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OVERVIEW

We develop and sell cognitive intelligence products that enable enterprises to operate and optimize their production and business operations. Our product portfolio is built upon a unified cognitive intelligence architecture comprising three categories of products. At its foundation is our cognitive intelligence algorithm platform, which provides the underlying infrastructure and core capabilities for the development, deployment and operation of cognitive intelligence applications. Built on this platform, we have developed industrial-grade intelligent agents and operational decision intelligent agents, which extend the platform’s capabilities into industrial production and enterprise operations, respectively. Together, these products enable the deployment of cognitive intelligence across a broad range of real-world business and operational scenarios. Our products are mainly offered through either software or integrated software-hardware solutions, and can be deployed on-premise and integrated into customers’ existing systems and workflows.

We integrate data with domain knowledge to perform reasoning, decision-making, and continuous optimization in complex real-world environments. Using our products, enterprises integrate their data, expert knowledge, and business processes into intelligent workflows, allowing them to operate more efficiently, allocate resources more effectively, and make better-informed decisions. Our offerings are deployed across a diverse set of industries, including industrial manufacturing, cultural tourism, IT services, and scientific research and public services.

Reflecting strong market adoption of our platform and intelligent agents, we experienced tremendous growth during the Track Record Period. Our revenue significantly increased by 105.4% from RMB65.6 million in 2023 to RMB134.7 million in 2024 and further increased by 251.7% from RMB134.7 million in 2024 to RMB473.6 million in 2025.

Our Market Opportunities

Existing AI technologies have yet to achieve the goal of artificial general intelligence and have struggled to meet the stringent requirements of enterprises’ core decision-making in operations and production. In addition, current AI technologies commonly exhibit bottlenecks such as insufficient interpretability and trustworthiness and weak logical reasoning capabilities. Against this backdrop, the technological scarcity and industrial value of cognitive intelligence, which is distinguished by its capacity for logical and causal reasoning and trustworthy decision-making, have become increasingly pronounced.

Under such background, AI is gradually transitioning from an early paradigm heavily reliant on massive-scale data training toward a more advanced cognitive intelligence framework that integrates knowledge and data, enabling systems to capture the essence of problems with fewer samples and greater efficiency.

According to Frost & Sullivan, the enterprise cognitive intelligence algorithm market in China has huge growth potentials. The market size increased from RMB9.3 billion in 2021 to RMB27.4 billion in 2025. Driven by factors such as the transition of organizations from digitalization to intelligent transformation, the evolution of AI technologies from perception intelligence to cognitive intelligence, the accelerating commercialization and adoption of cognitive intelligence technologies, and the introduction of supportive government policies, the size of enterprise cognitive intelligence algorithm market in China is expected to further increase to RMB142.2 billion by 2030, representing a CAGR of 39.0% from 2025 to 2030. In terms of revenue in 2025, we ranked as the fourth-largest enterprise cognitive intelligence algorithm service provider in China.

Our Core Technologies

Our cognitive intelligence capabilities are supported by the following core technologies:

- ***Nonlinear-expectation-based algorithm framework for few-shot learning.*** We have developed a proprietary algorithm framework based on nonlinear expectation to address practical data challenges in industrial and professional settings, including distribution shifts, long-tail labels and noisy observations. This framework is designed for few-shot learning, meaning it can

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achieve robust training and reliable reasoning with only a small number of labeled samples. It maintains high performance and stable optimization even under complex, dynamic and uncertain operating conditions, such as skewed data distributions, environmental changes or extreme industrial scenarios.

- ***Knowledge-ontology-based dynamic fusion reasoning paradigm.*** We have developed a reasoning paradigm that integrates domain knowledge with data-driven modelling. By converting scientific mechanisms, industry standards and expert experience into structured knowledge representations, this paradigm anchors model outputs to verified domain knowledge, improves explainability and reduces factual, logical and consistency errors. It has been applied in scenarios such as intelligent manufacturing and digital-human customer service.
- ***Neuro-symbolic cognitive planning and decision system.*** We have developed a cognitive planning system that combines neural generation, symbolic verification and reinforcement learning. This system is designed to generate, verify and refine outputs through a closed-loop process, helping our models break down complex tasks, check factual and logical consistency and improve decision reliability in high-stakes enterprise scenarios.

Our Product Offerings

Found on our cognitive intelligence infrastructure, we have developed three categories of product offerings:

- ***Cognitive intelligence algorithm platform.*** Serving as the foundational layer of our technology architecture, the platform integrates computing resources, data and algorithm models to provide a unified environment for developing, training, deploying and managing intelligent applications. It rapidly ingests and interprets enterprise data and domain knowledge, transforming fragmented information into structured, reusable knowledge assets. The platform includes a standardized library of over 200,000 operators and models as of the Latest Practicable Date, supports heterogeneous computing environments, and provides full-cycle model development, fine-tuning, deployment and governance capabilities. This foundational layer underpins our industrial-grade and operational decision intelligent agents, enabling enterprise-wide cognitive intelligence applications across diverse operational scenarios.
- ***Industrial-Grade Intelligent Agent.*** Built on our cognitive intelligence algorithm platform and embedded with industry-specific operational knowledge, our industrial-grade intelligent agents are designed for complex industrial environments and long-process manufacturing scenarios. They support intelligent process control, quality prediction, operational monitoring and production optimization across multiple stages of manufacturing workflows. Through these products, enterprises can improve operational efficiency, enhance product quality and reduce reliance on experience-driven decision-making. We provide industrial-grade intelligent agents across a range of industrial applications, including intelligent batching, defect detection and quality prediction, serving industries such as steel and metallurgy, non-ferrous metals and fine chemicals.
- ***Operational Decision Intelligent Agent.*** Built on our cognitive intelligence algorithm platform, our operational decision intelligent agents are embedded across enterprise operations to support both business processes and general-purpose task execution. By integrating enterprise data, business rules, domain knowledge and operational workflows, these agents assist enterprises in knowledge management, data analysis, task execution and operational decision-making. They can be deployed across a broad range of functional areas, including research and development, production, sales and marketing, financial management and risk control, helping enterprises improve operational efficiency, decision quality and organizational effectiveness.

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OUR STRENGTHS

A Pioneer and Leader in Cognitive Intelligence

Since our founding in 2002, we have pursued innovation on two fronts in parallel: foundational algorithm research and the application of that research to real industry problems. Currently, the value of cognitive intelligence, which is distinguished by its capacity for logical and causal reasoning and trustworthy decision-making, have become increasingly pronounced. Recognizing this early, we made a deliberate commitment to cognitive intelligence and reasoning-based decision-making in 2017, becoming one of the first companies in China to pursue both research and commercial deployment in this field.

Our innovation has earned national recognition. We have been designated a national-level “Little Giant” enterprise for specialized and innovative technologies and a Shanghai Key Artificial Intelligence Enterprise, placing us in the front rank of AI algorithm research in China. We have led several major strategic and emerging projects, and our work has been recognized with the First Prize of the Ministry of Education’s Science and Technology Progress Award in 2022 and the First Prize of the Wu Wenjun Artificial Intelligence Science and Technology Progress Award, one of the highest honors in China’s AI field, in 2024.

Over more than two decades of research and development efforts, we have built a cognitive intelligence algorithm platform underpinned by our proprietary foundational algorithms, developed a complete cognitive intelligence algorithm system, and deployed it at scale in industries such as manufacturing and enterprise operations. According to Frost & Sullivan, in terms of revenue in 2025, we ranked as the fourth-largest enterprise cognitive intelligence algorithm service provider in China. The combination of original research depth and real-world industry reach underpins our early-mover position and our differentiated competitive advantages in cognitive intelligence globally.

Full-Stack Proprietary Algorithm Grounded in Technology Innovation

Cognitive intelligence sets out to solve a problem that has held AI back in specialized settings: how to advance from recognizing correlations in data to genuine logical and causal reasoning, and how to make a model’s decisions both reliable and traceable. Starting from innovation in foundational mathematics, we have built our full-stack proprietary algorithm and combined data-driven models with the way human reasoning actually works. This frees our models from conventional deep learning’s dependence on very large datasets and its weakness in complex, dynamic, and uncertain conditions, and delivers industrial-grade reliability and interpretability. As a result, our algorithms allow AI to move from a supporting tool into core production and decision-making roles.

Our algorithms are developed by two complementary units: our Smale Institute for Mathematics and Computation on fundamental research and in-house algorithm laboratory focusing algorithm development. The Smale Institute, an academic research and communication platform which we established in 2016, brings together leading global researchers including recipients of the prestigious Fields Medal, the Wolf Prize, and the Turing Award, and members of national academies of science in China and elsewhere. It works alongside institutions such as the University of California, Berkeley, professors from the University of Michigan, Fudan University, Shanghai Jiaotong University and Zhejiang University, conducting fundamental research in areas including computing theory, cognitive science, computational biology, and nonlinear expectation. Our algorithm laboratory turns academic research into algorithms that work in practice, developing and validating them against real industry needs. As of the Latest Practicable Date, we have published 184 papers at various publications and conferences, including leading international conferences such as CVPR, ICCV, ACL, and EMNLP. As of the Latest Practicable Date, we held over 100 granted invention patents and over 300 software copyrights.

Based on the aforesaid research and development system, we have achieved breakthroughs in the underlying architecture of algorithm. We developed a robust framework based on nonlinear expectation (G-expectation) that learns from few samples and performs reliably under noise and changing conditions. Our fusion-reasoning paradigm is built around a standardized “knowledge ontology” that embeds scientific principles, industry rules, and expert experience directly into our models to improve interpretability and curb hallucinations. Moreover, we developed a neuro-symbolic cognitive planning and

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decision system that verifies each reasoning step in a continuous loop to keep outputs logically sound from high-level intent down to specific tasks. Together, these innovations give us a clear performance edge in cognitive intelligence, demonstrated in real deployments:

- *Few-shot learning.* In industrial settings, our models can be trained on only a few thousand labelled samples, which is significantly less than what general-purpose large models require, substantially lowering the cost and effort of deployment.
- *Accuracy.* In hot-rolled defect detection on steel lines at customers, the average accuracy across all defects has improved from the industry norm of around 80% to consistently above 90%, outperforming imported inspection equipment.
- *Robustness.* Our algorithms filter out noise from changing conditions, even in harsh environments involving high heat, dust, and uneven lighting, the missed-detection rate stays below 5%, keeping production lines running reliably.
- *Trustworthiness.* By incorporating domain knowledge into the reasoning process, our algorithm can be verified through symbolic verification, thereby enhancing the accuracy and reliability of the results.

Industry Innovation through A Scalable “1+X” Business Model

Sectors such as manufacturing and enterprise operations demand a high degree of decision-making accuracy, yet the real-world settings they operate in are often fragmented and highly heterogeneous, creating inherent challenges in balancing precision and scalability. As a result, the ability of intelligent applications to generalize across diverse scenarios has become a critical determinant of their commercial value. Leveraging years of research and development in cognitive intelligence, we have developed a business model built around our “1+X” approach, which enables us to replicate proven capabilities across industries and use cases and achieve scalable, platform-driven growth.

The “1+X” model translates frontier algorithm capabilities into commercial value across industries. The “1” represents our foundational research and innovation engine, while the “X” encompasses the expanding set of industry scenarios. Benefiting from our robust core technology, we are able to package our algorithms into standardized, reusable, and highly adaptable components, eliminating the need to rebuild from scratch. We have applied this approach to high-value sectors such as manufacturing and enterprise operations, creating intelligent-agent solutions tailored to each industry’s specific pain points. In doing so, we bridge the full commercialization path from foundational research to engineering and large-scale deployment.

