

(iv) In May 2023, the Group invested 50% of the equity interest in Beijing Leyu Intelligent Technology Co., Ltd. with contributed registered capital of RMB1,500,000. In 2023, the Group made the capital injection in RMB nil. As at December 31, 2024, Beijing Leyu has been deregistered.

Aggregate information of associates that are not individually material:

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	—	173	—

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss and total comprehensive income	(1,104)	(27)	(164)

Movement of investments in associates is disclosed below:

The Group	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Associate			
As at the beginning of the year	—	—	173
Capital injection of interests in associates	1,500	200	190
Deregistration of associates	(396)	—	—
Disposal of interests in an associate	—	—	(1,000)
Net gain on disposal of associates	—	—	801
Share of loss of associates	(1,104)	(27)	(164)
As at the end of the year	—	173	—

16 Inventories

(a) Inventories in the statements of financial position comprise:

The Group	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract fulfilment cost	14,994	42,368	79,208
Write-down of inventories	—	—	—
	14,994	42,368	79,208

The Company	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract fulfilment cost	14,772	38,608	33,045
Write-down of inventories	—	—	—
	14,772	38,608	33,045

(b) The analysis of the amount of inventories recognized as cost and included in profit or loss is as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	287,645	430,359	516,747
Provision for write-down of inventories	—	—	—
	287,645	430,359	516,747

All inventories are expected to be recovered within one year.

17 Trade receivables

The Group	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from third parties	160,933	269,747	345,971
Amounts due from related parties *(note 31(d))*	2,306	316	316
Less: loss allowance	(16,522)	(37,588)	(64,650)
Trade receivables, net	146,717	232,475	281,637

The Company	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from third parties	107,721	215,975	226,064
Amounts due from related parties *(note 31(d))*	2,306	316	316
Less: loss allowance	(6,899)	(30,413)	(56,397)
Trade receivables, net	103,128	185,878	169,983

All of the trade receivables are expected to be recovered within one year.

Aging analysis

As of the end of each reporting period, the aging analysis of the Group's trade receivables, based on the invoice date and net of loss allowance, is as follows:

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	116,700	141,902	172,613
Over 6 months but within 1 year	23,599	57,991	70,436
Over 1 year but within 18 months	6,418	21,317	21,127
Over 18 months but within 2 years	—	11,265	17,461
Trade receivables, net	146,717	232,475	281,637

Trade receivables are generally due from the date of billing. Further details on the Group's credit policy and credit risk arising for trade receivables are set out in Note 29(a).

18 Prepayments, deposits and other receivables, and amounts due from subsidiaries

The Group	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	39,470	2,897	6,032
Value added tax ("**VAT**") recoverable	2,557	11,531	13,388
Deferred cloud services	24,649	25,485	53,920
Prepayments for **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other deposits and receivables	5,633	712	1,952
Amounts due from related parties *(Note 31(d))*	18	200	—
	72,327	40,825	81,874
Less: loss allowance	—	—	—
	72,327	40,825	81,874

The Company	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	21,168	900	794
Value added tax ("**VAT**") recoverable	1,182	4,300	4,438
Deferred cloud services	21,472	1,416	3,109
Prepayments for **[REDACTED]** expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Other deposits and receivables	3,686	517	1,424
Amounts due from related parties *(Note 31(d))*	18	200	—
	47,526	7,333	16,347
Non-current:			
Amounts due from subsidiaries, net of loss allowance	92,055	37,662	38,172

Note:

The amounts due from subsidiaries are unsecured, interest-free and are expected to be recovered after more than one year. Except for this, all of prepayments, deposits and other receivables under current assets are expected to be recovered or recognized as expense within one year.

19 Cash and cash equivalents and other cash flow information

(a) Cash and cash equivalents comprise:

The Group	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	256,107	170,250	217,756
Less: restricted bank deposits *(Note i)*	—	(1,412)	—
Cash and cash equivalents	256,107	168,838	217,756

The Company	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	217,771	126,699	53,672
Less: restricted bank deposits *(Note i)*	—	(1,412)	—
Cash and cash equivalents	217,771	125,287	53,672

Note:

(i) The restricted bank deposits were in relation to the disputes in which the Company was defendant.

(b) Reconciliation of loss before taxation to cash used in operations:

	Note	Year ended December 31		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss before taxation		(95,967)	(111,699)	(25,915)
Adjustments for:				
Depreciation of property, plant and equipment	*6(c)*	7,446	7,276	5,231
Depreciation of right-of-use assets	*6(c)*	7,398	5,887	3,654
Amortization of intangible assets	*6(c)*	553	220	75
Impairment loss on trade and other receivables and contract assets	*6(c)*	11,750	21,170	27,595
Government grants		(2,430)	(2,552)	—
Finance income	*6(a)*	(4,606)	(2,239)	(857)
Finance costs	*6(a)*	435	240	144
Accretion of redemption liabilities		58,660	53,838	—
Equity-settled share-based payment expenses	*6(b)*	7,835	21,479	21,437
Net gain on disposal of property, plant and equipment	*5(b)*	(48)	(15)	—
Share of loss of associates		1,104	27	164
Net gain on disposal of an associate		—	—	(801)
Changes in working capital:				
Increase in inventories		(14,696)	(27,374)	(36,840)
Increase in trade receivables		(101,153)	(106,824)	(76,224)
Increase in contract assets		(5,095)	(2,540)	(12,977)
(Increase)/decrease in prepayments, deposits and other receivables		(12,736)	31,502	(33,467)
Decrease/(Increase) in restricted bank deposits		3	(1,412)	1,412
Increase/(decrease) in trade payables		58,921	19,276	(13,202)
(Decrease)/increase in other payables and accruals		(6,881)	7,960	(7,153)
Increase in deferred income		(1,053)	(176)	—
Increase in contract liabilities		39,692	3,740	25,337
Cash used in operations		(50,868)	(82,216)	(122,387)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 23)	*RMB'000 (Note 25)*	*RMB'000*
At January 1, 2023	13,423	854,339	867,762
Changes from financing cash flows:			
Capital element of lease rentals paid	(5,808)	—	(5,808)
Interest element of lease rentals paid	(435)	—	(435)
Total changes from financing cash flows	(6,243)	—	(6,243)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	1,432	—	1,432
Interest expenses *(Note 6(a))*	435	—	435
Netted-off by government grants *(Note 5(a))*	(2,430)	—	(2,430)
Modification	(509)	—	(509)
Accretion of redemption liabilities	—	58,660	58,660
Total other changes	(1,072)	58,660	57,588
At December 31, 2023 and January 1, 2024	6,108	912,999	919,107

	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 23)	*RMB'000 (Note 25)*	*RMB'000*
At January 1, 2024	6,108	912,999	919,107
Changes from financing cash flows:			
Capital element of lease rentals paid	(3,699)	—	(3,699)
Interest element of lease rentals paid	(240)	—	(240)
Total changes from financing cash flows	(3,939)	—	(3,939)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	3,663	—	3,663
Interest expenses *(Note 6(a))*	240	—	240
Disposal	(1,029)	—	(1,029)
Netted-off by government grants *(Note 5(a))*	(2,552)	—	(2,552)
Accretion of redemption liabilities	—	53,838	53,838
Termination of redemption liabilities	—	(966,837)	(966,837)
Total other changes	322	(912,999)	(912,677)
At December 31, 2024 and January 1, 2025	2,491	—	2,491

	Lease liabilities
	RMB'000 (Note 23)
At January 1, 2025	2,491
Changes from financing cash flows:	
Capital element of lease rentals paid	(2,498)
Interest element of lease rentals paid	(144)
Total changes from financing cash flows	(2,642)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	5,075
Interest expenses *(Note 6(a))*	144
Total other changes	5,219
At December 31, 2025	5,068

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	1,403	1,378	1,505
Within financing cash flows	6,243	3,939	2,642
	7,646	5,317	4,147

These amounts relate to the following:

	Year ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Lease rentals paid	7,646	5,317	4,147

20 Trade payables

The Group	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to third parties	96,368	115,681	102,453
Amounts due to related parties *(Note 31(d))*	45	8	34
	96,413	115,689	102,487

The Company	As at December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to third parties	47,445	60,903	29,540
Amounts due to subsidiaries	401	—	—
Amounts due to related parties *(Note 31(d))*	45	4	14
Trade payables	47,891	60,907	29,554

All of the trade payables are expected to be settled within one year or repayable on demand.

As at the end of each reporting period, the aging analysis of the Group's trade payables based on the invoice date, is as follows:

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	94,861	107,928	79,136
Over 1 year but within 2 years	1,447	7,407	18,290
Over 2 years but within 3 years	105	354	5,000
Over 3 years but within 4 years	—	—	61
	96,413	115,689	102,487

21 Other payables and accruals

The Group	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Accrued expenses	2,246	10,805	6,507
Accrued staff costs	8,529	6,597	5,958
Other tax payables	2,372	993	1,392
Others	2,420	5,132	2,517
	15,567	23,527	16,374

The Company	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Accrued expenses	2,191	9,916	5,713
Accrued staff costs	5,525	3,776	3,331
Other tax payables	1,104	630	575
Amounts due to subsidiaries	4,222	14,728	31,963
Others	1,960	4,443	2,292
	15,002	33,493	43,874

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

22 Contract assets and contract liabilities

(a) Contract assets

The Group	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount			
Current	4,017	674	15,285
Non-current	1,586	7,469	5,835
	5,603	8,143	21,120
Less: loss allowance	(228)	(332)	(865)
Balance at the end of the year	5,375	7,811	20,255

The Company	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross carrying amount			
Current	4,017	674	1,350
Non-current	1,586	7,469	5,835
	5,603	8,143	7,185
Less: loss allowance	(228)	(332)	(473)
Balance at the end of the year	5,375	7,811	6,712

(b) Contract liabilities

Movements in contract liabilities

The Group	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	6,805	46,497	50,237
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(3,244)	(33,497)	(34,453)
Increase in contract liabilities as a result of receiving advance payments during the year	135,102	149,313	202,770
Decrease in contract liabilities as a result of recognizing revenue during the same year	(92,166)	(112,076)	(142,980)
Balance at the end of the year	46,497	50,237	75,574

The Company	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	6,805	41,577	42,299
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(3,244)	(30,860)	(32,740)
Increase in contract liabilities as a result of receiving advance payments during the year	124,106	134,784	62,158
Decrease in contract liabilities as a result of recognizing revenue during the same year	(86,090)	(103,202)	(55,034)
Balance at the end of the year	41,577	42,299	16,683

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided.

23 Lease liabilities

At the end of each reporting period, the lease liabilities were repayable as follows:

The Group	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	5,802	1,220	3,107
After 1 year but within 2 years	306	1,271	1,961
	6,108	2,491	5,068

The Company	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	5,088	—	1,836
After 1 year but within 2 years	—	—	1,961
	5,088	—	3,797

24 Deferred income

As at December 31, 2023, 2024 and 2025, deferred income represented unamortized conditional government grants amounting to RMB176,000, RMB nil, and RMB nil, respectively, as subsidies for the leased properties.

25 Redemption liabilities

From December 2017 to November 2020, the Company conducted seven rounds of financings by issuing registered capital to investors and granting them a right to put back to the Company the registered capital acquired upon the occurrence of certain events, such as:

(i) a qualified **[REDACTED]** (the "**Qualified [REDACTED]**") does not occur prior to December 31, 2024;

(ii) the founding shareholder of the Company resign;

(iii) the registered capital amount of original equity of shares held by the founding shareholder is less than 50%;

(iv) any breach of contractual terms or misconducts by the Company or the founding shareholders of the Company.

The redemption price for Series Pre-A, Series A, Series A+, A++, Series B+ and Series C is as follow:

The higher of: (i) the aggregate of the original issue price for the respective series plus an annual interest rate at 8% and (ii) the audited net assets value of the shares of relevant series on the date of redemption.

The redemption price for Series B is as follow:

The higher of: (i) the aggregate of the original issue price for the respective series plus an annual interest rate at 12% and (ii) the audited net assets value of the shares of relevant series on the date of redemption.

Presentation and classification

The redemption liability is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognized in profit or loss. The then carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty's redemption right.

On November 29, 2024, the Company unconditionally terminated the Company's redemption obligations under the shareholder agreement based on a supplemental agreement with the investors. Accordingly, then carrying amount of the redemption liability of RMB966,837,000 was terminated and reclassified to equity on November 29, 2024.

Special rights granted by Mr. Sima Huapeng and Jiaxing Silicon Language Investment Partnership (Limited Partnership) ("the Jiaxing Silicon Language")

In connection with the **[REDACTED]** investments, certain **[REDACTED]** investors had been granted certain customary special rights against Mr. Sima Huapeng and Jiaxing Silicon Language including, among others, such as redemption rights.

The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil the abovementioned special rights granted by Mr. Sima Huapeng and Jiaxing Silicon Language, including the redemption rights; and (ii) the Company has not provided any guarantee for the abovementioned special rights granted by Mr. Sima Huapeng and Jiaxing Silicon Language in the event of a default by Mr. Sima Huapeng and Jiaxing Silicon Language. Accordingly, no financial liability has been recorded in the Historical Financial Information with respect to these special rights granted to the **[REDACTED]** investors by Mr. Sima Huapeng and Jiaxing Silicon Language.

26 Equity-settled share-based payments

The Company has a share option scheme which was adopted in 2019 whereby the directors of the Company are authorized, at their discretion, to invite employees of the Group, including directors of any company in the Group, to subscribe for shares of the Company. The options vest at the later of four years from the date of grant and a Qualified **[REDACTED]** and share sale has been consummated. Each option gives the holder the right to subscribe for one ordinary share in the Company. Mr. Sima Huapeng of the Company transferred to the share incentive platform certain equity interest in the Company that will be used to settle this **[REDACTED]** Share Option Plan. After a Qualified **[REDACTED]**, no share option will be granted under this **[REDACTED]** Share Option Plan.

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
	(Note (i))		
— Prior to December 31, 2022	1,115,168	Later of four years from the date of grant and a Qualified **[REDACTED]** or Share Sale has been consummated	7 years
— In 2023	357,323	Later of four years from the date of grant and a Qualified **[REDACTED]** or Share Sale has been consummated	7 years
Options granted	1,472,491		

Note:

(i) The number of instruments granted represented the number granted without taking the effect of the joint stock limited company conversion.

(b) The number of share options are as follows:

	Year ended December 31		
	2023	2024	2025
	'000	*'000*	*'000*
Outstanding at the beginning of the year	1,115,168	1,472,491	1,472,491
Granted during the year	357,323	—	—
Outstanding at the end of the year	1,472,491	1,472,491	1,472,491
Exercisable at the end of the year	—	—	—

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a Binomial Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Binomial Model.

	Granted during Year ended December 31		
	2023	2024	2025
Fair value of share options and assumptions			
Fair value at measurement date	RMB110	N/A	N/A
Share price	RMB1	N/A	N/A
Exercise price	RMB1	N/A	N/A
Expected volatility (expressed as weighted average volatility used in the modeling under Binomial Model)	68.4%	N/A	N/A
Option life (expressed as weighted average life used in the modeling under Binomial Model)	7 years	N/A	N/A
Expected dividends	0.0%	N/A	N/A
Risk-free interest rate (based on Exchange Fund Notes)	2.5%	N/A	N/A

27 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	—	—	—
Over-provision in respect of prior year	(60)	—	—
Tax refunded	60	—	—
At the end of the year	—	—	—

(b) Deferred tax assets and liabilities recognized:

The components of deferred tax assets and liabilities recognized in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Deductible tax losses	Lease liabilities	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	—	2,246	(2,246)	—
Credited/(charged) to profit or loss	138	(1,228)	1,090	—
At December 31, 2023 and January 1, 2024	138	1,018	(1,156)	—
Credited/(charged) to profit or loss	3	(395)	392	—
At December 31, 2024 and January 1, 2025	141	623	(764)	—
(Charged)/credited to profit or loss	(141)	(623)	764	—
At December 31, 2025	—	—	—	—

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(r), the Group did not recognize deferred tax assets in respect of cumulative tax losses of RMB398,816,000, RMB478,681,000 and RMB571,724,000 as at December 31, 2023, 2024 and 2025, respectively and deductible temporary differences of RMB70,118,000, RMB75,962,000, and RMB85,832,000 as at December 31, 2023, 2024 and 2025, respectively as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entities. Cumulative tax losses incurred by PRC subsidiaries will generally expire within five years, while those incurred by PRC subsidiaries qualified as high and new technology enterprises will expire within ten years under the current tax legislation.