The capabilities produced by the “1+X” model are consolidated into a complete technology stack with three layers — the cognitive intelligence algorithm platform, the cognitive intelligent-agent application development platform, and our industry models and task agents. At the foundation, the cognitive intelligence algorithm platform virtualizes and orchestrates computing resources, manages datasets, and supports the training and fine-tuning of industry-specific models. Its architecture ensures reliable performance across leading mainstream chips in domestic technology environments. The cognitive intelligent-agent application development platform allows developers build, deploy and manage intelligent agents from using standardized, reusable modules. At the application layer, our industry models and task agents incorporates deep domain expertise across a broad range of industry-specific scenarios. These capabilities are embodied in two core product offerings: (i) industrial-grade intelligent agents, which support process-manufacturing tasks such as blending optimization, continuous-casting process control, and defect detection, and (ii) operational decision intelligent agents, which support enterprise functions such as R&D decision support, quality control, and brand marketing.

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This scalable business model enables rapid commercial expansion. For example, when we implemented the non-ferrous metal sheet inspection project at Jinchuan Group, we applied the same underlying recognition model previously used for steel sheet inspection. The project achieved a defect-detection rate exceeding 95%, demonstrating that our self-developed models can effectively meet surface-inspection requirements across materials with fundamentally different properties, from steel to copper foil. The success of our “1+X” model is evidenced by the increase in the number of our customers for cognitive intelligence products, being 67, 69, 134 customers in 2023, 2024, and 2025, respectively. Our revenue significantly increased by 105.4% from RMB65.6 million in 2023 to RMB134.7 million in 2024 and further increased by 251.7% from RMB134.7 million in 2024 to RMB473.6 million in 2025.

Vertical Barriers Anchored by Technological Enhancement and Pioneering Market Position

Applying cognitive intelligence in any vertical means combining mathematical algorithms with a deep understanding of various industries. Having achieved broad generalization across sectors, we have established strong vertical barriers anchored by both technological enhancement and pioneering market position.

As data, knowledge, and algorithms reinforce one another within real industry settings, our models keep improving. Because our products are applied at customers’ critical production and management processes, we accumulate a large set of knowledge and paradigm that captures both industry mechanics and expert judgement. To meet customers’ strict requirements for data security, our platform can be deployed fully on-premise, so that this data is used to its full potential within a rigorously isolated and compliant environment. Valuable industry know-how is fed, through the platform’s standardized knowledge-data fusion modules, into how models are structured, how their training objectives are defined, and how their outputs are refined. Combined with closed-loop feedback on scarce data, smarter sampling, and knowledge-based data augmentation, this steadily improves how our models perform in difficult conditions. As a result, we have created a virtuous cycle in which the deeper we go in a scenario, the more specialized our data, the sharper our distilled knowledge, and the better our algorithms perform.

Rigorous customer validation and a strong reference base raise the barrier to entry. In demanding, high-reliability fields, our systems become a “digital brain” embedded in the customer’s core operations. Large-scale enterprises we serve typically has strong requirement for business continuity, and our solutions must pass months of stress testing under real-world operating conditions before they are accepted. Once a system is in place, its decision logic is tightly integrated into the customer’s operations, establishing significant switch costs and thereby enhances customer retention. Our large-scale deployments at industry leaders serve as powerful references. We have also assisted in formulating or amending seven national, industry and group standards, including the *Assessment of Digital Transformation Maturity in the Non-Ferrous Metals Industry* (YS/T 1824–2025) and the *Evaluation Specification for Intelligent Manufacturing Capability Maturity in Steel Enterprises* — moving from delivering benchmark projects to helping set the rules of the industry itself. Built on technological trust, reputation, and high switching costs, these barriers help reduce customer acquisition cost and support continued growth.

Top-Tier Talent and Forward-Looking R&D

Our founder and chairperson, Dr. Xuan, holds a Ph.D. in mathematics from the University of California, Berkeley, where he studied under Professor Stephen Smale — a recipient of both the Fields Medal and the Wolf Prize — and a master’s degree in computational mathematics from Zhejiang University. He spent around seven years at HP Inc. in California working on data modelling, simulation algorithms, and large-scale software development, building deep experience in mechanistic modelling, high-performance computing, and intelligent systems. He serves as an executive director of the Smale Institute for Mathematics and Computation, as a fellow of the Chinese Society for Industrial and Applied Mathematics, and as a Standing Committee Member of the Logic Committee of the Chinese Association for Artificial Intelligence.

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Under Dr. Xuan’s leadership, we have assembled a strong, specialized R&D team. As of December 31, 2025, we had 118 R&D employees, representing approximately 62.1% of our total employees as of the same date, including graduates from Peking University, Tsinghua University, Fudan University, Zhejiang University, Shanghai Jiao Tong University, and leading overseas universities. Their backgrounds span mathematics, computational mathematics, computer science, cognitive science, operations research and control, and statistics, an interdisciplinary mix that is central to our continued innovation in cognitive intelligence.

We pursue long-term values in research and development. Rather than chasing short-term trends at the application layer, we invest consistently in fundamental research and in the technologies likely create long-term value. In trustworthy AI in particular, we are moving from “trustworthy models” toward “trustworthy systems,” building the next generation of our technology around interpretability, causal reasoning, logical consistency, and safety alignment.

OUR STRATEGIES

Advancing Our Core Proprietary Technology

We are dedicated to pursuing technological innovation that creates sustainable, long-term value, focusing primarily on three strategic directions.

- *Neuro-symbolic computation.* Exploring differentiable logic programming and symbolic-knowledge-guided neural architecture search, with the aim of uniting the flexibility of perception with the rigor of reasoning.
- *Non-axiomatic reasoning.* Developing the ability of agents to form hypotheses and reason adaptively where knowledge is incomplete and rules are uncertain.
- *Conscious Turing Machine theory.* Exploring trustworthy architectures based on the Conscious Turing Machine model — proposed by Turing Award laureate Professor Manuel Blum and Professor Lenore Blum of Carnegie Mellon University, who is a key member of the Smale Institute. By drawing on ideas such as a global workspace and metacognition, we aim to build systems capable of self-monitoring and self-reflection, offering a path beyond the “black box” limits of today’s large models toward higher-order, trustworthy decision-making.

These efforts complement our three existing algorithm frameworks and together provide a complete theoretical basis for making cognitive intelligence more trustworthy and reliable.

We are also evolving our platform into an industrial-grade AI operating system (AI OS). This means upgrading our system-level resource scheduling, moving our AI capabilities from customized deployment toward standardization and an open ecosystem, and ultimately progressing from delivering capabilities to enabling an ecosystem built on them. We plan to pursue this across four layers of our technology stack:

- *Core algorithm layer.* We will continue to deepen our proprietary foundational algorithms, such as robust framework based on nonlinear expectation, few-shot learning, and knowledge-data fusion training. Rather than competing through ever-larger computing budgets, we aim to make lightweight, highly reliable, and fully interpretable algorithms the center of decision-making, creating a trustworthy “decision brain.”
- *Algorithm platform layer.* We will accelerate the standardization of our model factory, feature platform, and inference scheduling system, so that heterogeneous computing resources can be virtualized and allocated flexibly from a single pool. This is designed to break down the data and model silos within an enterprise and provide unified, end-to-end management of underlying resources.

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- *Agent orchestration layer.* We plan to launch a standardized platform for managing and governing intelligent agents that takes over core functions such as task orchestration, intent decomposition, and long-term memory, supporting autonomous decision-making and cross-functional coordination among both industrial-grade and operational decision intelligent agents.
- *Industry ecosystem layer.* We will build a standardized, modular architecture for adapting our capabilities and deploying them on a plug-and-play basis. For core sectors such as high-end manufacturing and enterprise operations, we intend to offer toolchains and sandbox environments that lower the barrier to adoption and extend our technology across a broad ecosystem of use cases.

Evolving Our Products

We are actively building out our platform and ecosystem capabilities to improve the large-scale reusability of our core technology components, lower our marginal delivery costs, and strengthen both customer stickiness and revenue visibility. At the same time, by deepening our presence in industry use cases and accelerating our expansion into overseas markets, we aim to become a key enabler of industrial AI infrastructure and to achieve sustainable, high-quality long-term growth.

- *Standardizing our product suite.* We will continue to advance the standardization and modularization of our industry agent products, building a more reusable and composable product suite and steadily improving our revenue mix and gross margin. By leveraging our standardized agent development platform to improve the large-scale reusability of our core capabilities, we will also actively explore diversified revenue streams and fee models.
- *Expanding overseas markets.* To capture the global shift toward industrial AI, we plan to expand into overseas markets with our industrial-grade intelligent agents as the lead product, establishing local delivery and technical-service capabilities and competing in international markets.

Deepening Use Cases and Expanding into New Industries

We intend to expand our offerings to cover more use cases and industries with strong growth potential. Building on our strengths in process industries such as steel, metallurgy, and non-ferrous metals, we will focus on completing a set of flagship pilots in smart energy, high-end manufacturing, and AI for Science. These are intended to validate the stability and return on investment of our systems and to create influential reference cases. In addition, leveraging our proven record in more established verticals, we also plan to further tap into emerging verticals, such as embodied intelligence.

Embodied intelligence is a natural extension of our cognitive intelligence technology from the digital world into the physical one. Unlike the industry’s prevailing integrated hardware-software approach, we focus on the “embodied brain”, the reasoning and decision-making layer, rather than building robot hardware ourselves, enabling a wide range of embodied systems in a lightweight and highly adaptable way. Recognizing that a critical problem in embodied intelligence is understanding and decision-making in dynamic, open environments rather than motion control, we use our neuro-symbolic architecture to embed knowledge such as industrial rules and safety constraints into the planning process, a “generate-verify-correct” cycle to help ensure each action is physically feasible and safe, and our few-shot learning algorithms to generalize reliably from only a small number of demonstrations. We also plan to partner with more of China’s leading robotics manufacturers to build a shared simulation-based “cognitive training ground” that improves cross-scenario adaptability and lowers the cost of deploying models in new environments. Drawing on our existing vertical-industry customer base, we will prioritize pilot deployments in industrial manufacturing, warehousing and logistics, and specialized operations in hazardous settings, before replicating them at scale across these and additional industries to widen the range of embodied-intelligence applications and convert them into commercial value.

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Developing Our Organization and Talent

We are committed to building an organization capable of supporting both technological breakthroughs and scaled growth. By continuing to recruit top talent, refining our incentives, and deepening collaboration among industry, academia, and research, we aim to run two tracks in parallel: forward-looking exploration and deep industry execution. The first advances next-generation foundational theory through the Smale Institute for Mathematics and Computation; the second commercializes our algorithms through specialized teams embedded in each vertical.

- *Recruiting top talent and providing long-term incentives.* We will continue to execute a global talent strategy, selectively recruiting leading mathematicians, algorithm scientists, systems architects, and ecosystem-operations professionals who bring a mix of skills. Through competitive equity incentives and a culture that encourages innovation, we aim to build a dense concentration of high-caliber talent.
- *Building an ambidextrous organization.* We follow an “ambidextrous organization” model designed to deliver breakthrough innovation and operating efficiency at the same time. Benchmarked against research organizations such as Google DeepMind, the model uses structural separation combined with strategic integration to balance long-term exploration against near-term delivery, cultivating an organization capable of continuous evolution.
- *Integrating industry, academia, and research.* Through the Smale Institute for Mathematics and Computation, we will continue to bring together leading global researchers and pursue original research in the foundational theory of cognitive intelligence. We will also deepen our work with top universities in China and abroad, introducing our core algorithm platform into university research settings through joint projects to accelerate the translation of academic results into industry applications and to develop a continuing pipeline of talent.

OUR BUSINESS MODEL

We develop and deliver cognitive intelligence algorithm products that empower organizations to process complex information, optimize operations, and make informed decisions by applying AI models. We serve customers across industrial manufacturing, cultural tourism, IT services, and scientific research and public services. Our products help customers automate operations, improve efficiency, optimize resources, reduce errors, and make data-driven decisions. Accordingly, we provide measurable benefits in operational performance, quality control, and strategic planning and decision-making.

At the core of our business is our cognitive intelligence algorithm platform, which integrates computing resources, data, and algorithm models into a unified system. The platform supports the standardized development, training, deployment, operation, and governance of AI capabilities, enabling us to deliver scalable, enterprise-wide AI systems and models to a broad and growing customer base across different verticals. Its architecture combines advanced frameworks, knowledge ontology, and cognitive planning mechanisms to ensure robust, accurate, and explainable AI outputs in real-world applications. The platform also supports model management and version tracking, enhancing consistency, transparency, and reliability in enterprise deployment.

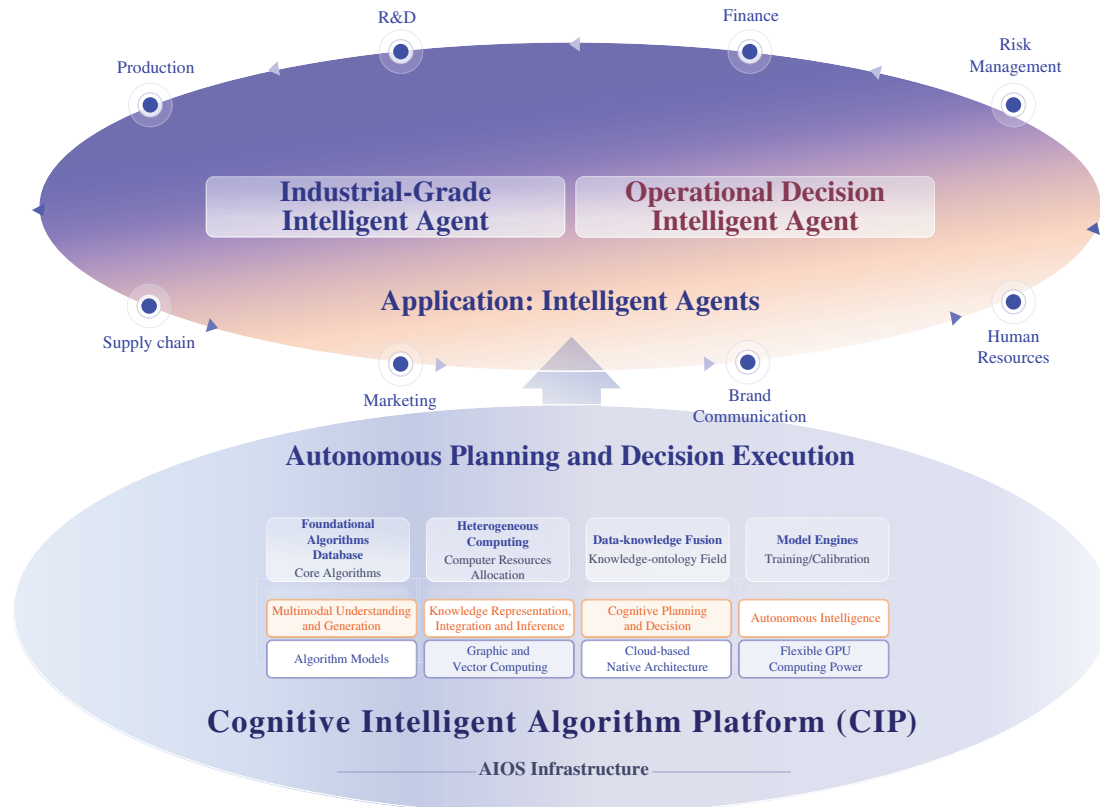
On top of our cognitive intelligence algorithm platform, we have developed intelligence agent products, designed to meet specific business and operational needs. Specifically, our intelligence agent products include (i) industrial-grade intelligent agents, which are AI models designed to execute high-complexity operational tasks requiring advanced mathematical modelling, computational precision, and reliable performance in demanding environments; and (ii) operational decision intelligent agents, which are enterprise-wide AI models designed to support business operations and management by integrating operational data, business rules, and domain knowledge to enhance decision-making, process efficiency, and organizational oversight.

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Cognitive Intelligence Algorithm Platform

The cognitive intelligence algorithm platform is the operating system and foundational infrastructure for AI algorithm applications. It provides an integrated environment where enterprises can develop, train, optimize, deploy and manage intelligent applications, while supporting the coordinated operation of intelligent agents across a broad range of business scenarios. The platform enables the unified management of computing resources, model training, and tool development, and supports the construction and continuous evolution of knowledge ontology frameworks, forming the foundation for enterprise-wide cognitive intelligence applications.

Its core strength lies in its ability to rapidly ingest and interpret enterprise business data and domain knowledge, transforming fragmented information into structured and reusable knowledge assets. Through the construction and continuous evolution of knowledge ontology frameworks, the platform supports intelligent reasoning, planning and decision-making, enabling enterprises to effectively utilize their knowledge resources and deploy trusted cognitive intelligence applications. The platform also provides the foundational environment for the development and operation of our intelligent agent products.



Core Technology Capabilities

The platform is structured around four core components, each designed to address the key challenges enterprises face when adopting AI:

- **Algorithm kernel.** The platform includes a standardized library of over 200,000 operators and models, all integrated into a modular, reusable architecture to support flexible development and deployment of AI applications. Built on our foundational algorithms database and core algorithms, the platform supports multimodal understanding and generation capabilities across a wide range of enterprise AI applications.
- **Heterogeneous computing.** Unified orchestration of heterogeneous computing resources supporting compatibility with mainstream AI frameworks and optimized for various GPU models. The system enables elastic virtualization, multi-tenant isolation, and dynamic allocation of computing resources to efficiently manage enterprise workloads. It also supports graphic and vector computing and flexible GPU computing to facilitate efficient computer resource allocation across diverse computing environments.

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- **Data-knowledge fusion.** An AI-driven data governance layer combining a data sandbox architecture with automated knowledge graph construction, enabling enterprises to systematically capture, digitize, and reuse their domain expertise. Through a knowledge-ontology framework, the platform supports knowledge representation, integration and inference, enabling enterprises to transform fragmented data and domain knowledge into structured and reusable knowledge assets. It also provides cognitive planning and decision capabilities to support intelligent enterprise operations.
- **Model Engine.** A full-cycle system covering model development, training, fine-tuning, and deployment, supporting mainstream LLMs with containerized deployment, version management, and end-to-end security controls. Built on a cloud-native architecture, the model engine supports autonomous intelligence capabilities while providing enterprises with a secure and scalable environment for AI model life cycle management.

By addressing the most pressing challenges in enterprise AI adoption — including limited computing resources, heterogeneous infrastructure, fragmented data, difficulties in deploying AI models at scale, low R&D efficiency, and compliance with security and regulatory requirements — within a single, scalable platform, we are well positioned to serve the enterprise AI infrastructure market.

Key Functions

AI Research and Development Workbench

The foundational algorithm platform is a unified workbench for AI research and development, supporting a broad range of use cases: general algorithm development, mathematical modelling, numerical simulation, few-shot learning and multimodal understanding. It provides unified management across mainstream AI frameworks and is also suited to AI education, algorithm competitions and laboratory coursework at universities.

The platform’s key strengths are its built-in library of over 200,000 operators and models as of the Latest Practicable Date, an out-of-the-box deployment environment with full experiment version tracking, and deep optimization for various GPU models, delivering utilization gains of over 30%. The platform supports concurrent training for thousands of users simultaneously, meaningfully lowering the barriers to AI education and research.

Heterogeneous Computing Hub

This module provides unified orchestration of large-scale intelligent computing clusters, supporting the pooling and elastic virtualization of supercomputing, intelligent computing and cloud computing resources across heterogeneous hardware environments. It addresses three major pain points in enterprise AI infrastructure: resource fragmentation, chronically low utilization rates, and the operational complexity of managing mixed domestic and international chipsets.

The module supports training of LLMs. It provides unified management across GPU, NPU, DCU and GCU hardware from multiple vendors, with multi-tenant isolation, quota controls and elastic scaling.

Intelligent Data Foundation

This module provides an integrated foundation for collecting, processing and managing data from multiple sources. It supports data annotation, cleansing, desensitization and the parsing of unstructured content — including text, images and point clouds — and automates the construction of knowledge graphs to capture industry expertise and make it reusable across the enterprise.

We designed an innovative data sandbox architecture, where data remains fully accessible for analysis but cannot be extracted, directly addressing the data privacy and cross-domain compliance requirements that enterprise customers face. Combined with AI-driven governance tools and automated knowledge graph construction, this positions the platform well for customers in heavily regulated industries where data sovereignty is non-negotiable.

Model Engine and Full Lifecycle Deployment

The model engine covers the full lifecycle of AI models from development and training through fine-tuning, deployment and ongoing management. It supports localized deployment of mainstream LLMs as well as all major open-source and commercial alternatives — and tackles three common bottlenecks: version management, inference latency and throughput, and the engineering gaps that have historically kept AI from reaching production at scale.

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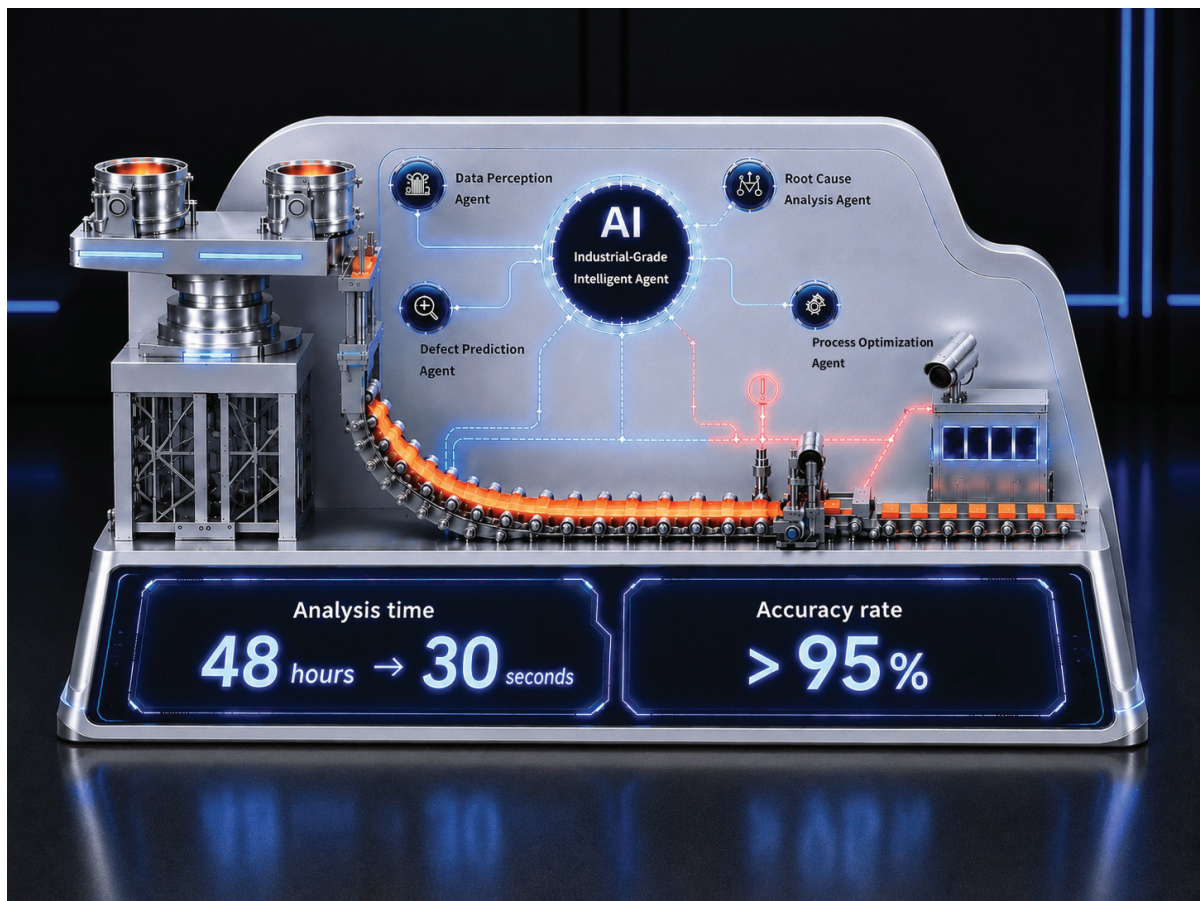
One-click fine-tuning and containerized deployment, combined with inference optimization, reduces the technical lift required to get AI into production. The module also incorporates strong security features such as encryption, access controls and end-to-end audit logging, allowing customers to steadily build up proprietary data and model assets over time.