28 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity during the Track Record Period are set out below:

The Company

	Paid in capital	Share capital	Share premium	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	15,788	—	—	(15,664)	20,681	(485,937)	(465,132)
Changes in equity for 2023:							
Loss and total comprehensive income for the year	—	—	—	—	—	(61,671)	(61,671)
Equity-settled share-based payments	—	—	—	—	7,835	—	7,835
Balance at December 31, 2023 and January 1, 2024	15,788	—	—	(15,664)	28,516	(547,608)	(518,968)
Changes in equity for 2024:							
Total comprehensive income for the year	—	—	—	—	—	(97,082)	(97,082)
Equity-settled share-based payments	—	—	—	—	21,479	—	21,479
Termination of redemption liabilities	—	—	—	966,837	—	—	966,837
Balance at December 31, 2024 and January 1, 2025	15,788	—	—	951,173	49,995	(644,690)	372,266

The Company

	Paid in capital	Share capital	Share premium	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at December 31, 2024 and January 1, 2025	15,788	—	—	951,173	49,995	(644,690)	372,266
Changes in equity for 2025:							
Total comprehensive income for the year	—	—	—	—	—	(43,164)	(43,164)
Equity-settled share-based payments	—	—	—	—	21,437	—	21,437
Issue of ordinary shares	—	1,085	179,387	—	—	—	180,472
Conversion into a joint stock company	(15,788)	16,000	294,159	(951,173)	—	656,802	—
Balance at December 31, 2025	—	17,085	473,546	—	71,432	(31,052)	531,011

(b) Dividends

No dividends were paid or declared by the Company during the Track Record Period.

(c) Paid-in capital

	RMB'000
Balance at January 1, 2023, December 31, 2023, 2024	15,788
Conversion into a joint stock company	(15,788)
Balance at December 31, 2025	—

(d) Share capital and share premium

Ordinary shares issued and fully paid of RMB1 each:

	Note	Numbers of ordinary shares	Share capital	Share premium	Total
			RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023, December 31, 2023 and 2024		—	—	—	—
Conversion into a joint stock company	*i*	—	16,000	294,159	310,159
Issue of ordinary shares	*ii*	1,085,000	1,085	179,387	180,472
Balance at December 31, 2025		1,085,000	17,085	473,546	490,631

Notes:

(i) In February 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The carrying amount of net assets of the Company as of the conversion base date were converted into 15,999,999 ordinary shares at RMB1.00 each. The excess of net assets converted over nominal value of the ordinary shares was credited to the Company's share premium.

(ii) In June 2025, the Company entered into investment agreements with an investor, pursuant to which, the investor invested RMB200,000,000 in the Company in exchange for 1,085,000 shares of the Company.

(e) Nature and purpose of reserves

(i) Share premium

Under PRC rules and regulations, share premium is non-distributable other than in liquidation and may be utilized for business expansion or converted into ordinary shares by the issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by the shareholders.

(ii) Share-based payments reserve

The share-based payment reserve comprises the Group's equity-settled share-based payments (see Note 26).

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

29 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents, financial assets measured at amortized cost is limited because the counterparties are banks and financial institutions in the PRC with high credit standing, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Credit risk arising from trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. Significant concentrations of credit risk primarily arise when the group has significant exposure to individual customers. As at December 31, 2023, 2024 and 2025, 56.8%, 77.4% and 62.5% of the total trade receivables was due from the Group's largest customer, and 81.2%, 91.6% and 64.4% of the total trade receivables was due from the Group's five largest customers respectively.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases.

Risk Category I mainly represented the customers of large-scale enterprises such as telecom operators and financial institutions which were of lower credit risk based on the historical default data and nature of customers.

Risk Category II mainly represented the customers of small or medium-sized businesses which were of higher credit risk based on the historical default data and nature of customers.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at December 31, 2023, 2024 and 2025:

	As at December 31, 2023		
Risk Category I	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	4.1%	5,603	228
Less than 6 months past due	4.1%	59,417	2,416
More than 6 months but less than 12 months past due	11.2%	26,426	2,959
More than 12 months but less than 18 months past due	19.2%	7,942	1,524
		99,388	7,127

Risk Category II	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	—	—	—
Less than 6 months past due	4.8%	62,711	3,011
More than 6 months but less than 12 months past due	26.0%	177	46
More than 12 months past due	100.0%	6,566	6,566
		69,454	9,623

	As at December 31, 2024		
Risk Category I	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	4.1%	8,143	332
Less than 6 months past due	4.1%	92,512	3,762
More than 6 months but less than 12 months past due	11.2%	65,125	7,291
More than 12 months but less than 18 months past due	19.2%	26,378	5,061
More than 18 months but less than 24 months past due	46.5%	21,076	9,811
More than 24 months past due	100.0%	4,488	4,488
		217,722	30,745

Risk Category II	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	—	—	—
Less than 6 months past due	4.8%	55,833	2,681
More than 6 months but less than 12 months past due	26.0%	212	55
More than 12 months past due	100.0%	4,439	4,439
		60,484	7,175

	As at December 31, 2025		
Risk Category I	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	6.8%	6,926	473
Less than 6 months past due	6.8%	55,619	3,794
More than 6 months but less than 12 months past due	14.3%	81,111	11,560
More than 12 months but less than 18 months past due	27.8%	29,275	8,148
More than 18 months but less than 24 months past due	48.1%	33,631	16,170
More than 24 months past due	100.0%	16,801	16,801
		223,363	56,946

Risk Category II	**Expected loss rate**	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	2.8%	14,194	392
Less than 6 months past due	2.8%	124,239	3,451
More than 6 months but less than 12 months past due	24.3%	1,169	284
More than 12 months past due	100.0%	4,442	4,442
		144,044	8,569

ECLs are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance in respect of trade receivables during the Track Record Period are as follows:

	As at December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	5,000	16,750	37,920
Impairment recognized during the year	11,750	21,170	27,595
Balance at the end of the year	16,750	37,920	65,515

Credit risk arising from other receivables

For other receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In order to minimize credit risk, the Group has tasked its operation management to develop and maintain the Group's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is drawn from the Group's own trading records to rate its debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	As at December 31, 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	96,413	—	—	—	96,413	96,413
Other payables and accruals	15,567	—	—	—	15,567	15,567
Lease liabilities	5,948	311	—	—	6,259	6,108
Redemption liabilities	912,999	—	—	—	912,999	912,999
	1,030,927	311	—	—	1,031,238	1,031,087

	As at December 31, 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	115,689	—	—	—	115,689	115,689
Other payables and accruals	23,527	—	—	—	23,527	23,527
Lease liabilities	1,289	1,289	—	—	2,578	2,491
	140,505	1,289	—	—	141,794	141,707

	As at December 31, 2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	102,487	—	—	—	102,487	102,487
Other payables and accruals	16,374	—	—	—	16,374	16,374
Lease liabilities	3,469	2,179	—	—	5,648	5,068
	122,330	2,179	—	—	124,509	123,929

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest-bearing financial instruments at variable rates at the end of each reporting period are the cash at bank, and the cash flow interest risk arising from the change of market interest rate on these balances is not considered significant. Overall speaking, the Group's exposure to interest rate risk is not significant.

(d) Currency risk

As at December 31, 2023, 2024 and 2025, the Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of each reporting period.

(e) Fair value measurement

The Group did not have financial instruments measured at fair value at the end of each reporting period. The carrying amounts of the Group's financial instruments carried at amortized cost are not materially different from their fair values at the end of each reporting period.

30 Commitments

There are no significant capital commitments outstanding at the respective year end not provided for as at December 31, 2023, 2024 and 2025.

31 Material related party transactions

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits in kind	5,448	5,635	6,519
Discretionary bonuses	1,395	751	1,269
Equity settled share-based payment expenses	4,363	6,952	6,936
Retirement scheme contributions	226	229	230
	11,432	13,567	14,954

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Name and relationship with related parties

Name of related parties	Relationship
Mr. Sima Huapeng(司馬華鵬)	Executive Director and chief executive officer, chairman of the Board
Nanjing Silicon Life Intelligent Technology Co., Ltd. (南京硅壽智能科技有限公司)	Entity controlled by Mr. Sima Huapeng
SMART INTELLIGENCE PTE. LTD.	Entity controlled by Mr. Sima Huapeng
Jiaxing Silicon Language Investment Partnership (Limited Partnership) (嘉興硅語投資合夥企業(有限合夥)) (Formerly named Ningbo Free Trade Zone Silicon Language Investment Partnership Enterprise (Limited Partnership) (寧波保税區硅語投資合夥企業(有限合夥))	Entity controlled by Mr. Sima Huapeng
Nanjing Wanruyi Network Technology Co., Ltd. (南京琬如藝網絡科技有限公司) *(Note i)*	Controlled by the director of the Company
— Shenzhen Tencent Computer System Co., Ltd.	Entity has significant influence over the Company
Tencent Cloud Computing (Beijing) Company Limited	Entity has significant influence over the Company
China Merchants Bank Co., Ltd. and its branches and subsidiaries ("**CMB Group**")	Entity has significant influence over the Company

Note:

(i) On November 26, 2025, the director of the Company transfer all her equity interest in Nanjing Wanruyi Network Technology Co., Ltd. to an independent third party. Therefore, since November 26, 2025 Nanjing Wanruyi Network Technology Co., Ltd. was no longer a related party of the Group.

(c) Material related party transactions

The Group entered into the following material related party transactions for the years ended December 31, 2023, 2024 and 2025:

	Year ended December 31		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchase of services			
— Nanjing Wanruyi Network Technology Co., Ltd.	—	700	4910
— Tencent Cloud Computing (Beijing) Company Limited	1,137	278	431
	1,137	978	5,341
Sale of goods			
— CMB Group	601	163	9
Sale of services			
— CMB Group	4,195	9	—
— Shenzhen Tencent Computer System Co., Ltd.	—	—	145
	4,796	172	154
Redemption of certificate of deposits			
— CMB Group	(10,000)	—	—

(d) Balance with related parties

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade in nature			
Prepayments, deposits and other receivables:			
— Nanjing Wanruyi Network Technology Co., Ltd.	—	189	—
Trade receivables:			
— CMB Group	2,306	316	316
Trade payables:			
— Tencent Cloud Computing (Beijing) Company Limited	45	8	34
Non-trade in nature			
Prepayments, deposits and other receivables:			
— Nanjing Silicon Life Intelligent Technology Co., Ltd.	9	—	—
— Jiaxing Silicon Language Investment Partnership (Limited Partnership)	9	11	—
	18	11	—

All the non-trade balances with related parties had been settled as of December 31, 2025.

32 Possible impact of amendments, new standards and interpretations issued but not yet effective for the Track Record Period

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7: *Contracts Referencing Nature-dependent Electricity*	January 1, 2026
Amendments to IFRS 9 and IFRS 7: *Amendments to the Classification and Measurement of Financial Instruments*	January 1, 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18 *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	January 1, 2027
Amendments to IAS 21, *Translation to a hyperinflationary presentation currency*	January 1, 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IFRS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively. Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements. The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of the consolidated statement of profit or loss and is not expected to have significant impact on the financial performance and positions of the Group.

33 Subsequent event

There were no material subsequent events after December 31, 2025 up to the date of this report.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to December 31, 2025.

The information set out below does not form part of the Accountants' Report received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, as set out in Appendix I to this document, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Company and its subsidiaries (the "**Group**") prepared in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is set out below to illustrate the effect of the **[REDACTED]** on the consolidated net tangible assets attributable to equity shareholders of the Company as at December 31, 2025 as if the **[REDACTED]** had taken place on December 31, 2025.

The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the **[REDACTED]** been completed as at December 31, 2025 or any future date.

	Consolidated net tangible assets attributable to the equity shareholders of the Company as at December 31, 2025[1]	Estimated [REDACTED] from the [REDACTED][2 & 4]	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB[3]*	*HK$[4]*
Based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**	490,860	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**	490,860	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The consolidated net tangible assets attributable to the equity shareholders of the Company as of December 31, 2025 is calculated based on the total equity of RMB491,278,000, less intangible assets of RMB418,000 as at December 31, 2025, extracted from the Accountants' Report set out in Appendix I to this Document.

(2) The estimated **[REDACTED]** from the **[REDACTED]** are based on the expected issuance of **[REDACTED]** H shares and the indicative **[REDACTED]** of HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**, being the lower end **[REDACTED]** and higher end **[REDACTED]** of the stated **[REDACTED]** range, respectively, after deduction of estimated **[REDACTED]** and other related **[REDACTED]** expenses paid or payable by the Group (excluding the **[REDACTED]** expenses charged to profit or loss during the Track Record Period of RMB**[REDACTED]**) and does not take into account of any Shares which may be issued upon the exercise of the **[REDACTED]** or the **[REDACTED]** Share Option Plan.

(3) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share are arrived at after above adjustments and on the basis that **[REDACTED]** Shares are expected to be in issue immediately following the completion of the **[REDACTED]** and assuming that the **[REDACTED]** had been completed on December 31, 2025 without taking into account of the Shares which may be issued upon exercise of the **[REDACTED]** or the **[REDACTED]** Share Option Plan.

(4) For illustrative purpose, the estimated **[REDACTED]** from the **[REDACTED]** is converted from the Hong Kong Dollar into Renminbi and the unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company per Share is converted from Renminbi into Hong Kong Dollar at the exchange rate of HK$1 to RMB0.88065, the exchange rate set by PBOC prevailing on Latest Practicable Date. No representation is made that the Hong Kong Dollars amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate.

(5) No adjustment has been made to reflect any **[REDACTED]** result or other transactions of the Group entered into subsequent to December 31, 2025.

[REDACTED]

[REDACTED]

[REDACTED]

PRC TAXATION

Taxation of Security Holders

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken into account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, and stamp duty. Prospective investors are urged to consult their financial advisors regarding the PRC and elsewhere tax consequences of owning and disposing of the H shares.

Taxation on Dividends

Individual Investors

Under the provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), last amended on August 31, 2018, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), last amended on December 18, 2018 (collectively referred to as the "**IIT Law**"), dividends disbursed by Chinese enterprises are subject to a flat individual income tax rate of 20%. For foreign individuals who are not residents of China, dividends received from a Chinese enterprise are generally taxed at 20%, unless there are specific exemptions granted by the State Council's tax authority or reductions under an applicable tax treaty.

According to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家税務總局關於發布<非居民納税人享受協定待遇管理辦法>的公告》), which came into effect on 1 January 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, claiming benefits, retention of the relevant materials for future inspection". Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and accept follow-up administration by the tax authorities. For withholding at source and designated withholding, a non-resident taxpayer asserting that it satisfies the criteria for claiming treaty benefits and need to claim such benefits shall complete an "Information Report on Non-resident Taxpayers Claiming Treaty Benefits" truthfully, submit to the withholding agent voluntarily, gather and retain the relevant materials pursuant to the relevant provisions.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents, including both natural persons and legal entities. The tax levied shall not exceed 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and meets certain conditions as the beneficial owner of the equity, the tax imposed shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), in effect since December 6, 2019, introduces specific criteria determining entitlement to treaty benefits. According to this protocol, treaty benefits will not be granted if, upon careful consideration of all relevant facts and conditions, it is reasonably determined that obtaining these benefits was a primary purpose of the arrangement or transactions, thereby providing direct or indirect benefits under the Arrangement. Exceptions are made when such benefits align with the Arrangement's relevant objectives and goals.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81). Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.

Enterprise Investors

Pursuant to the provisions outlined in the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), enacted by the National People's Congress of the PRC (NPC) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and in alignment with the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on December 6, 2007, and effective from January 1, 2008, last amended on December 6, 2024 and effective on January 20, 2025 (collectively referred to as the "**EIT Law**"), it is established that a non-resident enterprise is generally liable to a 10% enterprise income tax on income sourced within the PRC. Such income includes dividends and bonuses received from a PRC resident enterprise. This taxation applies to non-resident enterprises that lack a physical establishment or premises in the PRC. Alternatively, if an establishment or premise exists within the PRC, but the PRC-sourced income is unrelated to said establishment or premise, it is subject to the aforementioned taxation.

The withholding tax for non-resident enterprises is mandated to be deducted at the source, whereby the entity making the payment assumes the role of the withholding agent. Consequently, the withholding agent is obligated to withhold the income tax from the payment or due payment each time it is disbursed or becomes due.

The Circular of the State Taxation Administration (STA) on Issues Relating to the Withholding and Remitting of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the PRC Government is authorized to impose taxes on dividends disbursed by a PRC company to Hong Kong residents, including both individuals and legal entities, not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax shall not surpass 5% of the total dividends if the Hong Kong resident qualifies as the beneficial owner of the equity, and specific conditions are met.

Tax Treaties

Non-resident investors residing in jurisdictions that have established treaties or arrangements for the avoidance of double taxation with the PRC may qualify for a reduction in the PRC enterprise income tax levied on dividends received from PRC companies. Currently, the PRC has entered into Avoidance of Double Taxation Treaties or Arrangements with several countries and regions, including

the Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States.

Non-PRC resident enterprises eligible for preferential tax rates under these relevant taxation treaties or arrangements are required to submit an application to the PRC tax authorities for a refund of the enterprise income tax that exceeds the agreed tax rate. The approval of the refund application is subject to the evaluation and decision of the PRC tax authorities.

Shanghai-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the STA and the CSRC on 31 October 2014 and effective on 17 November 2014, transfer spread income derived by enterprises in mainland China from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland China from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H shares companies shall apply to CSDCC for providing the register of individual investors in mainland China to the H shares companies and withhold individual income tax at the rate of 20% on behalf of the H shares companies.

Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated by the MOF, the STA and the CSRC on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. Pursuant to which, dividend income obtained by resident enterprises in mainland China from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H shares companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the STA and the CSRC on 5 November 2016 and effective on 5 December 2016, transfer spread income derived by enterprise investors in mainland China from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland China from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H shares companies shall apply to CSDCC for providing the register of individual investors in mainland China to the H shares companies and the H shares companies shall withhold individual income tax at the rate of 20% on behalf of the investors.

Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on 21 August 2023

and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. In particular, dividends and bonus income obtained by resident enterprises in mainland China from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H shares companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

Taxation on Share Transfer

Value-Added Tax and Local Surcharges

Under the guidelines outlined in the Notice on the Full Implementation of the Pilot Program for Transition from Business Tax to Value-Added Tax (《關於全面推開營業税改徵增值税試點的通知》) (Cai Shui [2016] No. 36) (referred to as "**Circular 36**"), effective from May 1, 2016, and subsequently amended on July 11, 2017, December 25, 2017, and March 20, 2019, individuals and entities conducting service transactions within the PRC are obligated to pay Value-Added Tax (VAT). "Sales of services within the PRC" are defined as transactions where either the service provider or the recipient is situated within the PRC.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may avoid VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

Income Taxes

Individual investors

Under the IIT Law, gains arising from the transfer of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. However, in accordance with the Circular of the Ministry of Finance (MOF) and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61), issued jointly by the MOF and STA on March 30, 1998, gains obtained by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997.

However, on December 31, 2009, the MOF, the STA, and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167). This circular, effective from January 1, 2010, stipulates that individuals' income derived from the transfer of listed shares acquired through public offerings and trading on the Shanghai Stock Exchange and the Shenzhen Stock Exchange remains exempt from individual income tax. This exemption applies to shares not subject to sales restrictions, as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals'

Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70), jointly issued by the three aforementioned departments and effective from November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise investors

In accordance with the Enterprise Income Tax (EIT) Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC, non-resident enterprises are typically subject to a 10% enterprise income tax on income sourced within the PRC. This includes gains realized from the disposal of equity interests in a PRC resident enterprise. However, this taxation applies only if the non-resident enterprise does not maintain a physical establishment or premises in the PRC, or if it does have such establishments in the PRC, but its PRC-sourced income is not genuinely connected with those establishments.

The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It's important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements on the avoidance of double taxation.

Stamp Duty

In compliance with the PRC Stamp Duty Law (《中華人民共和國印花稅法》), as issued by the SCNPC on June 10, 2021, and enforced from July 1, 2022 (referred to as the "**Stamp Duty Law**"), all entities and individuals involved in securities transactions within the PRC are obligated to pay stamp duty as per the regulations outlined in the Stamp Duty Law. Consequently, the stipulations concerning stamp duty applied to the transfer of shares of PRC-listed companies do not extend to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

Foreign Exchange

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China (the "**PBOC**"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》, the "**Regulations on the Management of Foreign Exchange**"), which was promulgated by the State Council on January 29, 1996 and effective on April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange as amended on January 14, 1997 and August 5, 2008, the PRC will not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》, the "**Settlement Regulations**"), which was promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and effective on the same date, the PRC

began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On August 5, 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the Board of Directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange banks or effect exchange and payment at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts. On December 26, 2014, the SAFE implemented the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), pursuant to which, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015

and took effect on June 1, 2015, and amended on December 30, 2019, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted

by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

The PRC Judicial System

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The people's court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people's court are final. The parties may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. The first judgments or rulings of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**PRC Civil Procedure Law**") adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

Where a party applies for enforcement of a legally effective judgement or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgement or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

The Company Law of the PRC, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**PRC Company Law**") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC Promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for the Articles of Association**"). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to

the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

General Provisions

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association.

A company's promoter shall be liable for the followings: (1) the debts and expenses incurred in the establishment process jointly and severally if the company cannot be established; (2) the refund of subscription monies paid by the subscribers together with interest at bank deposit rates for the same period jointly and severally if the company cannot be established.

Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, stock rights or creditor's rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

Under the PRC Company Law, a joint stock limited company shall maintain a shareholder register which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the type and quantity of subscribed shares for each shareholder; (3) for stocks issued in paper form, the serial numbers of stocks; (4) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issues of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. A joint stock limited company may issue shares at a par value or at a premium, but it may not issue shares below the par value.

To issue shares overseas, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within three working days after submission of the application documents for issuance and listing overseas.

Increase In Share Capital

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a shareholder's meeting. The Articles of Association or the shareholders' meeting may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' meeting. Where the Board of Directors is authorized and decides to issue shares, and thus results in a change in the registered capital or the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the Articles of Association of the company. Where the Articles of Association or the shareholders' meeting of a company authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the directors. In addition, where a domestic enterprise issuing and listing overseas, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures and submit a filing report, legal opinions and other relevant materials, giving a true, accurate and complete account of shareholders' information and other information.

Reduction of Share Capital

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

(I) the company shall prepare a balance sheet and an inventory of properties;

(II) make a resolution at a shareholders' meeting to reduce the registered capital;

(III) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

(IV) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and

(V) the company must apply to the company registration authority for a change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is otherwise prescribed by the Articles of Association of the company.

If a company still has losses after making up for them in accordance with the relevant provisions of the PRC Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid

provisions, the item (III) and item (IV) mentioned above shall not apply, but the resolution to reduce the registered capital shall be made by the shareholders' meeting within 30 days from the date of the announcement in the newspapers or on the National Enterprise Credit Information Publicity System. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the PRC Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors, supervisors and senior management shall bear the liability for compensation.

Repurchase of Shares

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

(I) reduction of the registered capital of the company;

(II) merger with another company that holds its shares;

(III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;

(IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;

(V) use of shares for conversion of convertible corporate bonds issued by the listed company; and

(VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds of all the directors.

Any director, supervisor or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensations.

Transfer of Shares

The shares held by a shareholder of a company may be transferred to other shareholders or to persons other than the shareholders of the company. Where the Articles of Association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the Articles of Association. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of shares, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. Directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof during the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. They shall not transfer the shares they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

Shareholders

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

(I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;

(II) to petition the people's court to revoke any resolution of a shareholders' meeting, a shareholders' meeting or a meeting of the Board of Directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the Articles of Association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;

(III) to transfer his/her shares legally;

(IV) to attend or appoint a proxy to attend shareholders' meeting and exercise the voting rights;

(V) to inspect and copy the Articles of Association of the company, share register, the minutes of shareholders' meeting, board resolutions, resolutions of the Board of Supervisors and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;

(VI) to receive dividends in respect of the number of shares held;

(VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and

(VIII) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the Articles of Association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

Shareholders' meeting

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise its powers:

(I) to elect or replace the directors and supervisors and to decide on their remunerations;

(II) to consider and approve the reports of the Board of Directors;

(III) to consider and approve the reports of the Board of Supervisors;

(IV) to consider and approve the company's profit distribution and loss recovery proposals;

(V) to decide on any increase or reduction of the company's registered capital;

(VI) to decide on the issue of corporate bonds;

(VII) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

(VIII) to amend the Articles of Association of the company; and

(IX) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following:

(I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;

(II) the total outstanding losses of the company amounted to one-third of the company's total capital stock;

(III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting;

(IV) the Board of Directors deems necessary;

(V) the Board of Supervisors so proposes; or

(VI) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is convened by the Board of Directors and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the Board of Directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner; if the Board of Supervisors fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the Board of Directors and the Board of Supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the Board of Directors ten days before the shareholders' meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholder's meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

Under the PRC Company Law, the passing of any resolution at the shareholder's meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholder's meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholder's meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

A joint stock limited company shall have a board. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the Board of Directors and have one director to exercise the functions and powers of the Board of Directors as prescribed by the PRC Company Law. If the Board of Directors of a company has more than three members, it may include an employees' representative of the company. Where a company has 300 or more employees, the Board of Directors shall include the employees' representatives of the company unless the Board of Supervisors has been established and includes employees' representatives of the company. The employees' representatives in the Board of Directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means.

The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum. Where a director resigns, he/she shall notify the company in written form, and the resignation shall become effective on the day when the company receives the notice.

However, under any of the circumstances as mentioned in the preceding paragraph, the director shall continue performing his/her duties.

Under the PRC Company Law, the Board of Directors may exercise the following powers:

(I) to convene shareholders' meeting and report on its work to the shareholders' meeting;

(II) to implement the resolutions passed by the shareholders at the shareholders' meeting;

(III) to decide on the Company's operational plans and investment proposals;

(IV) to formulate the Company's proposals for profit distribution and for recovery of losses;

(V) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;

(VI) to formulate proposals for the merger, division, dissolution of the Company or change in the form of the Company;

(VII) to decide on the setup of the Company's internal management organs;

(VIII) to decide on appointment or dismissal the manager of the Company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the Company's deputy general manager and financial officer and his/her remuneration matters;

(IX) to formulate the Company's basic management system; and

(X) other authority stipulated in the Articles of Association or granted by the shareholders' meeting.

Any restrictions on the functions and powers of the Board of Directors set out in the Articles of Association may not be asserted against any bona fide third party.

Under the PRC Company Law, a company may, under the Articles of Association, set up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. It may not have a Board of Supervisors or supervisors. The audit committee shall be composed of at least 3 members, and more than half of the members shall not

assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the Board of Directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the Articles of Association, unless it is otherwise provided under the PRC Company Law. A company may set up other committees in the Board of Directors under the Articles of Association.

Meeting of the Board of Directors shall be convened at least twice a year. Notice of meeting shall be given to all Directors and Supervisors 10 days before the meeting. Interim board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Board of Supervisors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The Board of Directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the Board of Directors.

No meeting of the Board of Directors may be held unless more than half of the directors are present. A resolution made by the Board of Directors shall be adopted by more than half of all the directors. For voting on a resolution of the Board of Directors, each director shall have one vote. The Board of Directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the Board of Directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the Board of Directors. Where a resolution of the Board of Directors is in violation of any law, administrative regulation, Article of Association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Under the PRC Company Law, the following person may not serve as a director of the company:

(I) devoid of or with restricted civil conduct ability;

(II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence;

(III) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency;

(IV) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and

(V) being listed as a dishonest person subject to enforcement by the people's court due to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

In addition, the Guidelines for Articles of Association of Listed Companies further stipulates other circumstances under which a person is disqualified from acting as a director of a company, including: (1) a person who has been banned from the securities market by the CSRC where the relevant period remains unexpired; or (2) a person who is banned from doing so in accordance with other laws, administrative regulations or departmental rules.

Under the PRC Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

Special Committees of the Board

A joint stock limited company shall have a Board of Supervisors composed of three members or more. However, a joint stock limited company (i) with a relatively small scale or relatively small number of shareholders may dispense with the Board of Supervisors, but may have one supervisor, who shall exercise the functions and powers of the Board of Supervisors, and (ii) may not have a Board of Supervisors or supervisors if it sets up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. The Board of the Company has established an Audit Committee, which shall exercise the functions and powers of the board of supervisors as prescribed by the Company Law.

The Audit Committee consists of three or more than three members, who are non-executive directors, including at least one independent director who is an accounting professional with appropriate professional qualifications or possesses appropriate accounting or relevant financial management expertise. Independent directors shall constitute the majority of the Audit Committee. The Committee shall have a convener, who shall be an accounting professional among the independent directors.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and assessing both internal and external audit and internal control. The following matters shall be submitted to the Board of Directors for consideration only upon approval by a majority of all members of the Audit Committee:

(1) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(2) Engagement or dismissal of the accounting firm responsible for the Company's audit business;

(3) Appointment or removal of the Company's Chief Financial Officer;

(4) Changes to accounting policies or accounting estimates, or correction of material accounting errors, except where such changes are due to modifications in accounting standards;

(5) Other matters as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules in the place where the Company's shares are **[REDACTED]**, or the Articles of Association.

The Audit Committee shall convene at least one meeting each quarter. An interim meeting may be convened upon the proposal of two or more members or at the discretion of the convener if deemed necessary. Meetings of the Audit Committee shall only be held if attended by at least two-thirds of its members.

The Board of the Company has established the other special committees including the Nomination Committee, the Remuneration and Appraisal Committee, which perform their duties in accordance with the Articles and the authorization of the Board. The proposals of the special committees shall be submitted to the Board for review and decision making. The working procedures of the special committees shall be formulated by the Board. Among them, independent directors in the Nomination Committee and the Remuneration and Appraisal Committee shall be in majority and one of them acts as convener.

Manager and Senior Management

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The manager shall attend the meeting of the Board of Directors as a non-voting member.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the Board of Directors of a listed company and other personnel as stipulated in the Articles of Association.

Duties of Directors, Supervisors, General Managers and Other Senior Management

Directors, supervisors and senior management shall comply with laws, administrative regulations and the Articles of Association.

Directors, supervisors and senior management shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. The directors, supervisors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

The provisions of the preceding paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but actually executes the affairs of the company.

In the meantime, directors, supervisors and senior management are prohibited from:

(I) embezzling the property or misappropriating the funds of the company;

(II) depositing company funds into accounts under their own names or the names of other individuals;

(III) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;

(IV) accept commissions from transactions between others and the company for their own benefits;

(V) unauthorized divulgence of confidential information of the company; and

(VI) other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes laws, administrative regulations or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. The Board of Supervisors may demand the directors or senior management to submit reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the Board of Supervisors, none of them may impede the exercise of powers by the Board of Supervisors or supervisors.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the Board of Supervisors to initiate proceedings in the people's court.

Where the supervisors violate the laws, administrative regulations or the Articles of Association in performance of duties resulting in any loss to the company, the aforementioned shareholder(s) may request in writing that the Board of Directors institute litigation at a people's court. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Board of Supervisors or the Board of Directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

If a director, supervisor or senior management of a wholly-owned subsidiary of the company violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company or shareholders of a joint stock limited company individually and jointly holding 1% or more of the total shares of the company for 180 consecutive days or more may request the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

Finance, Accounting and Profit Distribution

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholder's meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to

its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profit shall not be distributed for a company's shares held by this company.

Where a company distributes profits to shareholders in violation of the relevant provisions of the PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors, supervisors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the PRC Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

Appointment and Dismissal of Auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting, the Board of Directors or the Board of Supervisors in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the shareholders' meeting, the Board of Directors or the Board of Supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

Amendment to Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's Articles of Association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association approved by the resolution of the shareholder's meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and directors, supervisors, and senior management who are responsible for causing losses to the company shall bear compensation liability.

Dissolution and Liquidation

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

(I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;

(II) the shareholders' meeting has resolved to dissolve the company;

(III) the company is dissolved by reason of its merger or division;

(IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

(V) Where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstance as mentioned in Items (I) or (II) of the paragraph above and it has not distributed the assets to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two thirds or more of the voting rights of the shareholders who attend the meeting of the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in item (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation committee may exercise following powers during the liquidation:

(I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;

(II) to inform creditors by notice or announcement;

(III) to deal with and settle any outstanding business of relevant company;

(IV) to pay all outstanding taxes and the taxes arising during the liquidation process;

(V) to settle claims and debts;

(VI) to distribute the company's remaining assets after its debts have been paid off; and

(VII) to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation committee shall register the creditor's claims. In the claims declaration period, the liquidation committee shall not make repayment to the creditors.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon a commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is

no objection after the announcement period expires, the company registration authority may deregister the company. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

Overseas Listing

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

(I) the listing and financing fall under specific prohibition in the laws, administrative regulations, and relevant national provisions;

(II) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law;

(III) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;

(IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;

(V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

(I) change of control;

(II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;

(III) change of the listing status or transfer of listing board;

(IV) voluntary or compulsory termination of listing.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises, which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or

entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

The PRC Securities Law, Regulations and Regulatory Regimes

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**PRC Securities Law**") took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on

March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**PRC Arbitration Law**") was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, September 1, 2017. A further amendment was promulgated on September 12, 2025, and shall take effect on March 1, 2026. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that (I) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People's Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region(《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on

November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

This Appendix provides an overview of the detailed regulations of the Articles of Association for investors. The following data is only a summary and may not be exhaustive or essential for investors.