Industrial-Grade Intelligent Agent

Our industrial-grade intelligent agents are tailored for long-process industrial environments, with process control at their core. Built on our cognitive intelligence algorithm platform and integrating industry-specific operational knowledge, these agentic models enable enterprises to automatically monitor and optimize complex production processes spanning multiple interdependent stages. Through the standardized framework provided by our cognitive intelligence algorithm platform, our industrial-grade intelligent agents facilitate the integration of operational data and process knowledge.

Representative applications include the intelligent coal blending system, the defect detection system, and the continuous casting quality prediction system. These applications capture intricate process interactions, systematically encode operational expertise, and support autonomous optimization, helping enterprises improve operational efficiency, maintain consistent product quality, and reduce reliance on the tacit knowledge of individual operators. We provide industrial-grade intelligent agents and related product services to support process control and operational optimization across industries such as steel and metallurgy, and non-ferrous metals.

The following diagram illustrates the benefits of our industrial-grade intelligent agents applied in the continuous casting process control, a core process in metal manufacturing:



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Core Technology Capabilities

The industrial-grade intelligent agent products are supported by the following core technical capabilities:

- **Defect recognition.** Our visual inspection systems are integrated with cognitive reasoning to perform real-time, high-precision defect detection and classification across high-speed production lines. The algorithms are designed for strong generalization across different metal, reducing the need for specific pre-training. Each inspection generates a complete digital record, ensuring end-to-end quality traceability.
- **Multi-objective optimization.** Our intelligent batching and raw material optimization models support varied optimization objectives tailored to user needs, including quality compliance, cost control, and resource utilization. These models incorporate real-time raw material composition and procurement cost parameters and integrate operator experience as structured input, augmenting but not overriding practical knowledge.
- **Process parameter modelling and root cause analysis.** Our agents capture non-linear interactions among process parameters across the full production workflow. They enable real-time quality prediction and rapid identification of anomalous process stages and parameters, reducing reliance on experienced operators while enhancing operational consistency.
- **Real-time automated monitoring and alerting.** Our vision and sensor systems continuously monitor critical production line processes. Real-time anomaly detection and alert capabilities replace manual, close-proximity inspections, reducing labor intensity, improving safety, and minimizing response time to events that could result in downtime or production losses.
- **Intelligent scheduling and logistics optimization.** Our data-driven production scheduling and warehouse management models dynamically re-optimize in response to operational changes, improving equipment utilization and overall production throughput.

Key Functions

Intelligent Batching and Raw Material Optimization

We provide intelligent batching and raw material optimization models for sintering ore blending and coking coal blending processes. These models are designed to address the challenge of limited sample sizes, which is a persistent constraint in industrial batching. Traditional experience-dependent methods cannot optimize multiple competing objectives simultaneously, such as quality compliance, cost efficiency, and resource utilization.

Our intelligent batching models incorporate operator experience as structured input, ensuring that practical knowledge is fully respected and augmented, rather than overridden. Real-time raw material composition and procurement cost data are used to make data-driven blending decisions, reducing waste of high-value coal and ore resources and providing quantitative support for procurement planning.

Process Quality Closed-Loop Control and Root Cause Traceability

Our process quality management models are deployed in continuous casting quality prediction and traceability for copper rod, electrolytic process quality control for cathode copper, and continuous casting billet quality prediction with cutting optimization. These applications address the technically challenging non-linear coupling of process parameters, which complicates identification of specific anomalies responsible for quality defects.

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By applying our cognitive intelligence algorithm technology to model complex parameter interactions, we enable real-time quality prediction and rapid root cause localization, substantially reducing reliance on experienced operators and preserving institutional knowledge.

Defect recognition

Our defect recognition models are deployed across a variety of high-precision manufacturing processes, including copper foil defect and pinhole detection, hot-rolled and cold-rolled sheet inspection, and cathode copper nodule detection.

Traditional manual visual inspection methods are limited by low throughput, operator subjectivity, and the inability to meet the real-time, high-accuracy requirements of high-speed production lines. Our AI-driven visual inspection is deeply fused with cognitive reasoning, enabling the system to understand not just what a defect looks like but also the underlying formation logic. In addition, our algorithms are designed for strong generalization across different metal, substantially reducing the need for specific pre-training. Each inspection generates a full digital record, enabling comprehensive quality traceability.

Others

In addition to the foregoing key functions, our industrial-grade intelligent agents can be deployed across a broad range of production processes in areas such as steel, metallurgy, non-ferrous metals, fine chemicals and advanced materials. These agents support critical monitoring, process control and operational optimization tasks throughout different stages of industrial production processes. By combining real-time monitoring, automated detection and alert capabilities with industry-specific process knowledge, they help enterprises identify operational anomalies in a timely manner, minimize response times to critical events and improve production continuity. These applications also reduce reliance on manual monitoring, lower labor intensity and support safer and more efficient operations, while helping prevent unplanned downtime and production losses.

Operational Decision Intelligent Agent

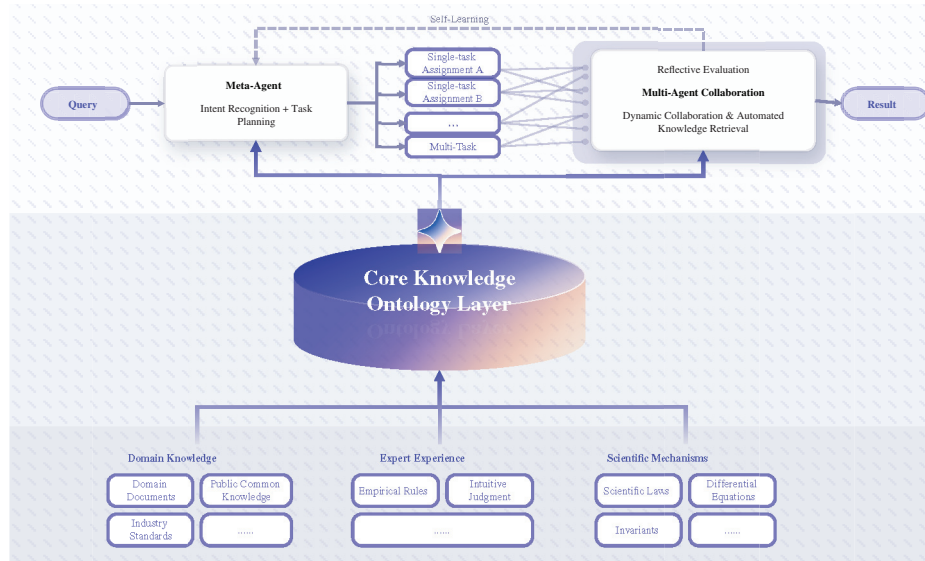
The operational decision intelligent agent is embedded across the full chain of enterprise operations, supporting both functional business processes and general-purpose task execution. It also provides knowledge connectivity, data linkage, autonomous judgment, and closed-loop self-optimization as its defining characteristics. Our operational decision intelligent agent is built upon five core capabilities: cognitive intelligence, enterprise knowledge graph construction, multi-system integration, autonomous analytical decision-making, and rules-based automation. Through intent recognition, task planning and multi-agent collaboration, the agent can coordinate the execution of complex tasks while leveraging a dynamic knowledge ontology framework to support knowledge retrieval, reasoning and decision-making.

The agent’s technical architecture is distinguished by three core features: (i) autonomous cognition and decision-making, representing a fundamental shift from passive query response to proactive and independent decision-making; (ii) dual data-knowledge drive, integrating enterprise business data, domain knowledge bases and real-time operational data into a layered, reusable and continuously alterable knowledge model; and (iii) closed-loop self-optimization, enabling the ongoing iteration of operational strategy through a continuous perception-to-learning intelligence loop.

These agents deliver both customized applications across research and development, production, sales and marketing, financial management and risk control, and a suite of standardized applications including enterprise intelligent knowledge bases, financial data query and analysis, AI business advisory and environmental impact assessment reporting.

BUSINESS

The following diagram showcases the differentiated technologies of our operational decision-making intelligent agents:



Core Technology Capabilities

The operational decision intelligent agent products are supported by the following core technical capabilities:

- **Rapid knowledge understanding and business modeling.** The agent can automatically extract ontological knowledge from both structured enterprise data and unstructured documents in accordance with business schemas. This enables the rapid construction and continuous enrichment of dynamic knowledge ontology fields that provide a formalized foundation for operational decision-making, task planning, and process modeling.
- **Knowledge fusion and reasoning.** By integrating heterogeneous sources — including structured data, unstructured documents, business workflows, domain knowledge, expert experience, and scientific mechanisms — the agent achieves unified knowledge representation and holistic reasoning. This enables knowledge-driven execution and supports consistent decision-making across complex operational scenarios.
- **Trustworthy and secure agents.** Dynamic knowledge ontology fields can be accurately invoked by the agent, mitigating risks of large-model hallucination and black-box opacity. Dedicated permission-allocation and independent permission-control agents enforce strict governance of internal access rights, ensuring transparency, auditability, and secure operation.
- **Complementary integration of small- and large-scale models.** For specific tasks, small-scale models can be rapidly trained and deployed, complementing the generalization capabilities of large-scale models. This hybrid approach balances task-specific accuracy with broad adaptability, enabling enterprises to achieve both precision and scalability in operational decision-making.

BUSINESS

- **Multi-agent collaboration and autonomous execution.** Through meta-agent orchestration for intent recognition and task planning, the agent can decompose complex requests into specialized subtasks and coordinate multiple intelligent agents to execute them collaboratively. Supported by reflective evaluation, dynamic knowledge retrieval, autonomous learning capabilities and the complementary deployment of task-specific small models and general-purpose large models, the agent continuously improves execution efficiency and decision quality across enterprise workflows.

Key Functions

Brand Marketing and Digital Cultural Tourism Interactive Showcasing

The agent rapidly assimilates enterprise brand, product and industry knowledge to deliver personalized interactive exhibitions, dynamically updated content and tailored visitor experiences. Targeting enterprise showrooms, industry reception centers and cultural heritage digitalization projects, the agent addresses the limitations of static, low-interactivity traditional exhibition formats through AI-driven interaction and long-term digital operational capabilities.