Shares and Registered Capital

Shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank pari passu in all respects. Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and subscribers shall pay the same amount per share for the shares they subscribe to.

Shares issued by the Company that are H shares can be held by shareholders in individual names or entrusted to custody by a custodian company according to the laws, securities regulations, and securities registration and custody requirements of the place where the Company's shares are **[REDACTED]**.

For shares issued by the Company with a face value, the nominal value is denominated in RMB, with a face value of RMB1 per share.

Additional Issuance, Repurchase, and Transfer of Shares

Increase and Decrease of Shares

The Company, based on operational and developmental needs, may increase capital in the following ways according to laws and regulations and through resolutions passed by the shareholders' general meeting:

(1) Issuing shares to unspecified parties;

(2) Issuing shares to specified parties;

(3) Distributing bonus shares to existing shareholders;

(4) Capitalizing reserve funds into share capital;

(5) Other methods as stipulated by laws, administrative regulations, CSRC, Hong Kong Stock Exchange, and relevant regulatory authorities such as securities regulatory authorities in the place where the Company's shares are **[REDACTED]**.

If the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company must notify creditors within ten days of the resolution to reduce the registered capital passed at the shareholders' general meeting, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 30 days, and disclose it on the Hong Kong Stock Exchange disclosure website (**www.hkexnews.hk**) and the company's official website according to the securities regulatory rules of the place where the Company's shares are **[REDACTED]**. Creditors shall have the right to demand debt repayment or corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of public announcement if they have not received the notice.

Repurchase of Shares

The Company is prohibited from repurchasing its own shares. Exceptions may be made under the following circumstances:

(1) Decreasing the Company's registered capital;

(2) Merging with other companies holding the Company's shares;

(3) Using shares for an employee stock ownership plan or equity incentive;

(4) Shareholder dissenting from a resolution by the general meeting for merger or division of the Company and requesting the Company to repurchase their shares;

(5) Using shares to convert convertible bonds issued by the Company into stocks;

(6) Being necessary to maintain the Company's value and shareholder rights;

(7) Other circumstances permitted by laws, regulations, local securities regulations where the Company's shares are **[REDACTED]**, etc.

A subsidiary of the Company holding the Company's shares is not allowed to acquire the Company's shares.

If the Company repurchases its shares, it can be done through open centralized transactions or other methods recognized by laws, administrative regulations, CSRC, and securities regulatory authorities of the place where the Company's shares are **[REDACTED]**. If the repurchase is due to the circumstances mentioned in Items (3), (5), and (6), it shall be conducted through open centralized transactions.

In situations mentioned in Items (1) and (2), the repurchase shall be approved by the general meeting's resolution; for Items (3), (5), and (6), it can be resolved by a Board meeting with two-thirds or more of the attending directors, in accordance with the authorization of the general meeting, subject to compliance with applicable securities regulatory rules of the place where the company's stocks are **[REDACTED]**. The Company shall fulfill disclosure obligations in accordance with laws, regulations, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, etc.

Transfer of Shares

The shares issued before the **[REDACTED]** of the Company may not be transferred within a year from the date on which our shares are **[REDACTED]** on the stock exchange.

Directors and senior management of the Company must declare the shares (including preferred shares) they hold in the Company and any changes thereto. During their tenure, the shares they transfer annually shall not exceed 25% of the total shares of the same class they hold in the Company, and the shares they hold cannot be transferred within one year from the Company's shares being **[REDACTED]** for **[REDACTED]**. These individuals are prohibited from transferring their held company shares within six months after leaving their positions. If there are other regulations on share transfer restrictions by laws, regulations, CSRC, and/or the listing rules of the place where the Company's shares are **[REDACTED]**, those regulations shall be followed.

Shareholders and Shareholders' General Meeting

Shareholders

The Company establishes a share register based on evidence provided by the securities depository and clearing institution, which serves as adequate evidence of shareholders holding company shares. Shareholders have rights and obligations corresponding to the class of shares they hold, and those holding the same class of shares enjoy equal rights and bear similar obligations.

The Company's shareholders enjoy the following rights:

(1) Speaking and voting at shareholders' general meetings, except when being required to waive voting rights on individual matters under the *Hong Kong Stock Exchange Listing Rules*;

(2) Obtaining dividend or other forms of interest distribution in accordance with the proportion of their shares;

(3) Legally requesting to convene, organize, preside over, participate or appoint shareholder representatives to attend the shareholders' general meeting, and exercise the corresponding speaking and voting rights;

(4) Supervising the operation of the Company and making proposals, or inquiries;

(5) Transferring, donating, or pledging the shares it holds in accordance with the provisions of laws, administrative regulations, and the Articles of Association;

(6) Accessing and copying the Company's Articles of Association, share register, shareholder meeting records, Board meeting resolutions, and financial accounting reports; approved shareholders can access the Company's accounting books and vouchers;

(7) Participating in distribution of remaining assets in accordance with their share proportion in case of company termination or liquidation;

(8) Shareholders dissenting from a resolution at the shareholders' general meeting regarding mergers or divisions can request the Company to repurchase their shares;

(9) Accessing the Company's Hong Kong branch share register; but the Company can suspend shareholder registration procedures in accordance with Clause 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

(10) That every member shall be entitled to appoint a proxy who needs not necessarily be a member of the issuer and that every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer;

(11) Exercising other rights as stipulated by laws, administrative regulations, departmental regulations, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, or the Articles of Association.

Shareholders have the right to request the People's Court to declare invalid resolutions of shareholders' general meetings and Board meetings that violate laws or administrative regulations. If shareholders' general meetings and Board meeting convening procedures, voting methods violate laws, administrative regulations, or the Articles of Association, or resolutions violate the Articles of Association, shareholders have the right to request the People's Court to revoke the resolution within 60 days from the date of the resolution. However, this does not apply if the convening procedures or voting methods of the shareholders' general meeting and the Board meeting are found to have minor defects and do not substantially affect the resolution.

The shareholders assume the following obligations:

(1) Complying with laws, administrative regulations, and the Articles of Association;

(2) Paying capital contributions according to the subscribed shares and method of entry;

(3) Not withdrawing their capital, except as provided by laws and administrative regulations;

(4) Not abusing the shareholder's right to cause damage to the Company's or other shareholder's benefit, nor the right of corporate independent juridical person and limited liability of shareholders to cause damage to the creditors' interests;

(5) Fulfilling other obligations as stipulated by laws, administrative regulations, the Articles of Association, and securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

General Provisions of the Shareholders' General Meeting

The Company's shareholders' general meeting consists of all shareholders. It functions as the Company's governing body, exercising the following powers in accordance with the law:

(1) Electing and replacing directors and determining matters related to their remuneration;

(2) Reviewing and approving the Board of Directors' reports;

(3) Reviewing and approving the Company's profit distribution and loss compensation plans;

(4) Making resolutions on increasing or decreasing the Company's registered capital;

(5) Making resolutions on issuance of bonds or other securities, any type of shares, warrants, other securities, as well as listing proposals;

(6) Making resolutions on Company mergers, divisions, dissolution, liquidation, or changes in corporate form;

(7) Amending the Articles of Association;

(8) Making resolutions on the appointment and dismissal of accounting firms undertaking the company's audit services and their remuneration matters;

(9) Reviewing and approving the guarantee matters specified in Article 45 of the Articles of Association;

(10) Reviewing transactions involving the purchase or sale of significant assets exceeding 30% of the Company's most recent audited total assets within a year;

(11) Reviewing and approving changes in the use of raised funds;

(12) Reviewing equity incentive plans and employee stock ownership plans;

(13) Deciding on other matters required to be determined by the shareholders' general meeting under laws, administrative regulations, departmental regulations, Articles of Association, and the securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

The following external guarantees by the Company require approval from the shareholders' general meeting:

(1) Any guarantees provided for those parts where the total amount of the external guarantees of the Company and its controlling subsidiaries exceeds 50% of the net assets of the Company through audit in the latest period;

(2) Any guarantees provided for those parts where the total amount of the external guarantees of the Company exceeds 30% of the total assets of the Company through audit in the latest period;

(3) Guarantees to others in an amount exceeding 30% of the total audited assets of the Company in the lasted period within a year;

(4) Guarantees provided for those guarantee subjects where the debt ratio exceeds 70%;

(5) Single guarantee exceeding 10% of net assets in the last audit;

(6) Guarantees provided to shareholders, actual controllers and their related parties.

(7) Guarantees as required to be reviewed by the shareholders' general meeting under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, or the Articles of Association.

In the event of any of the following circumstances, the company must convene an extraordinary shareholders' general meeting within two months from the occurrence date:

(1) When the number of directors falls below two-thirds of the required number under the *Company Law* or the number specified in the Articles of Association;

(2) When the Company's unremedied losses reach one-third of the total share capital;

(3) Upon the request of a shareholder holding over 10% of the voting shares individually or in aggregate (excluding treasury stock, if any.);

(4) When deemed necessary by the Board of Directors;

(5) Upon the proposal of the audit committee;

(6) In other circumstances stipulated by laws, administrative regulations, departmental regulations, or the Articles of Association.

Convening of Shareholders' General Meeting

The Board of Directors must timely convene the shareholders' general meeting within the prescribed period.

With the agreement of the majority of independent directors, independent directors have the right to propose the convening of an extraordinary shareholders' general meeting to the Board of Directors. Upon receiving a proposal from independent directors for convening an extraordinary shareholders' general meeting, the Board of Directors must provide a written response agreeing or disagreeing with the proposal within ten days in accordance with the law, administrative regulations, and the Articles of Association. If the Board agrees to convene the extraordinary shareholders' general meeting, they must issue the meeting notice within five days after the Board passes a resolution; if not, the Board must state the reasons and make an announcement.

If the Audit Committee proposes the convening of an extraordinary shareholders' general meeting to the Board of Directors, it must propose in writing. The Board of Directors must provide a written response agreeing or disagreeing with the proposal within ten days of receiving it in accordance with the law, administrative regulations, and the Articles of Association. If the Board agrees to convene the extraordinary shareholders' general meeting, they must issue the meeting notice within five days after passing a Board resolution. Any changes to the original proposal in the notice require the consent of the Audit Committee. If the Board does not agree to convene the extraordinary shareholders' general meeting or fails to provide feedback within ten days, it is considered that the Board cannot or will not fulfill its duty to convene the shareholders' general meeting. In such a case, the Audit Committee can independently convene and chair the meeting.

Shareholders holding individually or jointly more than 10% of the voting shares of the Company (including voting restoration rights of preferred shares, if any) requesting the convening of an extraordinary shareholders' general meeting must submit their request in writing to the Board of Directors. The Board of Directors must provide a written response agreeing or disagreeing with the request within ten days of receipt according to the law, administrative regulations, and the Articles of Association. If the Board agrees to convene the extraordinary shareholders' general meeting, they must issue the meeting notice within five days after passing a Board resolution. Any changes to the original request in the notice require the consent of the relevant shareholders. If the Board does not agree to convene the extraordinary shareholders' general meeting or fails to respond within ten days, shareholders holding individually or jointly over 10% of the voting shares can propose to the Audit Committee to convene an extraordinary general meeting in writing.

If the Audit Committee agrees to convene the extraordinary shareholders' general meeting, they must issue the meeting notice within five days of receiving the request, with any changes to the original request requiring the consent of the relevant shareholders. Failure by the Audit Committee to issue the notice within the stipulated period is considered as failure to convene and chair the shareholders' general meeting. Shareholders holding individually or jointly over 10% of the voting shares for more than 90 consecutive days can independently convene and chair the meeting.

Notice of Shareholders' General Meeting

The convener will notify all shareholders by announcement 21 days before the annual shareholders' general meeting and 15 days before any extraordinary shareholders' general meeting. The duration counted by the Company shall exclude the date of convening. Notices of shareholder's general meetings must be issued to shareholders in a manner consistent with laws, administrative regulations, *Hong Kong Stock Exchange Listing Rules*, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, and the Articles of Association.

The notice of the shareholders' general meeting shall include the following:

(1) The date, time, and location of the meeting;

(2) Matters and proposals to be reviewed at the meeting;

(3) A clear stating that all shareholders have the right to attend and may appoint an agent in writing to attend and vote at the meeting, with the agent not necessarily being a shareholder of the Company;

(4) Equity registration date of shareholders who have the right to attend the meeting;

(5) Names and telephone numbers of the permanent contacts for meeting affairs;

(6) Voting deadlines and procedures through online or other methods.

The notice and any supplementary notice of the shareholders' general meeting shall fully and accurately disclose all specific details of the proposed items.

Proposals at Shareholders' General Meeting

Proposals shall fall within the scope of the shareholders' general meeting's powers, have clear topics and specific resolution items, and comply with relevant laws, administrative regulations, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, and the Articles of Association.

The Board of Directors, Audit Committee, and individual shareholders or collective shareholders holding more than 1% of the Company's shares have the right to submit proposals to the Company for consideration at the shareholders' meeting.

Individual shareholders or collective shareholders holding more than 1% of the Company's shares can submit ad hoc proposals in writing to the convener ten days before the shareholders' general meeting. Upon receiving the proposal, the convener shall issue a supplementary notice within two days, announcing the content of the ad hoc proposal, and submitting it for consideration at the shareholders' general meeting. However, ad hoc proposals that violate laws, administrative regulations, or the Articles of Association, or fall outside the scope of the shareholders' general meeting's powers are exceptions.

Except for the above cases, the convener must not modify or add new proposals after issuing the notice and announcement of the shareholders' general meeting.

Any proposals not listed in the shareholders' general meeting notice or that do not comply with the Articles of Association shall not be voted on or resolved at the shareholders' general meeting.

Appointment for Shareholders' General Meeting

Shareholders have the option to attend the shareholders' general meeting in person or appoint an agent to attend and vote on their behalf. Each shareholder has the right to appoint one agent who does not need to be a shareholder of the Company. The appointed agent can exercise the following rights based on the shareholder's instructions:

(1) Speaking rights on behalf of the shareholder at the Shareholders' General Meeting;

(2) Requesting voting on their own or with others;

(3) Exercising voting rights by show of hands or ballot, unless otherwise stipulated by laws, administrative regulations, *Hong Kong Stock Exchange Listing Rules*, or regulations stipulated in the securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

Individual shareholders attending the meeting in person shall present their personal identification card or other valid identification documents; and if appointing someone else to attend, the attending ones shall provide their valid identification document and the shareholder authorization letter.

Institutional shareholders shall delegate their legal representatives or the agents authorized by the legal representatives to attend the meeting. If the legal representative attends the meeting, they shall present their personal identification card and valid proof of their legal representative status; if an agent attends the meeting, the agent shall present his or her personal identification card and a written authorization letter issued by the legal representative of the institutional shareholder (except for shareholders whose agents are recognized clearing agencies under the relevant regulations of the laws of Hong Kong or the securities regulatory rules of the place where the Company's shares are **[REDACTED]**).

If the shareholder is a recognized clearing house (or its agent), the clearing house may authorize one or more suitable individuals to represent them at any shareholders' general meeting or creditors' meeting; however, if more than one individual is authorized, the authorization shall specify the numbers and types of shares involved for each individual. The authorized individuals may represent the recognized clearing house to exercise rights (without presenting shareholding certificates, with notarized authorization and/or further evidence proving official authorization), as if the individual were a personal shareholder of the Company.

Authorization letters issued by shareholders to appoint others to attend the shareholders' general meeting shall specify the following:

(1) Name or title of the appointor, type and quantity of company shares held;

(2) Name or title of the appointed agent;

(3) Agent matters and authorization scope, specific instructions from the shareholder, including instructions on voting for, against, or abstaining on each agenda item included in the shareholder's general meeting;

(4) Date of issue and validity period of the authorization letter;

(5) Signature of the appointor (or seal). If the appointor is an institutional shareholder, a corporate seal shall be affixed.

Voting at Shareholders' General Meeting

Resolutions at the shareholders' general meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution at the shareholders' general meeting requires a simple majority of voting rights held by the attending shareholders (including shareholder's agents) in favor.

A special resolution at the shareholders' general meeting requires a two-thirds majority of voting rights held by the attending shareholders (including shareholder's agents) in favor.

The following matters are passed by the shareholders' general meeting via ordinary resolution:

(1) The Board of Directors' work report;

(2) Proposed profit distribution and loss compensation plans by the Board of Directors;

(3) Appointment and removal of Board members, determination of their remuneration and payment methods;

(4) Appointment, dismissal, or non-renewal of the accounting firm and their remuneration;

(5) Annual reports of the Company.

Other matters not required to be decided by special resolution under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, or the Articles of Association.

The following matters are passed by the shareholders' general meeting via special resolution:

(1) Increasing or reducing the registered capital of the Company;

(2) Company divisions, splits, mergers, dissolution, and liquidation;

(3) Amendments to the Articles of Association;

(4) Transactions involving the purchase, sale of significant assets within a year or providing guarantees to third parties exceeding 30% of the Company's most recent audited total assets;

(5) Equity incentive plans;

(6) Changes in rights attached to class shares;

(7) Matters required to be decided by special resolution under laws, administrative regulations, securities regulatory rules of the place where the Company's shares are **[REDACTED]**, or the Articles of Association, and any other matters deemed by the shareholders' general meeting as having a significant impact on the Company that require approval by a special resolution.

Each shareholder (including shareholder agent) can exercise his/her voting right with shares with voting rights. Each share has one vote. Shareholders (including shareholder agents) with two or more voting rights need not cast all their votes as a whole in favor, against, or abstention.

Company-held shares do not carry voting rights and are not counted in the total voting rights of the attending shareholders.

According to applicable laws, regulations, and the *Hong Kong Stock Exchange Listing Rules*, if any shareholder needs to abstain from voting on a certain resolution or if restrictions are in place limiting a shareholder to only vote in favor or against a specific resolution, the votes cast by such shareholder or their representative in contravention of the regulations or restrictions shall not be counted in the total voting rights.

If a shareholder violates the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law by purchasing shares of the Company with voting rights, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and is not included in the total number of shares with voting rights present at the shareholders' general meeting.

The Board of Directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection agencies established in accordance with laws, administrative regulations, or the CSRC regulations may solicit shareholder voting rights publicly. When soliciting shareholder voting rights, the specific voting intentions and information shall be fully disclosed to the shareholders being solicited. It is prohibited to solicit shareholder voting rights in a paid or indirectly compensated manner. Apart from statutory requirements, the Company must not impose a minimum shareholding limit for soliciting voting rights.

Directors and the Board of Directors

Directors

Directors shall be elected or replaced by the shareholders' general meeting and may be removed by the general meeting prior to the expiration of their term of office. Each director shall serve a term of three years, and shall be eligible for re-election upon expiry of such term.

The term of a director shall commence on the date of assumption of office and shall end upon the expiry of the incumbent Board. If the re-election is not conducted in a timely manner upon expiry of the term, the original director shall continue to perform their duties as a director in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until a newly elected director assumes office.

Where a director is appointed by the Board to fill a temporary vacancy or as an addition to the number of directors, the term of office of such director shall commence on the date of assumption of office and shall continue until the first annual shareholders' general meeting following such appointment, at which the director shall be eligible for re-election.

A director may concurrently serve as a senior manager. However, the total number of directors concurrently serving as senior managers and directors serving as employee representatives shall not exceed one-half of the total number of directors of the Company.

The Board of Directors shall include one director representing the employees, who shall be elected through the employee representative meeting or other democratic procedures, and whose appointment shall not be subject to approval by the shareholders' general meeting.

Chairman

The Board of Directors shall have one Chairman, who shall be elected by more than half of all directors.

The Chairman shall exercise the following powers:

(1) Presiding over shareholders' general meetings and convening and presiding over meetings of the Board of Directors;

(2) Supervising and inspecting the implementation of resolutions adopted by the Board of Directors;

(3) Exercising other powers conferred by the Board of Directors.

In the event that the Chairman is unable or fails to perform his or her duties, a director shall be elected by more than half of all directors to perform such duties.

Board of Directors

The Board of Directors shall consist of eight directors, including three independent directors.

The Board of Directors shall exercise the following powers:

(1) Convening and reporting to shareholders' general meetings;

(2) Implementing resolutions adopted by the shareholders' general meeting;

(3) Determining the Company's business plans and investment programs;

(4) Formulating the Company's profit distribution plans and plans for making up losses;

(5) Formulating plans for increasing or reducing the Company's registered capital, and for the issuance of bonds or other securities, as well as listing proposals;

(6) Preparing plans for material acquisitions, buybacks of the Company's shares, mergers, divisions, dissolution, and changes to the Company's form of organization;

(7) Deciding, within the scope of the authorization granted by the shareholders' general meeting, on matters including external investment, acquisition or disposal of assets, asset pledges, external guarantees, entrusted wealth management, connected transactions, external donations, and others;

(8) Determining the structure of the Company's internal management;

(9) Deciding on the appointment or dismissal of the General Manager, the Secretary to the Board, and other senior management, and determining matters concerning their remuneration, rewards, and penalties; deciding, based on the General Manager's nominations, on the appointment or dismissal of Deputy General Managers, the Chief Financial Officer, and other senior management, and determining matters concerning their remuneration, rewards, and penalties;

(10) Formulating the Company's basic management system;

(11) Preparing proposals for amendments to the Articles of Association;

(12) Managing the Company's information disclosure matters;

(13) Submitting proposals to the shareholders' general meeting for the appointment or replacement of the accounting firm responsible for auditing the Company;

(14) Hearing reports by the General Manager and reviewing the General Manager's work;

(15) Exercising other powers as provided by laws, administrative regulations, departmental rules, securities regulatory rules in the place where the Company's shares are **[REDACTED]**, the Articles of Association, or as authorized by the shareholders' general meeting.

Matters beyond the scope authorized by the shareholders' general meeting shall be submitted to the shareholders' general meeting for deliberation.

The Board of Directors shall convene no fewer than four meetings per year, generally once per quarter, and such meetings shall be convened by the Chairman. Regular meetings of the Board as referred to herein shall be notified to all directors in writing at least ten(10) days prior to the date of the meeting.

Shareholders holding more than 10% of the voting rights, more than one-third of the directors, or the Audit Committee may propose the convening of an interim meeting of the Board of Directors. The Chairman shall, within ten (10) days upon receipt of such proposal, convene and preside over the meeting of the Board.

Notices of interim meetings of the Board of Directors shall be given by telephone and/or in writing (including personal delivery, mail, fax, or email). The notice period shall be three (3) days prior to the date of the meeting. With the unanimous consent of all directors, an interim meeting of the Board may be convened without being subject to the aforesaid notice period; however, all directors shall be notified in a timely manner, and such circumstances shall be recorded in the minutes of the Board meeting and signed by all attending directors. The first meeting of the Board of Directors following a new election may be convened on the same day as the election, and shall not be subject to the notice method or notice period requirements stated in the preceding paragraph.

A Board meeting may only be held if more than half of the directors (including proxies) are present. Resolutions of the Board shall be passed by a majority of all directors. Each director shall have one vote when voting on such resolutions.

Where a director has a connected relationship with the enterprises or individuals involved in a matter under consideration by the Board, such director shall promptly make a written report to the Board. A director with a connected relationship shall abstain from voting on the relevant resolution and shall not act as a proxy for any other director in voting on the resolution. The Board meeting on such matter may be held with the presence of more than half of the disinterested directors, and any resolution passed at such meeting shall require approval by more than half of the disinterested directors. Where the number of disinterested directors present at the meeting is fewer than three, the matter shall be submitted to the shareholders' general meeting for consideration.

Board meetings shall be attended in person by the directors. Where a director is unable to attend a meeting for any reason, he or she may, by written proxy, appoint another director to attend on his or her behalf. The proxy shall specify the name of the proxy-holder, the subject matters to be represented, the scope of authorization, and the period of validity, and shall be signed or sealed by the appointing director. A director attending a meeting as a proxy shall exercise the rights of the director within the scope of the authorization. Any director who fails to attend a Board meeting in person and fails to appoint a proxy to attend shall be deemed to have waived the right to vote at that meeting.

Audit Committee of the Board of Directors

The Company shall establish an Audit Committee under the Board of Directors, which shall exercise the powers of the Supervisory Committee as stipulated under the *Company Law*.

The Audit Committee shall consist of three members, a majority of whom should be independent non-executive Directors and at least one of whom should be an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required by the Listing Rules, and the convener (chairman) of the committee shall be an independent and non-executive director.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and assessing both internal and external audit and internal control. The following matters shall be submitted to the Board of Directors for consideration only upon approval by a majority of all members of the Audit Committee:

(1) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(2) Engagement or dismissal of the accounting firm responsible for the Company's audit business;

(3) Appointment or removal of the Company's Chief Financial Officer;

(4) Changes to accounting policies or accounting estimates, or correction of material accounting errors, except where such changes are due to modifications in accounting standards;

(5) Other matters as stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules in the place where the Company's shares are **[REDACTED]**, or the Articles of Association.

The Audit Committee shall convene at least one meeting each quarter. An interim meeting may be convened upon the proposal of two or more members or at the discretion of the convener if deemed necessary. Meetings of the Audit Committee shall only be held if attended by at least two-thirds of its members.

Other Specialized Committees of the Board

The Company shall establish other specialized committees under the Board of Directors, including the Nomination Committee and the Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and as authorized by the Board. Proposals from specialized committees shall be submitted to the Board of Directors for resolution. The working procedures of the specialized committees shall be formulated by the Board. The composition of the committees shall comply with applicable laws, administrative regulations, departmental rules, the *Hong Kong Stock Exchange Listing Rules*, and any other relevant rules or requirements of securities regulators in the jurisdictions where the Company's shares are **[REDACTED]**.

Senior Management

The Company shall appoint a General Manager and three Deputy General Managers, whose appointment or removal shall be determined by the Board of Directors.

The Company shall also appoint a Chief Financial Officer and a Secretary to the Board, whose appointment or removal shall be proposed by the General Manager and decided by the Board of Directors.

The term of office for the General Manager, Deputy General Manager, Chief Financial Officer, Secretary to the Board, and other senior management shall be three years. They may be reappointed upon expiry of their term.

The General Manager shall be responsible to the Board of Directors and exercise the following functions and powers:

(1) Taking charge of the Company's production and operation management, organizing the implementation of Board resolutions, and reporting to the Board;

(2) Organizing the implementation of the Company's annual business plans and investment programs;

(3) Proposing the structure of the Company's internal management;

(4) Proposing the Company's basic management system;

(5) Formulating detailed rules and regulations for the Company;

(6) Proposing to the Board of Directors the appointment or dismissal of Deputy General Managers, the Chief Financial Officer, the Secretary to the Board, and other senior management;

(7) Deciding on the appointment or dismissal of other management personnel not subject to appointment or dismissal by the Board of Directors;

(8) Reviewing and approving general connected transactions, except those required to be submitted to the Board of Directors or the shareholders' general meeting pursuant to the Articles of Association;

(9) Reviewing and approving other significant transactions, external investments, or external guarantees, except those required to be submitted to the Board of Directors or the shareholders' general meeting pursuant to the Articles of Association;

(10) Deciding on the establishment of wholly owned subsidiaries and/or branches of the Company;

(11) Exercising other powers as granted by the Articles of Association, the securities regulatory rules of the place where the Company's shares are **[REDACTED]**, or the Board of Directors.

The General Manager shall attend the Board meeting in a non-voting capacity.

Qualifications and Duties of Directors and Senior Management

A person shall not serve as a director or senior management of the Company under any of the following circumstances:

(1) Being without or having limited civil capacity;

(2) Having been convicted of embezzlement, bribery, misappropriation of property, appropriation of funds, or disrupting the socialist market economic order, or having been deprived of political rights for a criminal offense, where five years have not elapsed since the completion of the sentence or where two years have not elapsed since the expiration of a probationary period following a suspended sentence;

(3) Having served as a director, factory head, or manager of a company or enterprise that has been declared bankrupt and held personally liable for the bankruptcy, where three years have not elapsed since the conclusion of the bankruptcy proceedings of such company or enterprise;

(4) Having served as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close due to violations of law and having been held personally liable, where three years have not elapsed since the date of such revocation or closure;

(5) Being personally liable for a substantial amount of outstanding debt that is due and unpaid, and having been listed by a People's Court as a discredited judgment debtor;

(6) Being subject to a market ban imposed by the CSRC, where the ban period has not yet expired;

(7) Being deemed unsuitable to serve as a director or senior manager of a listed company under the securities regulatory rules of the place where the Company's shares are **[REDACTED]**, where the restriction period has not yet expired;

(8) Other circumstances as prescribed by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

Financial Accounting System

The Company shall establish its financial accounting system in accordance with applicable laws, administrative regulations, the regulatory rules of the place where the Company's shares are **[REDACTED]**, and the requirements of relevant national authorities.

The Company shall prepare its annual financial accounting report within four months from the end of each financial year, and its interim financial accounting report within two months from the end of the first six months of each financial year.

The aforementioned financial accounting reports shall be prepared and disclosed in accordance with relevant laws, administrative regulations, departmental rules, the *Hong Kong Stock Exchange Listing Rules*, and other securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

The Company shall not establish any accounting books other than those required by law. The Company's funds shall not be deposited into any account in the name of any individual.

When distributing after-tax profits for a given year, the Company shall allocate 10% of its profits to its statutory reserve fund. Where the cumulative amount of the statutory reserve fund has reached 50% or more of the Company's registered capital, no further allocation is required.

Where the statutory reserve fund is insufficient to cover losses from previous years, the current year's profits shall first be used to cover such losses before any allocation is made to the statutory reserve fund in accordance with the preceding paragraph.

After allocating the statutory reserve fund from its after-tax profits, the Company may, upon a resolution of the shareholders' general meeting, allocate discretionary reserve fund from its after-tax profits.

The remaining after-tax profits following the offset of losses and the allocation to the reserve fund shall be distributed to shareholders in line with the percentage of shareholding by each shareholder, unless otherwise provided in the Articles of Association.

Where the shareholders' general meeting distributes profits in violation of the *Company Law*, shareholders shall return the improperly distributed profits to the Company. Any shareholder, director, or senior management who causes losses to the Company as a result shall be liable for compensation.

Shares held by the Company itself shall not participate in the distribution of profits.

The Company shall appoint one or more receiving agents in Hong Kong for H shareholders. Such receiving agents shall receive and hold, on behalf of the relevant H shareholders, the dividends declared and other amounts payable by the Company in respect of H Shares, for subsequent payment to such H shareholders. The receiving agents appointed by the Company shall comply with applicable laws, regulations, and the securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

The Company's reserve fund shall be used to cover losses, expand the Company's production and operation, or be converted into an increase in the registered capital.

Where the reserve fund is used to cover losses, the discretionary reserve fund and statutory reserve fund shall be used first. If such funds remain insufficient, the capital reserve may be used in accordance with relevant regulations.

When converting the statutory reserve fund into the registered capital, the amount of the reserve fund retained shall not be less than 25% of the Company's registered capital prior to the conversion.

Internal Audit

The Company shall implement an internal audit system that specifies the leadership structure, responsibilities and authorities, personnel allocation, funding support, utilization of audit results, and accountability mechanisms associated with internal audit.

The internal audit system of the Company shall be implemented upon approval by the Board of Directors.

Appointment of Accounting Firm

The Company shall engage an accounting firm that complies with the provisions of the *Securities Law* to conduct audits of its financial statements, verification of net assets, and other related consulting services. The term of engagement shall be one year, subject to renewal.

The appointment or dismissal of the accounting firm shall be decided by the shareholders' general meeting. The Board of Directors shall not engage an accounting firm without the prior approval of the shareholders' general meeting.

The Company shall ensure the provision of true, complete accounting vouchers, books, financial accounting reports, and other relevant accounting information to the engaged accounting firm, without rejection, concealment, or false statements.

Merger, Division, Increase and Decrease of Capital

The Company may carry out mergers by way of absorption or establishment of a new company.

Where one company absorbs another, it is referred to as an absorption merger, and the absorbed company shall be dissolved. Where two or more companies merge to establish a new company, it is referred to as a new establishment merger, and all merging parties shall be dissolved.