Enterprise-Wide Operational Decision-Making

Centered on core operational indicators, the agent delivers multi-level data drill-down, automated attribute analysis and intelligent operational situation assessment, generating actionable management recommendations. The agent also supports intelligent financial operations through capabilities such as natural language data querying, automated reporting and dynamic financial monitoring, providing data-driven support for financial management and senior management decision-making. In addition, it enhances risk control, compliance and audit processes through automated rule verification, intelligent review and early risk warning mechanisms, strengthening enterprise governance and compliance management. By addressing the limitations of shallow operational analysis and experience-dependent decision-making, the agent shortens decision-making cycles and enables more precise and data-driven enterprise management.

Others

The agent also supports a broad range of enterprise applications beyond core operational decision-making. By consolidating institutional policies, operational procedures, professional expertise, business documentation and operational data into unified knowledge and data frameworks, the agent enables enterprise-wide intelligent knowledge query, natural language data retrieval, multi-dimensional analysis and visualized reporting. These capabilities help break down information and data silos, improve knowledge transfer and accessibility, accelerate data response times and enhance organizational efficiency. Through continuous expansion of enterprise knowledge and data integration capabilities, the agent also provides flexible support for evolving business scenarios and future operational needs.

OUR KEY OPERATING DATA

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

	For the year ended December 31,		
	2023	2024	2025
Cognitive intelligence algorithm platforms			
Revenue (RMB'000)	20,427	58,029	237,927
Number of customers	14	15	57
Average spending per customer (RMB'000)	1,459	3,869	4,174

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	For the year ended December 31,		
	2023	2024	2025
Industrial-grade intelligent agents			
Revenue (RMB'000)	12,625	37,640	118,016
Number of customers	8	9	33
Average spending per customer (RMB'000)	1,578	4,182	3,576
Operational decision intelligent agents			
Revenue (RMB'000)	26,278	23,562	111,136
Number of customers	45	45	44
Average spending per customer (RMB'000)	584	524	2,526

Our number of customers under cognitive intelligence algorithm platforms increased from 14 in 2023 to 57 in 2025 and our number of customers under industrial-grade intelligent agents increased from 8 in 2023 to 33 in 2025, primarily attributable to the improvement of our technology and product performance, our capabilities to address customers’ increasing demand for cognitive intelligence products, as well as our business expansion efforts.

OUR PRICING MODEL

Our cognitive intelligence products are mainly offered through either software or integrated software-hardware solutions. We generally charge our customers upon their acceptance of the relevant products. We also generate revenue from sales of new and upgraded modules for existing customers to meet their evolving operational, functional and technological needs.

While the specific pricing considerations are determined on a case-by-case basis, our pricing generally reflects the scope of deployment, technical requirements, implementation efforts and value delivered to customers. For cognitive intelligence algorithm platforms, pricing is primarily influenced by deployment scale, computing resource requirements, and the scope of platform functionalities and modules deployed. For industrial-grade intelligent agents, pricing also takes into account the complexity of production scenarios, implementation requirements and the expected operational benefits generated for customers, such as improvements in operational efficiency, resource utilization and product quality. For operational decision intelligent agents, which are typically deployed as a set of enterprise-wide tools and systems covering multiple business functions and workflows, pricing is primarily influenced by the breadth of business functions covered, the level of integration with customers’ existing systems, the degree of customization required and, where applicable, the anticipated level of token consumption associated with the operation of the tools and systems.

We mainly offer software to our customers and may also provide integrated software-hardware solutions to customers with additional hardware resource requirements compatible with their systems. Such hardware resources primarily relate to storage, GPU computing resources, network communication infrastructure, display equipment and other tools required for model training, deployment and inference. Pricing for integrated software-hardware solutions also takes into account the costs of hardware procured from third-party suppliers.

To a lesser extent, we also provide technical and other services that primarily consist of digitalization related services, including software development kits, customized application development, and other technical support services. The pricing of our technical services varies depending on each customer’s individual needs. Revenue generated from technical and other services represented a relatively small portion of our total revenue during the Track Record Period. As our strategic focus is on expanding our cognitive intelligence products, we expect revenue generated from technical and other services to continue to decrease as a percentage of our total revenue in the future.

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OUR TECHNOLOGY

We focus our research on developing cognitive intelligence algorithm technologies with high reliability and robustness for understanding, reasoning, planning and decision-making purposes. Our core technologies are summarized as follows:

Nonlinear-expectation-based algorithm framework for few-shot learning

We have developed a proprietary algorithm framework founded on the mathematical concept of nonlinear expectation. Unlike conventional frameworks that rely on the independent-and-identically-distributed (IID) assumption, our algorithm framework is designed to operate without that assumption, thereby addressing practical data challenges such as distribution shifts, long-tail label distributions and noisy observations commonly encountered in industrial and professional settings.

Our framework is particularly well suited for few-shot learning scenarios, where only limited labeled data is available for model training. By operating effectively under distributional uncertainty and non-IID conditions, the framework enables models to achieve robust learning performance even when high-quality training samples are scarce, reducing data acquisition and annotation requirements in complex industrial environments.

Our research team extended large-sample results to non-IID settings to obtain a practicable estimator for expected loss under distributional uncertainty and reformulated the learning problem as a minimax optimization problem. We have developed a complete set of computable algorithms and provided engineering implementations.

Our algorithm framework has been validated across multiple domains, such as reinforcement learning. Experimental results indicate that our in-house developed nonlinear-expectation-based algorithm framework achieves more than a twofold improvement in convergence speed compared with conventional algorithms, increases average accuracy by over 10%, and improves robustness by more than fivefold. Related research has been published in leading AI conferences such as ICDM. In the intelligent manufacturing field, applying this algorithm framework to revise existing optimization objectives produced a more stable foundation for intelligent coal-blending.

Knowledge-ontology-based dynamic fusion reasoning paradigm

We have systematically developed a knowledge-ontology-based dynamic fusion reasoning paradigm. For different forms of domain knowledge, such as scientific mechanisms, industry standards and expert experience, we have established corresponding knowledge representation methods. By combining these representations with common modelling approaches such as statistical learning and operations-research optimization, and by supporting different fusion modes (pre-fusion, mid-fusion and post-fusion), we provide 12 typical data-fusion reasoning paradigms based on knowledge ontology fields, covering a wide range of practical application scenarios.

The purpose of this paradigm is to deeply integrate domain knowledge (for example, financial regulations and engineering manuals) with the data-driven capabilities of models, thereby effectively suppressing model hallucination. Data-driven models can produce confidently stated but incorrect outputs when training data are noisy, domain knowledge is sparse, or there is no mechanism for factual verification. By fusing domain knowledge into the inference process, we can anchor generated content to facts and perform logical validation at inference time, materially improving the accuracy and credibility of responses. Knowledge guidance also enhances model robustness to anomalous inputs and distributional shifts, reducing errors caused by contextual misunderstanding or overfitting. For these reasons, knowledge-data fusion is a key pathway to improving model reliability at the source and enabling safe deployment in high-risk domains.

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We have applied this paradigm in multiple scenarios, including intelligent manufacturing and digital-human customer service, and have observed significant improvements. For example, conventional defect detection for intelligent manufacturing achieved recognition accuracy below 80%, whereas our knowledge-data fusion methodology increased average recognition accuracy to approximately 90%. The knowledge-ontology-based dynamic fusion reasoning paradigm is protected by more than ten granted patents.

Neuro-symbolic cognitive planning and decision system

We adopt an integrated architecture that combines neural generation, symbolic verification and reinforcement learning to construct our cognitive planning system. In this architecture, neural networks act as generators, responsible for divergent thinking and for rapidly proposing multiple hypotheses based on context (for example, diagnostic suggestions or instructional strategies), thereby leveraging their generalization and creative capabilities. A symbolic inference system functions as a verifier, using structured domain knowledge (such as educational ontologies or formal logic rules) to rigorously check the neural outputs for factual correctness, logical consistency and absence of hallucination, and to filter out incorrect or unreliable options. Reinforcement learning serves as the optimization mechanism: it converts the verifier’s feedback into reward signals so that only outputs that pass symbolic verification receive positive reinforcement, guiding the policy network over time to prefer correct and compliant decision paths. This process forms a closed loop of “generate-verify-reinforce”: neural models explore possibilities, the symbolic system imposes deterministic constraints, and reinforcement learning drives long-term policy evolution toward higher trustworthiness.

In enterprise decision-making and other scenarios where model outputs directly affect people’s health, safety or development and where tolerance for error is extremely low, it is essential to ensure high reliability. Although large generative models have strong creative capabilities, they commonly exhibit hallucinations, factual errors and logical inconsistencies that, in critical settings, can lead to misdiagnosis, misleading instruction or erroneous decisions with serious consequences (for example, conceptual errors in educational tutoring). For these reasons, research into trusted AI is necessary: by integrating authoritative domain knowledge, introducing verifiable reasoning mechanisms, strengthening output validation and quantifying uncertainty, we can systematically improve model accuracy, consistency and robustness.

Our independently developed neuro-symbolic cognitive planning and decision system is designed to balance flexibility with safety in high-reliability tasks such as enterprise autonomous planning and execution platforms. The system is intended to ensure outputs that are safe, accurate and explainable. Related results have been protected by multiple granted invention patents.

Synergies of our core technologies

Collectively, these technologies form an integrated, unified trusted-AI architecture. Although each component emphasizes a different technical path and implementation level, they share a single objective: to systematically reduce large-model hallucination and materially improve AI credibility and robustness in high-risk, high-reliability applications.

- At the foundational level, the nonlinear-expectation algorithm framework provides the system’s base level of distributional robustness. By removing the strict IID assumption and applying nonlinear-expectation theory, the algorithm framework yields stable convergence and low-bias estimators under non-stationary, asymmetric and noisy data conditions. That intrinsic robustness is the first line of defense against hallucinations caused by input perturbations and supplies reliable feature representations and predictions for subsequent processing. The algorithm framework is supported by our peer-reviewed research, partial open-source implementations and granted patents.

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- At the mid-level, the knowledge-ontology fusion-reasoning paradigm implements factual anchoring and logical constraint by embedding structured and unstructured domain knowledge, including symbols, rules, ontologies and constraints, into model training and inference through pre-fusion, mid-fusion and post-fusion approaches. Knowledge is applied as hard constraints or soft regularizers rather than simple retrieval and concatenation, guiding generation toward factual alignment and enabling logical validation at inference time. In practice, this level materially reduces confidently stated but incorrect outputs and increases accuracy and compliance; it has been deployed in intelligent-manufacturing and digital-human customer-service scenarios and is protected by multiple patents.
- At the top level, the neuro-symbolic cognitive planning and decision system enforces a closed-loop “generate-verify-reinforce” process. Neural generators propose candidate solutions; symbolic verifiers check factual and logical consistency against authoritative knowledge; and reinforcement learning converts verifier feedback into reward signals that bias policy learning toward correct, compliant decisions. This design preserves neural flexibility while ensuring traceability, verifiability and explainability in higher-order reasoning tasks, supporting safe use in domains such as enterprise planning.

Together, these three levels produce system-level effects that go well beyond the sum of their parts. By combining intrinsic distributional robustness at the foundation, factual anchoring and logical constraints at the mid-level, and a “generate-verify-reinforce” decision loop at the top, the architecture substantially reduces hallucinations arising from noisy data, knowledge gaps and logical errors. Outputs become more trustworthy: they are traceable to cited knowledge sources, verifiable through symbolic checks and explainable via exposed reasoning chains. The system also delivers robust performance across a wide range of conditions, maintaining reliable behavior under distributional shifts, noisy inputs and previously unseen long-tail cases. As a result, the architecture makes practical, safe deployment feasible in high-risk, low-tolerance domains.