Where the consideration for the merger does not exceed 10% of the Company's net assets, the merger may not require a resolution of the shareholders' general meeting, unless otherwise stipulated in the Articles of Association. For mergers not subject to approval by the shareholders' general meeting under the preceding paragraph, a resolution of the Board of Directors shall be required.

The Company may merge with a company in which it holds more than 90% of the shares without a resolution of the shareholders' meeting, but shall notify the other shareholders, who shall have the right to request the Company to acquire their shares at a reasonable price.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date on which the merger resolution is made, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 30 days, and disclose it on the Hong Kong Stock Exchange disclosure website (**www.hkexnews.hk**) and the Company's official website according to the securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

Creditors may demand debt repayment or corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of public announcement if they have not received the notice.

Upon a merger, the surviving company or the newly established company shall assume all claims and liabilities of the parties to the merger.

In the case of a division, the Company's assets shall be appropriately allocated.

In the event of a division, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within ten days from the date on which the division resolution is made, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 30 days, and disclose it on the Hong Kong Stock Exchange disclosure website (**www.hkexnews.hk**) and the Company's official website according to the securities regulatory rules of the place where the Company's shares are **[REDACTED]**.

The debts incurred prior to the division shall be jointly and severally assumed by the companies resulting from the division, unless otherwise agreed in writing between the Company and the creditors prior to the division with regard to the clearance of debts.

If the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company must notify creditors within ten days of the resolution to reduce the registered capital passed at the shareholders' general meeting, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 30 days, and disclose it on the Hong Kong Stock Exchange disclosure website (**www.hkexnews.hk**) and the company's official website according to the securities regulatory rules of the place where the Company's shares are **[REDACTED]**. Creditors shall have the right to demand debt repayment or corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of public announcement if they have not received the notice.

In reducing registered capital, the Company shall proportionally reduce the capital contributions or number of shares held by shareholders according to their shareholding percentages, unless otherwise provided by laws or the Articles of Association.

If losses remain after applying Paragraph 2, Article 147 of the Articles of Association to offset losses, the Company may reduce its registered capital to cover such losses. Where the registered capital is reduced to cover losses, the Company shall not distribute them to shareholders, nor shall it exempt shareholders from their obligations to make capital contributions or pay for shares. The provision of Paragraph 2, Article 172 of the Articles of Association shall not apply to such capital reductions; however, the Company shall make a public announcement on the Hong Kong Stock Exchange disclosure website (**www.hkexnews.hk**) in accordance with the securities regulatory rules of the place where the Company's shares are **[REDACTED]** and publish an announcement within 30 days from the date the shareholders' general meeting passes the resolution for capital reduction in newspapers (or the National Enterprise Credit Information Publicity System). After the Company reduces its registered capital in accordance with the preceding two paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve fund and discretionary reserve fund reaches 50% of the Company's registered capital.

Where a merger or division results in changes to registration particulars, the Company shall apply to the company registration authority to amend its registration in accordance with the law. If the Company is dissolved, it shall apply for deregistration in accordance with the law. If a new company is established, it shall register the establishment in accordance with the law.

Any increase or decrease in the Company's registered capital shall be registered with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company may resort to dissolution in any of the following circumstances:

(1) The expiry of the business term or occurrence of other dissolution events as specified in the Articles of Association;

(2) A resolution for dissolution passed by the shareholders' general meeting;

(3) Dissolution necessitated by a merger or division of the Company;

(4) Revocation of the business license, order to close down operations, or cancellation in accordance with the law;

(5) The Company encounters serious difficulties in its operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means; in such case, shareholders holding 10% or more of the Company's voting rights may petition a People's Court to dissolve the Company.

Upon the occurrence of any of the aforementioned grounds for dissolution, the Company shall, within ten days, make a public disclosure via the National Enterprise Credit Information Publicity System.

During the liquidation period, the liquidation team shall exercise the following powers:

(1) Reviewing the Company's assets and preparing a balance sheet and an inventory of assets;

(2) Notifying and making announcements to creditors;

(3) Handling the Company's outstanding business related to the liquidation;

(4) Settling outstanding taxes and taxes incurred during the liquidation process;

(5) Reviewing the Company's claims and liabilities;

(6) Distributing any remaining assets of the Company after settlement of debts;

(7) Representing the Company in civil proceedings.

The liquidation team shall, within ten days from its establishment, notify creditors, publish a notice in newspapers (or the National Enterprise Credit Information Publicity System) within 60 days, and disclose it on the Hong Kong Stock Exchange disclosure website (**www.hkexnews.hk**) according to the securities regulatory rules of the place where the Company's shares are **[REDACTED]**. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving such notice, or, if no notice is received, within 45 days from the date of the public announcement.

When declaring claims, creditors shall provide details and relevant supporting documents. The liquidation team shall record all declared claims.

During the period for declaration of claims, the liquidation team shall not make any payments to creditors.

After reviewing the Company's assets and preparing the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' general meeting or the People's Court for confirmation.

After settlement of liquidation expenses, employees' wages, social insurance premiums, statutory compensation, and outstanding taxes, and full repayment of the Company's debts, any remaining assets shall be distributed to shareholders according to their shareholding percentages.

During the liquidation period, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The property of the Company shall not be distributed to the shareholders before clearing off in accordance with the preceding paragraph.

If, after reviewing the assets and preparing the balance sheet and inventory of assets, the liquidation team discovers that the Company's assets are insufficient to repay its debts, it shall promptly apply to the People's Court for bankruptcy liquidation in accordance with the law.

Upon acceptance of the bankruptcy application by the People's Court, the liquidation team shall hand over all liquidation matters to the bankruptcy administrator appointed by the People's Court.

Upon completion of the liquidation, the liquidation team shall prepare a liquidation report, submit it to the shareholders' general meeting or the People's Court for confirmation, and file an application for cancellation of the Company's registration with the company registration authority.

Amendment of the Articles of Association

The Company shall amend its Articles of Association under any of the following circumstances:

(I) Where amendments to the *Company Law*, other applicable laws or administrative regulations, or the securities regulatory rules of the place where the Company's shares are **[REDACTED]** cause any provision of the Articles of Association to conflict with such amended laws, regulations, or rules;

(II) Where a change in the Company's circumstances results in inconsistency with matters recorded in the Articles of Association;

(III) Where the shareholders' general meeting resolves to amend the Articles of Association.

Where an amendment to the Articles of Association adopted by a resolution of the shareholders' general meeting is subject to approval by the competent authority, it shall be submitted for such approval. Where the amendment involves changes to company registration particulars, relevant registration formalities shall be handled in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' general meeting and the approval opinions of the competent authority.

Where the amendments to the Articles of Association constitute information that must be disclosed pursuant to laws, regulations, or the securities regulatory rules of the place where the Company's shares are **[REDACTED]**, such amendments shall be disclosed in accordance with applicable requirements.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on August 8, 2017 and was converted into a joint stock company with limited liability under the laws of the PRC on February 18, 2025. Our registered office is situated at 5/F, Building C, Wanbo Science and Technology Park, No. 20 Fengxin Road, Yuhuatai District, Nanjing Province, the PRC. As of the Latest Practicable Date, the registered capital of our Company was RMB17,084,745.

Our Company has established a principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on October 15, 2025. Ms. Ye Jiahong (叶嘉紅) has been appointed as the alternate to authorized representative of our Company for acceptance of service of process and notices required to be served on our Company in Hong Kong. The address for acceptance of service of process and notices is the same as our principal place of business in Hong Kong.

As our Company was established in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of PRC laws and principal regulatory provisions is set out in Appendix IV to this document. A summary of the Articles of Association is set out in Appendix V to this document.

2. Changes in the Share Capital of Our Company

For details of changes in the share capital of our Company, see "History, Development and Corporate Structure."

Immediately after the completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the **[REDACTED]**), our registered share capital will be RMB**[REDACTED]**, all of which are H Shares, which represent **[REDACTED]**% of our total issued share capital.

3. Changes in the Share Capital of Our Subsidiaries

Particulars of our subsidiaries are included in Note 14 to the Accountants' Report set out in Appendix I to this document.

Save as disclosed in "History, Development and Corporate Structure" and below, there has been no alteration in the registered share capital of any of our subsidiaries within the two years immediately preceding the date of this document:

(1) On December 30, 2025, Yuxi Silicon was established in the PRC with a registered capital of RMB5.00 million.

(2) On December 12, 2025, Jiaxing Culture was established in the PRC with a registered capital of RMB10.00 million.

(3) On April 18, 2025, Jiaxing Silicon was established in the PRC with a registered capital of RMB80.00 million, which was increased to RMB200.00 million on April 24, 2025.

(4) On September 12, 2025, the registered capital of Nanjing Silicon Dream decreased from RMB5,000,000 to RMB100,000.

(5) On August 8, 2025, the registered capital of Shanghai Silicon Life decreased from RMB10,000,000 to RMB50,000.

(6) On July 18, 2025, Silicon HK was incorporated in Hong Kong with an issued share capital of HKD10,000.

(7) On November 20, 2024, Silicon Singapore was incorporated in Singapore with an issued share capital of SGD1,000.

4. Resolutions Passed by Our Shareholders' Meeting in Relation to the [REDACTED]

At the general meeting of our Company held on October 27, 2025, the following resolutions, among others, were passed by our Shareholders:

(1) the **[REDACTED]** be approved and the Board and its authorized representatives be authorized to handle all matters relating to, among others, the **[REDACTED]** and the **[REDACTED]** of our H Shares on the Stock Exchange;

(2) the issuance by our Company of the H Shares with a nominal value of RMB1.00 each and such H Shares be **[REDACTED]** on the Stock Exchange. The number of H Shares to be issued shall not be more than **[REDACTED]**% of our enlarged total issued share capital immediately following the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) and the number of H Shares to be issued under the **[REDACTED]** shall not be more than **[REDACTED]**% of the number of H Shares issued pursuant to the **[REDACTED]**;

(3) subject to the filing with the CSRC, upon completion of the **[REDACTED]**, 17,084,745 Unlisted Shares held by our Shareholders be converted into H shares on a one-for-one basis;

(4) subject to the completion of the **[REDACTED]**, the granting of a general mandate to our Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of our Shareholders or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in its absolute discretion deems fit, and to complete all necessary procedures, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as of the **[REDACTED]**;

(5) subject to the completion of the **[REDACTED]**, the granting of a general mandate to our Board to exercise all the powers of our Company to repurchase H Shares **[REDACTED]** on the Stock Exchange at any time within a period up to the date of the conclusion of the next annual general meeting of our Shareholders or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, and to complete all necessary procedures, provided that, the number of H Shares to be repurchased shall not exceed 10% of the number of H Shares in issue as of the **[REDACTED]**; and

(6) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association, which shall become effective on the **[REDACTED]**, and the Board be authorized to revise and amend the Articles of Association, in accordance with the requirements of the applicable laws, regulations and Listing Rules.

5. Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(1) Reasons for Repurchase

Our Directors believe that the repurchase of H Shares would be beneficial to and in the best interests of our Company and Shareholders as a whole. It can strengthen the investors' confidence in our Company and promote a positive effect on maintaining our Company's reputation in the capital market. Such repurchases will only be made when our Board believes that such repurchases will benefit our Company and Shareholders as a whole.

(2) Exercise of the General Mandate to Repurchase H Shares

Pursuant to the resolutions passed by the general meeting of our Shareholders held on October 27, 2025, our Board was granted general mandate to repurchase H Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the date of the conclusion of the next annual general meeting of our Shareholders or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier.

Furthermore, we need to complete necessary procedures with relevant government authorities for the actual grant of the general mandate to repurchase H Shares to our Board, as applicable. The exercise in full of the general mandate to repurchase H Shares (on the basis of **[REDACTED]** H Shares in issue as of the **[REDACTED]**) would result in a maximum of **[REDACTED]** H Shares being repurchased by our Company during the relevant period, being the maximum of 10% of the H Shares in issue as of the **[REDACTED]**.

(3) Source of Funds

In repurchasing H Shares, our Company intends to apply funds from our Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

Our Company is entitled under the Articles of Association to repurchase our Shares. Any repurchases by our Company may only be made out of either the funds of our Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. Our Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(4) Suspension of Repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(5) Trading Restrictions

A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

A listed company may not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to affect a repurchase of securities disclose to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

(6) Close Associates and Core Connected Persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase H Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase H Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(7) Status of Repurchased Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the H Shares repurchased by our Company will be cancelled or transferred within certain period and our Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares if such H Shares were cancelled.

(8) Takeover Implications

If, as a result of any repurchase of H Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as disclosed above, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase H Shares.

(9) General

If the general mandate to repurchase H Shares was to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase H Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase H Shares in accordance with the Listing Rules and the applicable laws in the PRC.

6. Restriction on Share Repurchase

For details of the restrictions on the share repurchase by our Company, see "Appendix V — Summary of Articles of Association."

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

(1) the **[REDACTED]**.

2. Intellectual Property Rights of Our Group

(1) Trademarks

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registration Number	Registered Owner	Class	Registration Date	Expiry Date
1.	硅 语	PRC	26011687	Our Company	9	August 14, 2018	August 13, 2028
2.	硅 语	PRC	26022383	Our Company	42	August 14, 2018	August 13, 2028
3.	硅基智能	PRC	26115595	Our Company	7	August 21, 2018	August 20, 2028
4.	硅基智能	PRC	26128428	Our Company	35	November 7, 2018	November 6, 2028
5.	硅基智能	PRC	26126164	Our Company	38	August 21, 2018	August 20, 2028
6.	硅信	PRC	29237015	Our Company	9	December 28, 2018	December 27, 2028
7.		PRC	30043514	Our Company	9	February 14, 2019	February 13, 2029
8.	DUIX.COM	PRC	34513164	Our Company	9	June 28, 2019	June 27, 2029
9.	GUIJI.AI	PRC	34513178	Our Company	9	June 28, 2019	June 27, 2029
10.	小播秀	PRC	59120299	Our Company	9	March 7, 2022	March 6, 2032
11.	小播秀	PRC	59128646	Our Company	42	March 14, 2022	March 13, 2032
12.	爱夏	PRC	60448722	Our Company	38	April 28, 2022	April 27, 2032
13.	爱夏	PRC	60452207	Our Company	41	April 28, 2022	April 27, 2032
14.	爱夏	PRC	60448707	Our Company	42	May 7, 2022	May 6, 2032
15.	DUIX	PRC	60870968	Our Company	9	May 28, 2022	May 27, 2032
16.	DUIX	PRC	60851971	Our Company	42	May 28, 2022	May 27, 2032
17.	SILICON INTELLIGENCE	Hong Kong	306691861	Our Company	9, 42	October 12, 2024	October 11, 2034

(2) Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Place of Registration	Class of Patent	Patent Number	Application Date
1.	A Complete Lip-Sync Animation Generation Method Based on VOCA (一種基於VOCA的完整口型動畫生成方法)	Our Company	PRC	Invention Patent	2020100120047	January 7, 2020

No.	Patent	Patentee	Place of Registration	Class of Patent	Patent Number	Application Date
2.	A Voice Conversion System, Method, and Application (一種聲音變換系統、方法及應用)	Our Company	PRC	Invention Patent	2020111298575	October 21, 2020
3.	End-to-End Real-Time Voice Activity Detection Neural Network Model and Training Method (端到端實時語音端點檢測神經網絡模型、訓練方法)	Our Company	PRC	Invention Patent	2021102639626	March 11, 2021
4.	Speech Recognition Neural Network Model and Its Training Method, Speech Recognition Method (語音識別神經網絡模型及其訓練方法、語音識別方法)	Our Company	PRC	Invention Patent	2021102648254	March 11, 2021
5.	Output Method and Apparatus for Blend Shape Values, Storage Medium, Electronic Device (混合變形值的輸出方法及裝置、存儲介質、電子裝置)	Our Company	PRC	Invention Patent	202110901418X	August 6, 2021
6.	A Real-Time Audio-Driven Face Generation Method, Apparatus, and Server (一種實時音頻驅動人臉生成方法、裝置及服務器)	Our Company	PRC	Invention Patent	2021110822040	September 15, 2021
7.	Neural Radiance Field Model Training and Face Generation Method, Apparatus, and Server (訓練神經輻射場模型和人臉生成方法、裝置及服務器)	Our Company	PRC	Invention Patent	2021110963566	September 15, 2021
8.	A Label Generation Method and Apparatus for Video Material (一種視頻素材的標籤生成方法及裝置)	Our Company	PRC	Invention Patent	2021111647532	September 30, 2021
9.	A Training Method for Motion Transfer Model and Motion Transfer Method (一種動作遷移模型的訓練方法及動作遷移方法)	Our Company	PRC	Invention Patent	2021112091675	October 18, 2021
10.	Motion Transfer Model Training Method and Motion Transfer Method Based on Multi-Algorithm Integration (基于多算法集成的動作遷移模型訓練方法及動作遷移方法)	Our Company	PRC	Invention Patent	2021112112582	October 18, 2021
11.	A Motion Transfer Method (一種動作遷移方法)	Our Company	PRC	Invention Patent	2021112086003	October 18, 2021
12.	A Motion Capture and Retargeting Method (一種動作捕捉和重定向方法)	Our Company	PRC	Invention Patent	2021112533897	October 27, 2021
13.	A Video Synthesis Method and Video Synthesizer (一種視頻合成方法及視頻合成器)	Our Company	PRC	Invention Patent	2021111619299	September 30, 2021
14.	Digital Human Generation Model, Model Training Method, and Digital Human Generation Method (數字人生成模型、模型的訓練方法以及數字人生成方法)	Our Company	PRC	Invention Patent	202111670351.X	December 31, 2021
15.	Lip-Sync Correction Model, Model Training Method, and Application Method (矯正口型模型、模型的訓練及其應用方法)	Our Company	PRC	Invention Patent	2022109710513	August 15, 2022