Grounded in rigorous mathematical foundations and spanning the full lifecycle of data, knowledge and reasoning, our integrated three-level system provides a critical reliability infrastructure that enables deep, safe deployment of AI models in critical domains.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Introduction

We were loss-making during the Track Record Period. We incurred net losses of RMB123.6 million, RMB155.9 million, and RMB52.8 million in 2023, 2024, and 2025, respectively. Our adjusted net loss (a non-IFRS measure), which is defined as loss for the year adjusted by adding back share-based payments, was RMB92.3 million, RMB121.0 million, and RMB15.2 million for the same years, representing 140.7%, 89.9%, and 3.2% of our revenue, respectively.

These losses were principally attributable to the substantial upfront investment we made in foundational research and in building our cognitive intelligence algorithm platform and products during a period of rapid growth. Our net loss increased from RMB123.6 million in 2023 to RMB155.9 million in 2024, primarily due to increased research and development and selling and marketing expenses as we expanded our technology base and customer coverage. Our net loss then narrowed significantly to RMB52.8 million in 2025, primarily due to the substantial growth of our revenue and the operating leverage in our business model.

We plan to continue to improve our financial performance and achieve profitability by (i) accelerating revenue growth by expanding our customer base and deepening our penetration of existing customers, (ii) improving our gross profit margin through a more favorable revenue mix, and (iii) effectively managing our costs and expenses and enhancing operating leverage. While we have substantially narrowed our losses, we may continue to incur net losses in the near future as we continue to invest in research and development, expand into new industries, and incur additional expenses associated with being a [REDACTED] company.

BUSINESS

Accelerating Revenue Growth

Growing our revenue is central to our path to profitability. Our revenue increased from RMB65.6 million in 2023 to RMB134.7 million in 2024, and further to RMB473.6 million in 2025, representing a growth rate of 105.4% in 2024 and 251.7% in 2025. This growth was driven primarily by the increasing adoption of our cognitive intelligence products, the expansion of our customer base, and the deepening of our deployments across industries. In particular, revenue from our cognitive intelligence algorithm platform grew from RMB20.4 million in 2023 to RMB237.9 million in 2025. We believe this reflects the increasing standardization and scalability of our platform and supports the long-term quality and sustainability of our revenue.

We expect to continue to grow our revenue by (i) deepening our penetration of existing verticals such as industrial manufacturing, where we have established a leading position and reference customers; and (ii) increasing the revenue we derive from existing customers as they adopt additional modules and expand their use of our products. We believe this growth is supported by the favorable long-term expansion of the enterprise cognitive intelligence algorithm market in China, which, according to Frost & Sullivan, is expected to grow at a CAGR of 39.0% from 2025 to 2030.

Our ability to retain customers and expand the revenue we generate from them is an important driver of our sustainability. Because our products are deployed into customers’ core production and operating processes, our customers, which include large-scale enterprises, tend to maintain long-term relationships with us and to make repeat purchases as their needs evolve. We generate additional revenue from sales of new and upgraded modules to existing customers to meet their evolving operational, functional, and technological needs.

For our cognitive intelligence product line, we had 67, 69 and 134 customers in 2023, 2024, and 2025, respectively. Our average revenue per customer was RMB1.1 million, RMB1.4 million, and RMB2.8 million over the same years.

We plan to continue to create value for our customers by enhancing our products, deepening our domain expertise, and providing high-quality implementation and support, which we expect will allow us to capture additional monetization opportunities over the life of each customer relationship.

Improving Our Gross Profit Margin

The gross profit margin of our cognitive intelligence business generally increased during the Track Record Period. Such growth was primarily attributable to continued technology development, particularly the modularization and standardization of our cognitive intelligence products. The increase was also supported by economies of scale achieved through the expansion of our business.

We expect our gross profit margin to improve over the long term as the revenue contribution from our higher-margin cognitive intelligence algorithm platform continues to increase, and as the reusability of our technology reduces the marginal cost of each new deployment. Because our products are built on a common platform, components and operators developed for one deployment can be reused across others; for example, by leveraging the operator library we developed for steel quality inspection, we can easily enter the non-ferrous metals sector without significant incremental costs or time to deploy our products.

Effectively Managing Our Costs and Expenses, and Enhancing Operating Leverage

Our ability to manage our costs and operating expenses is critical to our path to profitability. A significant portion of our operating expenses does not increase in proportion to our revenue. As a result, as our revenue has grown, each of our principal operating expense ratios has declined substantially, and we expect this trend to continue over the long term.

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Research and development expenses. Our research and development expenses were RMB83.2 million, RMB107.3 million, and RMB114.3 million in 2023, 2024, and 2025, representing 126.9%, 79.6%, and 24.1% of our revenue, respectively. While our research and development expenses increased in absolute terms as we continued to invest in our algorithms and platform, they declined sharply as a percentage of revenue as our revenue scaled. We expect to continue to invest in research and development to support our long-term growth, but we expect that our research and development expenses will continue to decline as a percentage of revenue over the long term, as our principal research investment is foundational and does not increase proportionately with revenue.

Selling and marketing expenses. Our selling and marketing expenses were RMB31.3 million, RMB44.3 million, and RMB62.1 million in 2023, 2024, and 2025, representing 47.7%, 32.9%, and 13.1% of our revenue, respectively. We expect our selling and marketing expenses to continue to decline as a percentage of revenue over the long term, as our growing base of lighthouse customers and industry reputation enable us to acquire new customers more efficiently, and as repeat purchases from existing customers can be generated at a relatively low incremental selling cost.

Administrative expenses. Our administrative expenses were RMB39.6 million, RMB40.6 million, and RMB40.6 million in 2023, 2024, and 2025, representing 60.3%, 30.2%, and 8.6% of our revenue, respectively. Our administrative expenses remained relatively stable in absolute terms while declining substantially as a percentage of revenue, and we expect them to continue to decline as a percentage of revenue over the long term, as their principal component, employee benefit expenses, generally does not increase proportionately with our revenue growth.

Therefore, we believe the operating leverage inherent in our business model, under which our core technology is developed once and deployed across many customers and use cases, will continue to support the improvement of our results of operations as our revenue scales.

Taking into account the substantial growth of our revenue, the improving trend of our gross profit margin, and the operating leverage demonstrated by the declining ratios of our operating expenses, we believe we are well positioned to improve our financial performance and to achieve profitability as we continue to execute our strategies. However, we cannot assure you of the timing of achieving profitability, or that we will achieve or subsequently maintain profitability at all. Our ability to do so is subject to a number of factors, many of which are beyond our control, including those set out in the section headed “Risk Factors” in this Document.

Taking into account (i) the financial resources available to us, including our cash and cash equivalents of RMB114.9 million, restricted cash of RMB1.1 million and unutilized banking facilities of RMB75.5 million as of April 30, 2026; (ii) the estimated net [REDACTED] from the [REDACTED]; (iii) the operating leverage and improving financial performance described above; and (iv) our access to financing, our Directors are of the view that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this Document.

RESEARCH AND DEVELOPMENT

Our strong research and development capabilities have allowed us to develop numerous industry-pioneering models and products. During the Track Record Period, we incurred research and development expenses of RMB83.2 million, RMB107.3 million and RMB114.3 million, in 2023, 2024 and 2025, respectively, accounting for 126.9%, 79.6% and 24.1% of the revenues for the respective years.

Research and Development Team

Our dedicated research and development team is led by technical experts with extensive knowledge in their fields. Dr. Xuan, our founder and chairperson of the Board of Directors, holds a Ph.D. in Mathematics from the University of California, Berkeley, where he studied under Professor Stephen Smale, a recipient of both the prestigious Fields Medal and the Wolf Prize. He is a recognized leader in algorithm research and development, AI and cognitive intelligence technologies with deep academic knowledge and profound industrial vision in mathematical modeling, high-performance computing, knowledge-data fusion and reasoning and intelligent systems. Dr. Xu Qing, the senior director of our algorithm department, is responsible for algorithm research and technological development, including the development of our cognitive intelligence algorithm platform. He specializes in distributionally robust optimization algorithms, multimodal learning, and knowledge-data fusion and reasoning.

BUSINESS

Many of our research and development team members graduated from prestigious institutions with degrees in algorithm, AI, engineering, mathematics, and computer science, and have extensive working experience with leading technology companies. As of December 31, 2025, we had 118 research and development employees, representing approximately 62.1% of our total employees as of the same date.

The Smale Institute for Mathematics and Computation reflects our efforts in exploring cutting edge mathematics and computation research. It functions as the engine for our underlying algorithm innovation. By integrating the institute’s global expertise in mathematics and cognitive science, we convert abstract theories (such as non-linear expectation theory) into executable AI core algorithms. This ensures our technological roadmap remains both theoretically advanced and commercially viable.

Integrated Internal R&D Architecture

Guided by our strategic vision, our algorithm research department operates under an integrated structure to ensure full-chain coverage from academic research to commercialization application:

- *Fundamental Algorithm Research:* Focuses on original innovations in cognitive intelligence algorithm, including skewed distribution learning frameworks and trustworthy AI. This unit is responsible for our core patent portfolio and high-level academic publications.
- *Algorithm Platform Development:* Focuses on the industrialization of algorithms. By encapsulating underlying algorithms into reusable, scalable platforms (such as our cognitive intelligence algorithm platforms), we reduce the technical barriers to deployment and optimize heterogeneous computing resource management.
- *Agent Construction:* Focuses on industry-specific adaptation. This unit integrates fundamental algorithms into enterprise-level AI agents for vertical sectors, such as smart manufacturing and digital tourism, ensuring the scalability of our agents.

Collaborative Innovation through Industry-Academic Integration

We have fostered an open collaborative ecosystem involving top universities and industry leaders to create a closed-loop model of “basic research — technical breakthrough — industrial application” model.

- *Joint R&D and Theoretical Breakthroughs:* We maintain close partnerships with prestigious institutions, including Tsinghua University, Fudan University, Zhejiang University, Shandong University, and The Hong Kong Polytechnic University. Our joint research efforts include research on foundational algorithm theories, including algorithmic methodologies in social and behavioral sciences, complex process control, complex systems, and nonlinear expectation theory.
- *Interdisciplinary Talent Pool:* All of our algorithm researchers hold master’s or doctoral degrees in the field of mathematics, computer science, and cognitive science as of the Latest Practicable Date. This interdisciplinary expertise forms the backbone of our innovation capabilities.
- *Scenario-Driven Optimization and Positive Feedback Loop:* We adhere to a market-oriented R&D philosophy. By collaborating with leading enterprise clients in the industrial and tourism sectors, we gain access to complex, real-world verification scenarios. The feedback from these applications drives the iterative optimization of our algorithms, ensuring that our technological advancements translate directly into commercial value.

Our Technology Breakthroughs

We have built an integrated cognitive intelligence algorithm platform that deliberately departs from the prevailing approach of driving AI advancement through ever-larger models and massive datasets. Supported by the Smale Institute for Mathematics and Computation, our work begins with rigorous mathematical and computational theory and progresses from foundational algorithms to practical products. Rather than relying primarily on data scale, we emphasize few-shot learning, embodied intelligence, the

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Conscious Turing Machine (CTM) theory, meta-agents, and AI-driven for mathematics. This combination is designed to create systems that learn reliably from limited data, reason with a high degree of rigor, and adapt to real-world, safety-critical environments.

On the theoretical side, we have developed a minimax robust learning framework to addresses common industry challenges, including scarce data, skewed distributions, high labeling costs, and limited model generalization. By integrating tools from nonlinear expectation theory, game theory, and topological data analysis, we seek to reduce dependence on large labeled datasets while improving performance in settings where data are limited or biased. In collaboration with a research team that includes a Turing Award laureate, we are advancing CTM theory to translate human-like attention, memory reactivation, and reflective reasoning into computable architectures that support advanced and generalizable reasoning capabilities.