No.	Patent	Patentee	Place of Registration	Class of Patent	Patent Number	Application Date
16.	An Audio-Driven Character Lip-Sync Method, Model, and Training Method (一種音頻驅動人物口型方法、模型及其訓練方法)	Our Company	PRC	Invention Patent	2022109531335	August 10, 2022
17.	A Training Method and System for Head Transfer Model (一種頭部遷移模型的訓練方法與系統)	Our Company	PRC	Invention Patent	2022116335086	December 19, 2022
18.	A Digital Human Driving Method and Apparatus, Electronic Device, and Storage Medium (一種數字人驅動方法及裝置、電子設備和存儲介質)	Our Company	PRC	Invention Patent	202310847425.5	July 12, 2023
19.	A Speech Synthesis Model and Method Based on Generative Adversarial Network (一種基于對抗生成網絡的語音合成模型及語音合成方法)	Our Company	U.S.	Invention Patent	18/210,907	June 16, 2023
20.	A Method and Model for Audio-Driven Lip Synchronization, and Training Method Thereof (一種音頻驅動人物口型方法、模型及其訓練方法)	Our Company	U.S.	Invention Patent	18/212,545	June 21, 2023
21.	A Digital Human Training Method, System, and Driving System (一種數字人的訓練方法、系統及驅動系統)	Our Company	PRC	Invention Patent	2023111667056	September 12, 2023
22.	Method, Apparatus, and Device for Generating Audio-Driven 3D Facial Animation Models (音頻驅動三維人臉動畫模型的生成方法、裝置及設備)	Our Company	PRC	Invention Patent	2023118709030	December 29, 2023
23.	Method, Apparatus, and Device for Generating Video-Driven Digital Human Expression Models (視頻驅動數字人表情模型的生成方法、裝置及設備)	Our Company	PRC	Invention Patent	2023118711609	December 29, 2023
24.	Method, Apparatus, Device, and Storage Medium for Generating Dynamic Images from Audio (基於音頻生成動態圖像的方法、裝置、設備及存儲介質)	Our Company	PRC	Invention Patent	2024100228416	January 8, 2024
25.	A Real-Time Interactive Video Generation Method and System (一種實時可交互的視頻生成方法及系統)	Our Company	PRC	Invention Patent	2024109390730	July 15, 2024
26.	A Method for Driving Digital Human Expression Generation (一種驅動數字人表情生成方法)	Our Company	PRC	Invention Patent	2024119419985	December 27, 2024
27.	A Digital Human Speech-Lip Synchronization Method (一種數字人語音唇形同步方法)	Our Company	PRC	Invention Patent	2024119609195	December 30, 2024
28.	A Digital Human Driving Method, Device, Electronic Equipment, and Storage Medium (一種數字人驅動方法及裝置、電子設備和存儲介質)	Our Company	U.S.	Invention Patent	18/419,759	January 23, 2024

(3) Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Title of Copyright	Place of Registration	Registered Owner	Registered Number	Registration Date
1.	GJ Intelligent Short Video Software V1.0 (硅基智能小視頻軟件V1.0)	PRC	Our Company	2021SR1755975	November 16, 2021
2.	GJ Human-Machine Collaboration Platform Software V1.0 (硅基人機協同平台軟件V1.0)	PRC	Our Company	2022SR0119677	January 18, 2022
3.	GJ DUIX Digital Human Platform Software V1.0 (硅基DUIX數字人平台軟件V1.0)	PRC	Our Company	2022SR0126185	January 19, 2022
4.	GJ AI Live Streaming Agent Software V1.0 (硅基智能數字人直播軟件V1.0)	PRC	Our Company	2022SR0358805	March 17, 2022
5.	Mengma Live Streaming Software V1.0 (夢馬直播軟件V1.0)	PRC	Nanjing Mengma	2022SR1534013	November 17, 2022
6.	Silicon Language Software (硅語軟件)	PRC	Our Company	2023SR0689519	June 19, 2023
7.	AIGC-based Yan Di Large Language Model Construction System V1.0 (基於AIGC的炎帝大模型構建系統V1.0)	PRC	Our Company	2023SR1534877	November 29, 2023
8.	GJ Intelligent Silicon Law AI Legal Publicity Service Platform Software V1.0 (硅基智能硅律AI普法宣傳服務平台軟件V1.0)	PRC	Our Company	2024SR0273932	February 18, 2024
9.	GJ Intelligent DUIX Digital Eternity APP Software V1.0 (硅基智能DUIX數字永生APP軟件V1.0)	PRC	Our Company	2024SR0534184	April 19, 2024
10.	GJ Avatar Intelligent Interaction Platform APP Edition Software V1.0 (硅基分身智能交互平台APP版軟件V1.0)	PRC	Our Company	2025SR0186092	January 27, 2025
11.	GJ Avatar Intelligent Interaction Platform Web Edition Software V1.0 (硅基分身智能交互平台網頁版軟件V1.0)	PRC	Our Company	2025SR0185822	January 27, 2025
12.	GJ Avatar Intelligent Interaction Platform Mini Program Edition Software V1.0 (硅基分身智能交互平台小程序版軟件V1.0)	PRC	Our Company	2025SR0186172	January 27, 2025

(4) Domain Name

As of the Latest Practicable Date, we have registered the following domain name which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Date of Registration	Expiry Date
1.	guiji.cn	Our Company	February 3, 2008	February 3, 2035

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(1) Interests and Short Positions of the Directors and Chief Executive of Our Company in the Shares, Underlying Shares or Debentures of Our Company and Our Associated Corporation

Immediately following the completion of the **[REDACTED]** and assuming no exercise of the **[REDACTED]**, the interests or short positions of our Directors and the chief executive in any Shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which, once the H Shares are **[REDACTED]**, will be required (a) to be notified to our Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, are as follows:

Interests in the Shares of Our Company

Name of Director/ chief executive	Nature of interest	Number of Shares	Description of Shares	Approximate percentage of shareholding in our total issued share capital[1]
Mr. Sima	Beneficial interest	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%
	Interest in a controlled corporation[2]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**%

Notes:

(1) The calculation is based on the total number of **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) and the Conversion of Unlisted Shares into H Shares.

(2) Jiaxing Silicon Language is our share incentive platform and owned as to 0.57% by Nanjing Silicon Life as its general partner, which is in turn owned as to 99.00% by Mr. Sima. Therefore, Mr. Sima is deemed to be interested in the Shares directly held by Jiaxing Silicon Language.

Interests in Underlying Shares of Our Company

Name of Director / chief executive	Nature of interest	Number of underlying Shares immediately following the [REDACTED][1]	Approximate percentage of shareholding in our total issued share capital[2]
Chen Liping	Beneficial interest	51,375	**[REDACTED]**%

Note:

(1) The underlying Shares were held by Jiaxing Silicon Language, our share incentive platform and subject to the **[REDACTED]** Share Option Plan.

(2) The calculation is based on the total number of **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**) and the Conversion of Unlisted Shares into H Shares.

(2) Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares

(i) Interests of Substantial Shareholders in Our Company

Save as disclosed in "Substantial Shareholders" of this document, our Directors are not aware of any other person who will, immediately following the **[REDACTED]**, have an interest or short position in the Shares or underlying shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

(ii) Interests of Substantial Shareholders in Members of Our Group (Other than Our Company)

As of the Latest Practicable Date, our Directors are not aware of any person who will, immediately following the **[REDACTED]**, be interested in 10% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group (other than our Company).

2. Particulars of Service Contracts and Letters of Appointment

Each of our Directors [has entered] into a service contract or letter of appointment with our Company. The service contracts and letters of appointment (a) are for a term of three years commencing from the date on which the relevant Shareholders' approvals for the appointment were obtained and (b) are subject to termination in accordance with their respective terms. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

3. Compensation of Directors

Save as disclosed in "Directors and Senior Management" and Note 8 to the Accountants' Report as set out in Appendix I to this document, none of our Directors received other remuneration or benefits in kind from our Company in respect of each of the financial years ended December 31, 2023, 2024 and 2025.

4. Agency Fees or Commissions Received

Save as disclosed in this document, none of the Directors or any of the persons whose names are listed under "— E. Other Information — 9. Consents of Experts" had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

5. Disclaimers

Save as disclosed in this document:

(1) none of our Directors or experts referred to under "— E. Other Information — 8. Qualification of Experts" has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(2) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;

(3) taking no account of Shares which may be taken up under the **[REDACTED]**, none of our Directors or chief executive is aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the **[REDACTED]**, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(4) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. [REDACTED] SHARE OPTION PLAN

The following is a summary of the principal terms of the **[REDACTED]** Share Option Plan adopted by our Company on July 1, 2018, which was supplemented on May 16, 2019, December 25, 2024 and October 20, 2025. The **[REDACTED]** Share Option Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve grant of further options by our Company after the **[REDACTED]**. The **[REDACTED]** Share Option Plan will not have any dilution effect on the shareholding of our Company upon **[REDACTED]** as all the Shares underlying the options granted under the **[REDACTED]** Share Option Plan have already been issued to Jiaxing Silicon Language (the "**Share Incentive Platform**").

1. Purpose

The purposes of the **[REDACTED]** Share Option Plan are to establish an effective incentive mechanism to attract and retain outstanding talents, and provide incentives to employees and other personnel approved by the Board to recognize their contributions to our Company.

2. Administration

The **[REDACTED]** Share Option Plan shall be administered by Mr. Sima (the "**Administrator**"). Subject to the express provisions of the **[REDACTED]** Share Option Plan, the Administrator is authorized and empowered to do things necessary or desirable in connection with the implementation of the **[REDACTED]** Share Option Plan.

3. Eligible Participants

Participants eligible to receive the options under the **[REDACTED]** Share Option Plan include personnel who have provided continuous services and made contributions to our Company as recognized and approved by the Administrator.

4. Grant of Options

On and subject to the terms and conditions of the **[REDACTED]** Share Option Plan, the Administrator shall be entitled to determine the options to be granted to eligible participants. The relevant grantee shall enter into a share option grant agreement with our Company, which sets out, among others, the grant date, number of underlying Shares corresponding to the options granted, exercise price, vesting schedule and vesting conditions, validity period, restrictions imposed on the options and vested interests as well as clawback mechanism.

5. Vesting Schedule and Conditions

The options shall become vested at such time or times and subject to fulfilment of the performance target and other terms and conditions set by the Administrator and reflected in the share option grant agreement provided that the percentage of the options which shall become vested upon each anniversary of the date on which the participant is granted as set forth on the share option grant agreement is 25%.

6. Exercise of Options

To any given participant, the exercise price of underlying Shares corresponding to the options granted shall be such price as determined by the Administrator and set forth in the share option grant agreement, subject to adjustments that might be made by the Administrator at his sole discretion.

The validity period of the options is determined by the Administrator at his sole discretion, which shall not exceed seven years from the grant date or the expiration date of the **[REDACTED]** Share Option Plan (ten years from October 20, 2025, which may be extended upon approval by the Board), whichever is earlier. Unless otherwise provided in the **[REDACTED]** Share Option Plan or otherwise determined by the Administrator, vested options may be exercised within the validity period by giving written notice of exercise to our Company accompanied by payment in full of the relevant exercise price.

As all underlying Shares subject to the **[REDACTED]** Share Option Plan have already been issued to the Share Incentive Platform, the exercise of the outstanding options will not have (i) any dilution effect on the shareholding of the Company upon **[REDACTED]** or (ii) any further dilution effect or impact on earnings per share of the Company.

7. Rights Attached to the Underlying Shares

After exercising the relevant options, the grantees own the underlying Shares through the Share Incentive Platform and are entitled to the economic interests of the relevant underlying Shares, including the rights to receive dividends. Voting rights of the underlying Shares held by the Share Incentive Platform shall be exercised by the Administrator, being Mr. Sima.

8. Restrictions on the Options and Vested Interests

Transferability

The options are personal to the grantees. Unless otherwise provided in the **[REDACTED]** Share Option Plan and in accordance with all applicable laws, rules and regulations, the options and vested interests may not be transferred, pledged or otherwise disposed of in any manner prior to the **[REDACTED]**.

Lock-up period

Prior to the **[REDACTED]**, unless otherwise provided in the **[REDACTED]** Share Option Plan, the grantees shall not transfer, pledge or otherwise dispose of in any manner the relevant vested interests.

Upon the **[REDACTED]**, the grantees may dispose of the relevant vested interests in accordance with all applicable laws, rules and regulations as well as the lock-up arrangements stipulated the share option grant agreement.

Clawback

In the occurrence of (i) cessation of continuous services to our Group resulting from voluntary action or through no fault of a grantee such as resignment, retirement, death or loss of working capacity, or (ii) failure to achieve relevant performance targets by a grantee,

(1) prior to exercise of the options, any unexercised options held by such grantee shall be lapsed;

(2) prior to exercise of the options, if the vested interests have been pre-registered with the business administration authorities by the Administrator, the vested interests shall be repurchased by the general partner of the Share Incentive Platform or (prior to the **[REDACTED]**) by any other third party as designated by the general partner of the Share Incentive Platform at nil price; and

(3) after exercise of the options, the vested interests shall be repurchased by the general partner of the Share Incentive Platform or (prior to the **[REDACTED]**) by any other third party as designated by the general partner of the Share Incentive Platform at a prescribed price with reference to the appraised market value of our Company at the time of initial adoption of the **[REDACTED]** Share Option.

In the occurrence of (i) cessation of continuous services to our Group resulting from fault of a grantee, or (ii) provision of services for a competitor of our Company by a grantee,

(1) prior to exercise of the options, any unexercised options held by such grantee shall be lapsed;

(2) (i) prior to exercise of the options, if the vested interests have been pre-registered with the business administration authorities by the Administrator, or (ii) after exercise of the options, the vested interests shall be repurchased by the general partner of the Share Incentive Platform or (prior to the **[REDACTED]**) by any other third party as designated by the general partner of the Share Incentive Platform at nil price.

9. Details of the Outstanding Options Granted

As of the Latest Practicable Date, options to subscribe for an aggregate of 1,489,951 underlying Shares, representing approximately **[REDACTED]**% of the total issued share capital of our Company immediately following completion of the **[REDACTED]** (assuming no exercise of **[REDACTED]**), had been granted by our Company to a total of 67 eligible participants under the **[REDACTED]** Share Option Plan, among which, option granted to 67 eligible participants (including 4 Directors and senior management members and 63 other grantees) for 1,216,273 underlying Shares had been exercised at the exercise price of RMB1.00.