Our meta-agent serves as the cognitive engine of the platform, bringing together mathematical algorithms, few-shot learning, and CTM-inspired cognitive functions. Leveraging low-code orchestration layer and small-sample fine-tuning capabilities, we can rapidly develop industry-specific intelligent agents tailored to manufacturing, cultural tourism, finance, and enterprise decision-making. Built on this foundation, our embodied intelligence capabilities create a closed-loop system spanning perception, interaction, learning and evolution, and we are applying it to industrial robots, embodied devices, and virtual digital workers.

Together, these elements form a complete technology chain, from mathematical foundations and general intelligence theory to core algorithms, a central cognitive engine, and real-world deployments. This technology chain is designed to address the needs of high-end manufacturing, biopharmaceutical applications, and enterprise decision-making systems that require rigorous reasoning and effective operation in data-constrained environments. We believe this represents a meaningful technological breakthrough in the development and deployment of practical, verifiable intelligent systems without heavy reliance on massive datasets or continual increases in model size and parameter count.

SALES AND MARKETING

Our Sales Model

We primarily directly sell our products to customers. Our sales and marketing team, consisting of 38 members as of December 31, 2025, works closely with customers to collect their feedback, continuously improving our products to meet their evolving needs.

For broader market penetration, we also utilize a collaborative expansion model involving ecosystem partners and system integrators. This collaborative approach enables us to optimize resource allocation and accelerate the commercialization and distribution of our technologies and solutions across diverse geographic regions and vertical industries.

Our Marketing Efforts

Our strong technical capabilities and comprehensive cognitive intelligence toolsets have enabled us to establish long-term relationships with customers across a broad range of application scenarios. We believe that our brand recognition and market reputation depend in part on our ability to deliver measurable value to customers and successfully implement our models in real-world environments. We continue to expand our market presence through a combination of technology leadership, customer demonstration, direct sales efforts and strategic partnerships.

To enhance our brand awareness and market recognition, we actively participate in industry forums, academic conferences, exhibitions, seminars and professional association activities. We also contribute to industry research, white papers, standards development initiatives and best-practice publications. Through these activities, we seek to promote the adoption of cognitive intelligence technologies, strengthen our technological leadership and deepen our connections with customers, partners and other market participants. We have also received recognition through industry awards, exemplary use-case selections and other professional acknowledgements.

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We further promote our products through successful customer deployments and demonstrations. By delivering measurable value to customers and supporting the implementation of innovative application scenarios, we establish reference cases that showcase the effectiveness of our models and systems. We believe these successful implementations strengthen customer trust, enhance our market reputation and create additional business opportunities through customer referrals and market recognition.

In addition, we continue to strengthen our direct sales capabilities by recruiting personnel with relevant industry knowledge and enterprise digitalization experience, including key account managers and sales professionals. We also collaborate closely with software companies, hardware suppliers and other strategic partners to expand our market reach and jointly pursue business opportunities. Furthermore, we actively participate in international artificial intelligence conferences and related events to support our overseas business development efforts and enhance our international visibility. During the Track Record Period, our selling and marketing expenses amounted to RMB31.3 million, RMB44.3 million and RMB62.1 million in 2023, 2024 and 2025, respectively.

OUR CUSTOMERS

We have a high-quality and diverse client base, which expanded rapidly over the Track Record Period. We serve customers across industrial manufacturing, cultural tourism, IT services, and scientific research and public services. Our sales to the five largest customers in each year during the Track Record Period amounted to RMB21.0 million, RMB63.5 million and RMB126.2 million, representing 32.1%, 47.2% and 26.7% of our total revenue, respectively, and our sales to the largest customer in each year during the Track Record Period amounted to RMB4.9 million, RMB18.6 million and RMB41.5 million, representing 7.5%, 13.8% and 8.8% of our total revenue for the same year. We typically grant our customers credit periods ranging from 30 to 180 days. Our five largest customers in each year during the Track Record Period settle their amounts due via bank transfer and acceptance bill.

Top Five Customers

The following tables set forth details of our top five customers each year during the Track Record Period:

Rank	Customer	Customer Background	Type of Sales	Credit Terms	Year of Commencing Business Relationship	Revenue (RMB'000)	% of Total Revenue %
<i>For the year ended December 31, 2023</i>							
1 . . .	Customer A	A PRC technology company primarily focuses on providing technical services, IT solutions, equipment sales, leasing, and other services	Cognitive intelligence algorithm platforms	10 days after issuance of receipt	2023	4,915	7.5
2 . . .	Customer B	A PRC construction company primarily focuses on providing engineering construction, equipment manufacturing and technical services	Industrial-grade intelligent agents	90 days after issuance of receipt	2023	4,846	7.4
3 . . .	Customer C	A local public institution	Operational decision intelligent agents	30 days after issuance of receipt	2022	4,514	6.9

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Rank	Customer	Customer Background	Type of Sales	Credit Terms	Year of Commencing Business Relationship	Revenue (RMB'000)	% of Total Revenue %
4 . . .	Customer D	A state-owned enterprise primarily focuses on production and sales of steel products	Industrial-grade intelligent agents	30-210 days after issuance of receipt	2022	3,788	5.8
5 . . .	Customer E	A local public institution	Operational decision intelligent agents	7-30 days after issuance of receipt	2022	2,953	4.5
Total .						<u>21,016</u>	<u>32.1</u>

For the year ended December 31, 2024

1 . . .	Customer F	A PRC technology company listed on the Shenzhen Stock Exchange. It primarily focuses on providing system integration, multimedia solutions, telecom services, and equipment sales	Cognitive intelligence algorithm platforms	5 days after issuance of receipt	2023	18,635	13.8
2 . . .	Customer D	A state-owned enterprise primarily focuses on production and sales of steel products	Industrial-grade intelligent agents	30-210 days after issuance of receipt	2022	16,279	12.1
3 . . .	Customer G	A PRC information technology company primarily focuses on providing system integration, software R&D, IT solutions, telecom operations, and equipment sales	Cognitive intelligence algorithm platforms	60-90 days after issuance of receipt	2024	13,827	10.3
4 . . .	Customer H	A PRC technology services company primarily focuses on providing technical solutions, IT consulting, software development, equipment sales, and repairs	Cognitive intelligence algorithm platforms	5-30 days after issuance of receipt	2023	7,596	5.6
5 . . .	Customer I	A PRC electromechanical equipment company primarily focuses in the manufacturing of industrial equipment	Industrial-grade intelligent agents	30 days after issuance of receipt	2023	7,199	5.3
Total .						<u>63,536</u>	<u>47.2</u>

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Rank	Customer	Customer Background	Type of Sales	Credit Terms	Year of Commencing Business Relationship	Revenue (RMB'000)	% of Total Revenue %
<i>For the year ended December 31, 2025</i>							
1 . . .	Customer J	A PRC technology manufacturing primarily focuses in providing engineering design, equipment production, technical services, and diversified component sales	Operational decision intelligent agents	7-120 days after issuance of receipt	2024	41,536	8.8
2 . . .	Customer K	A PRC information system integration company primarily focuses in providing system integration, IT services, software solutions, equipment sales, and leasing	Industrial-grade intelligent agents	5 days after signing of contract	2025	24,528	5.2
3 . . .	Customer L	A PRC construction and development company primarily focuses in providing engineering construction, real estate services, leasing, landscaping, and property management	Operational decision intelligent agents	10-40 days after issuance of receipt	2025	20,664	4.4
4 . . .	Customer M	A PRC technology services company primarily focuses in providing technical solutions, software development, materials sales, data services, and import-export	Cognitive intelligence algorithm platforms	30-150 days after issuance of receipt	2025	19,988	4.2
5 . . .	Customer N	A PRC technology company primarily focuses in providing technical services, device manufacturing, health products, software, and diversified retail	Cognitive intelligence algorithm platforms	10 days after issuance of receipt	2023	19,517	4.1
Total .						<u>126,233</u>	<u>26.7</u>

All of our five largest customers were Independent Third Parties, and none of our Directors, their close associates or any of our Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital had any interest in any of our five largest customers.

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Key Terms of Agreements with Customers

The salient terms of our agreements with our customers are summarized as follows.

Term	The term of the agreement generally range from several months to one year.
Payment and credit term	We typically settle the payments in installments in accordance with the performance progress under the agreements.
Warranty	We typically provide warranty for six to 12 months upon delivery.
Intellectual property .	We generally retain all intellectual property rights with respect to our products.
Confidentiality	Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and its contractual terms, and not use information obtained for other purposes.
Termination	The agreement may be terminated upon mutual consent between the parties.

THIRD-PARTY PAYMENT ARRANGEMENT

Background

During the Track Record Period, as requested by certain of our customers (the “**Relevant Customer**”), we settled their payments with us through third-party payers (such payer(s), the “**Third-Party Payer(s)**,” and such arrangement(s), the “**Third-Party Payment Arrangement(s)**”). In 2023, 2024 and 2025, the numbers of Relevant Customers were nil, one and one, respectively. The aggregate amounts of payments involving the Third-Party Payment Arrangements were nil, RMB5.4 million and RMB11.0 million, accounting for nil, 4.0% and 2.3% of our revenue during the respective years. No individual Relevant Customer had made material contribution to our Group’s revenue during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, all Relevant Customers and Third-Party Payers were Independent Third Parties.

During the Track Record Period and up to the Latest Practicable Date, we had not initiated any Third-Party Payment Arrangements, but only accepted the Third-Party Payments paid by the Third-Party Payers at the request of the Relevant Customers. The Third-Party Payment Arrangements do not form part of our ordinary course of business and were non-recurring in nature. We do not expect to enter into new arrangements in such type in the future. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not provided any discount, commission, rebate, or other benefits to any of the Relevant Customer or the Third-Party Payers to facilitate or encourage the Third-Party Payment Arrangements. The payment, the pricing terms and other general commercial terms of the Relevant Customers are generally the same as our other customers and are negotiated on an arm’s length basis. During the Track Record Period and up to the Latest Practicable Date, as confirmed by the Directors, (1) we had not encountered any disputes with, nor received any refund request from, any Relevant Customer or Third-Party Payer, and (2) we had not been subject to any disputes or administrative penalties by the relevant government authorities with respect to the Third-party Payment Arrangements.

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Reasons for Utilizing Third-Party Payment Arrangements

To the best of our knowledge, the Third-Party Payer were affiliated entities or business partners of the Relevant Customers. As confirmed by Frost & Sullivan, it is not uncommon for companies to use the accounts of affiliated entities or individuals connected to settle corporate transactions with their suppliers. To the best of our knowledge, the Relevant Customers requested to utilize Third-Party Payment Arrangements in light of particular constraints or circumstances that affected their ability to make direct payments.

Internal Control Measures for Third-Party Payment Arrangements

Our Directors are responsible for formulating and overseeing the implementation of our internal control measures and the effectiveness of our internal control system. To safeguard our interest against risks associated with Third-Party Payment Arrangements, the following internal control measures have been adopted:

- our finance department will verify whether the bank account information of the payers is consistent with the account information set out in the contracts or provided by the customers. If any third-party payments are identified, our legal department will intervene and initiate an internal review process.
- we implemented an internal control policy in May 2026 to prohibit Third-Party Payments, and circulated the notice internally to alert and inform relevant employees of requirements on identification of, and prohibition on accepting, Third-Party Payments; and
- we have formulated internal guidelines on anti-money laundering, which require employees to conduct reasonable due diligence on all customers (including their business nature, business model and ownership structure) and proposed transactions to identify potential anti-money laundering risks.