The table below sets forth the details of options granted to eligible participants that were outstanding as of the Latest Practicable Date:

Name	Address	Date of grant	Vesting Schedule	Exercise price per underlying Share	Approximate number of Shares corresponding to the outstanding options granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
Director						
Chen Liping (陳莉萍)	Room 201, Building 6, Vanke Metropolis, 26 Bo'ai Street, Yuhuatai District, Nanjing, Jiangsu Province, PRC	December 31, 2023	These options shall be vested in four equal tranches on each anniversary date after the date of grant	RMB1.00	51,375	**[REDACTED]**%
Senior management (excluding that who is also Director)						
Tang Yiping (湯毅平)	Room 509, Building 2, No. 9 Shuangjing Lane, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022	These options shall be vested in four equal tranches on each anniversary date after the date of grant	RMB1.00	5,126	**[REDACTED]**%

Name	Address	Date of grant	Vesting Schedule	Exercise price per underlying Share	Approximate number of Shares corresponding to the outstanding options granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
Other grantees						
Tu Kun (塗坤)	No. 71 Aoti Street, Jianye District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022	These options shall be vested in four equal tranches on each anniversary date after the date of grant	RMB1.00	3,417	[REDACTED]%
Ji Tiancheng (季天誠)	Room 701, Building 7, Hongshan Yunzhi Ju, No. 192 Hongshan Road, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			3,417	[REDACTED]%
Liu Jie (劉傑)	No. 63 Beijing East Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			3,417	[REDACTED]%
Mao Zhiqiang (毛志強)	No. 1035, Kuanchuan Village, Kuanchuan Township, Li County, Gansu Province, the PRC	December 31, 2022			3,417	[REDACTED]%
Zhou Yue (周躍)	No. 330 Jiangdong North Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			3,417	[REDACTED]%
Zhang Dawei (張大偉)	No. 1601 Unit 2, Building 33, Jiuzhou Garden, Xinbei District, Changzhou City, Jiangsu Province, the PRC	December 31, 2022			3,417	[REDACTED]%
Chen Liling (陳俐伶)	Room 3-902, No. 9 Mochouhu East Road, Jianye District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			3,417	[REDACTED]%
Zhang Jing (張婧)	Room 101, Building 10, No. 19 Emei Ling, Gulou District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			1,709	[REDACTED]%
Liao Zheng (廖錚)	Room 4704, Jinxiu Longwan, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			1,360	[REDACTED]%
Xu Xin (徐昕)	No. 275 Zhujiang Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			987	[REDACTED]%
Qin Xiuxian (秦修賢)	Room 2802, Building 8, Hailiang Jiuxi (South), Shushan District, Hefei City, Anhui Province, the PRC	December 31, 2022			944	[REDACTED]%
Jing Tonghuai (景同懷)	No. 118 Xianlin Avenue, Qixia District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022	These options shall be vested in four equal tranches on each anniversary date after the date of grant		914	[REDACTED]%
Li Zhong (李忠)	Room 1303, Building 21, No. 21 Lidao Road, Pukou District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			854	[REDACTED]%
Song Wei (宋偉)	No. 30, Group 1 Hetan, Xulou Village, Suyangshan Town, Pizhou City, Jiangsu Province, the PRC	December 31, 2022			780	[REDACTED]%
Jiang Hao (姜皓)	No. 71 Aoti Street, Jianye District, Nanjing City, Jiangsu Province, the PRC	December 31, 2022			768	[REDACTED]%
Hua Dong (華東)	Unit 1, Building 8, Xiangzhisu Apartment, Qiantang District, Hangzhou City, Zhejiang Province, the PRC	December 31, 2023	These options shall be vested in eight equal tranches on each semi-anniversary date after the date of grant	RMB1.00	170,747	[REDACTED]%
Yu Fanghui (于方暉)	Room 201, Unit 1, Building 15, Rongzhuang New Village, Qinhuai District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			1,082	[REDACTED]%
Wang Peiyu (王培雨)	Ancun, Dawang Village, Zihudian Town, Tengzhou City, Shandong Province, the PRC	December 31, 2023	These options shall be vested in four equal tranches on each anniversary date after the date of grant		1,050	[REDACTED]%
Wang Qian (王倩)	No. 63 Beijing East Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			953	[REDACTED]%
Wei Chi (魏馳)	Room 603, Building 1, No. 218 Wenjing Road, Dongshan Subdistrict, Jiangning District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			949	[REDACTED]%
Ge Xinxin (葛鑫鑫)	Room 404, Building 7, Aoyu Garden, Zhoushi Town, Kunshan City, Jiangsu Province, the PRC	December 31, 2023			903	[REDACTED]%

Name	Address	Date of grant	Vesting Schedule	Exercise price per underlying Share	Approximate number of Shares corresponding to the outstanding options granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
Wang Jian (王建)	Room 607, Unit 2, Building 1, Area A, Zhengrong Runfeng, No. 166 Wuhou Street, Jianye District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023	These options shall be vested in four equal tranches on each anniversary date after the date of grant	RMB1.00	780	[REDACTED]%
Xu Riliang (徐日良)	No. 4, Yaoshangwei, Ganlin Village, Xuling Town, Susong County, Anqing City, Anhui Province, the PRC	December 31, 2023			776	[REDACTED]%
Xu Chao (徐超)	No. 42, No. 8 Natural Village, Juntan Administrative Village, Tongshui Town, Jiujiang District, Wuhu City, Anhui Province, the PRC	December 31, 2023			769	[REDACTED]%
Yang Chuanbao (楊傳寶)	Chechirun Village, Ganyu County, Lianyungang City, Jiangsu Province, the PRC	December 31, 2023			769	[REDACTED]%
Sun Shuxing (孫書星)	Room 202, No. 28, Lane 418 Heze Road, Shanghai City, the PRC	December 31, 2023			675	[REDACTED]%
Wang Hongliang (王宏亮)	Qianke Village, Dayi Town, Yizheng City, Yangzhou City, Jiangsu Province, the PRC	December 31, 2023			641	[REDACTED]%
Chen Dongying (陳冬瑩)	Unit 2, Building 47, No. 323 Nanpu Road, Pukou District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			641	[REDACTED]%
Yao Ao (姚奧)	No. 555, Team 8, Dahuangshan Village, Dahuangshan Town, Economic Development Zone, Xuzhou City, Jiangsu Province, the PRC	December 31, 2023			589	[REDACTED]%
Yu Zhenjiang (于鎮江)	No. 36, Yu Xiaozhuang, Yuwa Village, Xincun Town, Funan County, Anhui Province, the PRC	December 31, 2023			547	[REDACTED]%
Sun Weiwei (孫魏魏)	Room 708, Building 33, Ruijin North Village, Qinhuai District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			390	[REDACTED]%
Zhang Hua (張華)	No. 155 Dongxin Road, Xiacheng District, Hangzhou City, Zhejiang Province, the PRC	December 31, 2023			293	[REDACTED]%

Name	Address	Date of grant	Vesting Schedule	Exercise price per underlying Share	Approximate number of Shares corresponding to the outstanding options granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
Deng Ying (鄧穎)	Room 302, Building 4, No. 7 Zhaoyuan, Jianye District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023	These options shall be vested in four equal tranches on each anniversary date after the date of grant	RMB1.00	284	[REDACTED]%
Xin Qingshuai (辛清帥)	No. 63, Daxinjiazhuang, Huyai Village, Sipu Town, Suixi County, Anhui Province, the PRC	December 31, 2023			234	[REDACTED]%
Gu Yuliang (顧玉良)	No. 1, Daizhuang Lizhuang, Zunhuadian Town, Weidong District, Pingdingshan City, Henan Province, the PRC	December 31, 2023			192	[REDACTED]%
Hua Bingtao (華冰濤)	No. 07, Jincun Group, Zhucun Village, Xiaxi Town, Ningguo City, Anhui Province, the PRC	December 31, 2023			161	[REDACTED]%
Liu Hua (劉樺)	No. 63 Beijing East Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			152	[REDACTED]%
Lv Yi (呂益)	Room 406, Building 25, Cuipingcheng Yuan, Jiangning District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			130	[REDACTED]%
Hou Jie (侯傑)	No. 62, Gangsan Group, Tiefo Community, Baoji Town, Xuyi County, Jiangsu Province, the PRC	December 31, 2023			107	[REDACTED]%
Lv Xinwei (呂昕煒)	Room 3302, Building 6, No. (Lot) Dasha Zhu Lane, Qinhuai District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			107	[REDACTED]%
Wang Shounan (王壽南)	Room 208, Unit 4, Building 3, No. 35-1 Yuanlin West Road, Luhe District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			107	[REDACTED]%
Wang Wenjin (王文金)	Room 703, Unit 2, Building 6, No. 99 Tianhua East Road, Pukou District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			107	[REDACTED]%
Zhang Yaping (張亞萍)	No. 15, Fangyan Group, Nanyang Village, Niuzhen Town, Taihu County, Anqing City, Anhui Province, the PRC	December 31, 2023			103	[REDACTED]%
Lu Ying (盧影)	Room 201, Unit 2, Kuahong Fang, Phase 1, Qinqin Jiayuan, Liangzhu Street, Yuhang District, Hangzhou City, Zhejiang Province, the PRC	December 31, 2023			80	[REDACTED]%

Name	Address	Date of grant	Vesting Schedule	Exercise price per underlying Share	Approximate number of Shares corresponding to the outstanding options granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED]
Shi Yinfeng (師銀鳳)	No. 410, Shilou, Huankou Town, Feng County, Jiangsu Province, the PRC	December 31, 2023			80	[REDACTED]%
Tan Yongwen (譚永文)	Room 101, No. 75, Baishui Bajia Village, Taicheng Sub-district Office, Taishan City, Guangdong Province, the PRC	December 31, 2023			80	[REDACTED]%
Wang Ting (王婷)	Room 101, Building 25, Youyi Guanghua Men, Baixia District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			80	[REDACTED]%
Yin Qiang (尹強)	No. 47, Group 1, Ganbai Village, Sangzao Town, Anzhou District, Mianyang City, Sichuan Province, the PRC	December 31, 2023			80	[REDACTED]%
Chen Yingying (陳瑩穎)	Room 907, Unit 4, Building 14, Cuicheng Garden, No. 58 Heyan Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			75	[REDACTED]%
Cao Zhihui (曹志惠)	Room 409, Unit 5, Building 24, No. 8 Yongqiang Road, Pukou District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023	These options shall be vested in four equal tranches on each anniversary date after the date of grant	RMB1.00	64	[REDACTED]%
Wang Haochen (王昊晨)	Room 203, Unit 2, Building 4, Huahaoyue Yuan, No. 9 Yuhua South Road, Yuhuatai District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			53	[REDACTED]%
Wang Zhifang (汪志芳)	No. 990, Caiwu, Hengshan Village, Liangquan Township, Wangjiang County, Anqing City, Anhui Province, the PRC	December 31, 2023			27	[REDACTED]%
Wang Zhuoyu (王卓玉)	Room 701, No. 19 Tiantang Street, Qinhuai District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			27	[REDACTED]%
Zhou Xuelan (周雪蘭)	No. 150, Shancui Shan Village, Yunji Town, Suining County, Xuzhou City, Jiangsu Province, the PRC	December 31, 2023			27	[REDACTED]%
Wang Yuchen (王雨辰)	Building 6, Huarun Garden, Quanshan District, Xuzhou City, Jiangsu Province, the PRC	December 31, 2023			15	[REDACTED]%
Li Xinkai (李新凱)	Room 406, Building 21, Gongqingtuan Road San Village, Yuhuatai District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			15	[REDACTED]%
Fu Wenhui (付文慧)	No. 53-1, Liujiadu Village, Ruijia Village, Jingqiao Town, Lishui District, Nanjing City, Jiangsu Province, the PRC	December 31, 2023			9	[REDACTED]%
Sub-total					**217,177**	[REDACTED]%
Total					**273,678**	[REDACTED]%

Notes:

(1) The percentage is for illustrative purpose only and calculated based on the number of Shares in issue immediately following the completion of the **[REDACTED]** (assuming no exercise of the **[REDACTED]**).

(2) There is no consideration for the grant of options under the **[REDACTED]** Share Option Plan. For the exercise price of the option, please see the "Exercise price per underlying Share" in the above table.

(3) For the exercise period of the options, please see "6. Exercise of Options" of the principal terms above.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this document and so far as our Directors are aware, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions, taken as a whole.

3. Joint Sponsors

Our Company has entered into engagement agreements with the Joint Sponsors, pursuant to which our Company agreed to pay an aggregate of US$1.8 million to the Joint Sponsors to act as the sponsors to our Company in connection with the **[REDACTED]**.

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]** in, our H Shares. All necessary arrangements have been made to enable the H Shares to be admitted into **[REDACTED]**.

DBS Asia Capital Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

CMB International Capital Limited, being one of the Joint Sponsors, is ultimately controlled by CMB. CMB is regarded as a member of the sponsor group (as defined under Rule 3A.01 of the Listing Rules) of CMB International Capital Limited. The general partner of CMB Funds (including CMB Modern Industry Fund, CMB Telecom Fund, CMB Yongxiang Fund and CMB Yongji Fund), which collectively and beneficially held a total of approximately 11.81% interest in the Company as of the Latest Practicable Date and will hold a total of approximately **[REDACTED]**% interest in the Company upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), is or is a subsidiary of CMB International Capital Management (Shenzhen) Co., Ltd. (招銀國際資本管理(深圳)有限公司), which is ultimately controlled by CMB. Therefore, CMB is deemed to be interested in the Shares held by the CMB Funds. In addition, in the ordinary course of business, from time to time, our Group provide GJ AI workforce solutions for CMB and its branches and subsidiaries ("**CMB Group**") and CMB Group provides deposit services for our Group. In view of the above, CMB International Capital Limited does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. See "History, Development and Corporate Structure — **[REDACTED]** Investments — Information about the **[REDACTED]** Investors — (b) CMB Funds" for details.

4. Compliance Advisor

We appointed Maxa Capital Limited as our compliance advisor effective upon the **[REDACTED]** in compliance with Rules 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses.

6. Promoter

The promoters of our Company are all of the 18 Shareholders as of February 18, 2025 immediately before our conversion into a joint stock company with limited liability. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash,

securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoter in connection with the **[REDACTED]** and the related transactions described in this document.

7. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the **[REDACTED]** of members of our Company, including in circumstances where such transaction is affected on the Stock Exchange. The rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

8. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
CMB International Capital Limited	Licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
DBS Asia Capital Limited	Licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
CM Law Firm	PRC Legal Advisors
CM Law Firm	PRC Legal Advisors relating to Data Compliance
Arthur CHIU	Sanctions Legal Advisor relating to International Sanctions
KPMG	Certified Public Accountants, Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
China Insights Consultancy Limited	Industry consultant

9. Consents of Experts

Each of CMB International Capital Limited, DBS Asia Capital Limited, CM Law Firm, Arthur CHIU, KPMG and China Insights Industry Consultancy Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or certificates and/or legal opinion (as the case may be), which is made as of the date of this document, and references to its name included herein in the form and context in which it respectively appears.

Save as disclosed in "**[REDACTED]**" and "— E. Other Information — 3. Joint Sponsors," none of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided under Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Miscellaneous

Save as disclosed in this document,

(1) within the two years immediately preceding the date of this document:

  (i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

  (ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

  (iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(2) no share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option;

(3) our Company has no outstanding convertible debt securities or debentures;

(4) there is no restriction affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(5) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(6) our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(7) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(8) all necessary arrangements have been made to enable the H Shares to be admitted to **[REDACTED]**;

(9) no company within our Group is listed on any stock exchange or traded on any trading system and at present, and our Group is not seeking or proposing to seek any **[REDACTED]** of, or permission to **[REDACTED]** in, the share or loan capital of our Company on any other stock exchange;

(10) our Company is a joint stock company with limited liability and is subject to the PRC Company Law; and

(11) there is no arrangement under which future dividends are waived or agreed to be waived.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 9. Consents of Experts" in this document; and

(b) a copy of each of the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.guiji.cn** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from KPMG, the text of which is set out in Appendix I to this document;

(c) the report on unaudited pro forma financial information of our Group from KPMG, the text of which is set out in Appendix II to this document;

(d) the audited consolidated financial statements of our Group for the financial years ended December 31, 2023, 2024 and 2025;

(e) the legal opinion issued by CM Law Firm, our PRC Legal Advisors, in respect of certain aspects of our Group in the PRC;

(f) the legal memorandum issued by CM Law Firm, our PRC Legal Advisors relating to Data Compliance, in respect of PRC data compliance law;

(g) the legal memorandum issued by Arthur CHIU, our Sanctions Legal Advisor, in respect of International Sanctions;

(h) the industry report issued by CIC from which information in "Industry Overview" of this document is extracted;

(i) the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in this document;

(j) the service contracts and letters of appointment referred to in "Appendix VI — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of Service Contracts and Letters of Appointment" in this document;

(k) the written consents referred to "Appendix VI — Statutory and General Information — E. Other Information — 9. Consents of Experts" in this document;

(l) the terms of the **[REDACTED]** Share Option Plan; and

(m) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures together with their unofficial English translation.