OUR SUPPLIERS

Our suppliers primarily consist of providers of technology services, hardware, deployment services and design services. Our purchases from the five largest suppliers in each year during the Track Record Period amounted to RMB16.0 million, RMB48.2 million and RMB78.4 million, representing 30.9%, 36.4% and 23.0% of our total purchases, respectively, and our purchases from the largest supplier in each year during the Track Record Period amounted to RMB5.7 million, RMB13.1 million and RMB20.3 million, representing 11.0%, 9.9% and 5.9% of our total purchases for the same year. The credit terms for our purchases vary by type of purchase, ranging from 30 days to 180 days. We generally settle our amounts payable to our five largest suppliers in each year during the Track Record Period through bank transfer or acceptance bills.

Top Five Suppliers

The following tables set forth details of our top five suppliers each year during the Track Record Period:

Rank	Supplier	Supplier Background	Type of Purchase	Credit Terms	Year of Commencing Business Relationship	Purchase Amount	% of Total Purchase Amount
						(RMB'000)	%

For the year ended December 31, 2023

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Rank	Supplier	Supplier Background	Type of Purchase	Credit Terms	Year of Commencing Business Relationship	Purchase Amount (RMB'000)	% of Total Purchase Amount %
1 . . .	Supplier A	A PRC technology services company primarily focuses on technical solutions, equipment sales and consulting	Technology services*	30 days after issuance of receipt	2023	5,657	11.0
2 . . .	Supplier B	A PRC manufacturing company primarily focuses on cable production, electrical equipment manufacturing, materials processing and installation	Hardware	90 days after issuance of receipt	2023	2,804	5.4
3 . . .	Supplier C	A PRC technology services company primarily focuses on software development, IT consulting, and digital solutions	Technology services	7 days after issuance of receipt	2022	2,792	5.4
4 . . .	Supplier D	A PRC digital technology company primarily focuses on providing software, AI solutions, data services, creative content, and consulting	Technology services	7 days after issuance of receipt	2022	2,546	4.9
5 . . .	Supplier E	A PRC digital technology company primarily on information system and network technologies	Technology services	7 days after issuance of receipt	2023	2,170	4.2
Total .						<u>15,969</u>	<u>30.9</u>

For the year ended December 31, 2024

1 . . .	Supplier F	A PRC technology company listed on the Shanghai Stock Exchange. It primarily focuses on providing telecom services, engineering construction, energy equipment, and diversified technical solutions	Technology services	5 days after issuance of receipt	2023	13,097	9.9
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Rank	Supplier	Supplier Background	Type of Purchase	Credit Terms	Year of Commencing Business Relationship	Purchase Amount (RMB'000)	% of Total Purchase Amount %
2 . . .	Supplier A	A PRC technology services company primarily focuses on technical solutions, equipment sales and consulting	Technology services	30 days after issuance of receipt	2023	11,019	8.3
3 . . .	Supplier G	A PRC technology manufacturing company listed on the Shenzhen Stock Exchange. It primarily focuses on providing electromechanical equipment, electronic products, materials R&D, engineering systems, and services	Hardware	90-120 days after issuance of receipt	2023	10,969	8.3
4 . . .	Supplier D	A PRC digital technology company primarily focuses on providing software, AI solutions, data services, creative content, and consulting	Technology services	7 days after issuance of receipt	2022	7,150	5.4
5 . . .	Supplier H	A PRC technology services company primarily focuses on providing system integration, design services, consulting, and equipment sales	Technology services	30 days after issuance of receipt	2024	6,014	4.5
Total .						<u>48,249</u>	<u>36.4</u>

For the year ended December 31, 2025

1 . . .	Supplier I	A PRC design-engineering company primarily focus on providing construction services, creative design, multimedia technology, and equipment sales	Hardware and deployment services	7-30 days after issuance of receipt	2023	20,273	5.9
2 . . .	Supplier J	A PRC construction and technology services company primarily focuses on providing engineering services, system integration, equipment sales, and technical solutions	Technology services	5 days after signing of contract	2025	16,991	5.0

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Rank	Supplier	Supplier Background	Type of Purchase	Credit Terms	Year of Commencing Business Relationship	Purchase Amount (RMB'000)	% of Total Purchase Amount %
3 . . .	Supplier K	A PRC technology services company primarily focuses on providing research, IT services, trade, business support, and construction	Technology services	None	2025	15,195	4.5
4 . . .	Supplier D	A PRC digital technology company primarily focuses on providing software, AI solutions, data services, creative content, and consulting	Technology services	7 days after issuance of receipt	2022	13,443	3.9
5 . . .	Supplier L	A PRC cultural and tourism development company primarily focuses on providing creative services, project design, construction, exhibitions, and technical solutions	Design services	7 days after issuance of receipt	2025	12,453	3.7
Total .						<u>78,355</u>	<u>23.0</u>

Note: See “Financial Information — Description of Key Statement of Profit or Loss Items — Cost of Sales.”

All of our five largest suppliers were Independent Third Parties, and none of our Directors, their close associates or any of our Shareholders who, to the knowledge of our Directors, owned more than 5% of our issued share capital had any interest in any of our five largest suppliers.

Key Terms of Agreements with Suppliers

The salient terms of our agreements with our major suppliers are summarized as follows.

Term	The term of the agreements generally ranges from several days to one year.
Delivery and acceptance	Suppliers shall deliver the services/products according to the specific requirements under the agreements. Completion of the suppliers’ delivery is subject to our acceptance.
Pricing	Purchase orders for goods are generally specified in unit prices and purchase orders for services are generally specified as fixed totals.
Payment	We typically settle the payments in installments in accordance with the performance progress under the agreements.

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Intellectual property . We generally retain all intellectual property rights with respect to products and services provided by the suppliers in relation to research and development.

Supplier Selection and Management

We have established a set of internal measures on selection of suppliers. We identify potential suppliers through market research, trade shows, industry referrals, and recommendations from current partners. We take into account various factors in selecting our suppliers, which primarily include product quality, price, service quality, qualifications and credentials. In addition, we evaluate potential supplier candidates based on their financial stability and their overall capability to meet our technical specifications and digital infrastructure capacity.

In particular, our evaluation for technology services providers includes conducting deep assessments of a supplier’s ability to meet our technical requirements, which incorporates performance testing, quality assurance processes, and pilot runs where applicable. We also perform an extensive cost-benefit analysis that considers not only the upfront implementation cost but also the long-term lifetime value, while requiring our suppliers to meet strict deadlines and seamlessly adapt to changing service volumes or scalability demands upon request. For new suppliers, we may initiate a trial order to verify the supplier’s ability to meet specified quality and delivery timelines. Furthermore, we may arrange pilot runs for large-scale system integrations to ensure smooth integration into our production systems. When engaging suppliers, our legal and finance department is primarily responsible for reviewing the procurement agreements in accordance with our procurement protocols. We usually enter into framework agreements with our computing resource suppliers.

To maintain operational integrity and security, we perform audits of suppliers to assess their technical infrastructure, quality management systems, and data supply chain practices. We also ask suppliers to provide evidence of industry-standard credentials. Following initial onboarding, we engage in ongoing supplier management by regularly assessing our suppliers on quality, performance, and customer service on a monthly or quarterly basis. We work closely with these suppliers to drive continuous improvement in product and service quality, cost reduction, and overall operational efficiency.

OVERLAPS BETWEEN CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers in each year during the Track Record Period also acted as our suppliers, or vice versa, partly due to the complementary industry resources and expertise of the parties. According to Frost & Sullivan, such arrangements are common in the enterprise cognitive intelligence algorithm industry in China. Negotiations of the terms of our sales to and purchases from these customer-suppliers were conducted on an individual basis, and the sales and purchases were not inter-conditional with each other. For each of the overlapping customer-suppliers, the key terms of our sales of products to such customers and our purchases of products from such suppliers are in line with those of our other customers and suppliers.

The following table sets forth the details of our major overlapping customers and suppliers in each year during the Track Record Period.

		For the year ended December 31,		
		2023	2024	2025
		RMB'000		
Customer A	Revenue	4,915	–	5,373
	Purchase	–	–	2,803
Customer F	Revenue	–	18,635	302
	Purchase	–	–	4,963
Customer I	Revenue	–	7,199	646
	Purchase	–	–	2,726
Supplier D	Revenue	–	3,377	4,207
	Purchase	492	6,119	2,675

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Our aggregate sales to these major overlapping customer-suppliers amounted to RMB4.9 million, RMB29.2 million and RMB10.5 million in 2023, 2024 and 2025, accounting for 7.5%, 21.7% and 2.2% of our total sales in the same years, respectively. These customer-suppliers primarily purchase cognitive intelligence algorithm platforms and industrial-grade intelligent agents from us. The purchases from these major overlapping customer-suppliers of the respective years in aggregate amounted to RMB0.5 million, RMB6.1 million and RMB13.2 million in 2023, 2024 and 2025, accounting for 1.0%, 4.6% and 3.9% of our total procurement in the same year, respectively. These customer-suppliers primarily supply hardware and technology services to us.

Save as disclosed above, to the best of our knowledge, none of our five largest suppliers during each year of the Track Record Period was a customer of us, and none of our five largest customers during each year of the Track Record Period was a supplier of us.

SEASONALITY

Seasonality impacts our financial performance, driven by our customers’ purchasing practices and the seasonality of the industries where they operate. Due to the impact of our customers’ budgeting and procurement cycles, we generally recognized a larger portion of our revenue in the second half of each fiscal year, in particular in the fourth quarter. According to Frost & Sullivan, such seasonality is consistent with industry practices in enterprise cognitive intelligence algorithm market. See “Risk Factors — Our business operations are subject to seasonality.”

DATA PRIVACY AND SECURITY

In the ordinary course of our business, we collect and process certain data relating to customers, suppliers and other business partners. The data we collect primarily include: (i) basic contact information, such as names and contact details, used for business communication and after-sales services; and (ii) transaction information, such as product models, quantities, transaction amounts and timing, used for financial accounting, operational management and statistical analysis.

In our digital-human customer service, we own proprietary virtual digital human avatars and utilize such proprietary virtual digital human avatars to provide services externally. The generation of such avatars and subsequent personal information processing and usage are conducted under exclusive agreements signed with the relevant personal information subjects, with their authorization and consent obtained. At the request of customers, we also train exclusive digital human avatars, where customers obtain authorization and consent from the relevant personal information subjects and entrust us to carry out feature extraction, voice replication, and model training of such personal images. We have established dedicated Sensitive Personal Information Protection Policies and Commissioned Data Processing Management Policies.

To safeguard data security, we have established internal policies governing data classification, access control and information security management. Access to sensitive data is restricted to authorized personnel, and encryption measures are applied where appropriate. We maintain network security systems, including firewall and cybersecurity monitoring mechanisms, and implement data backup and recovery procedures to mitigate the risk of data loss. We conduct periodic internal reviews of our data protection practices and, where appropriate, engage external third parties in the future to assess compliance. We also provide employee training on data protection and monitor regulatory developments to update our internal policies and procedures as necessary.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any claim from third parties against us on the ground of infringement of third party’s right to data and privacy protection as provided by applicable laws and regulations; (ii) there had been no material investigation, litigation, penalty, or other legal proceeding pending or threatened against us initiated by competent government authorities or third parties relating to cybersecurity, personality rights infringement or violation of data privacy and protection against our Group that would materially affect our Group’s business; and (iii) we did not experience any material data leakage or material data loss incidents. Based

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on the foregoing, our PRC Legal Adviser is of the view that, during the Track Record Period and up to the Latest Practicable Date, the data processing activities in the course of our business operations complied with the PRC laws and regulations on personal information protection, cybersecurity and data security in all material respects.

INTELLECTUAL PROPERTY

We consider independent innovation and intellectual property protection to be integral to our business. We have established a substantial patent portfolio covering key technologies across the industry chain. We protect our proprietary technologies and business through a combination of patents, trademarks, copyrights and other intellectual property rights in China and overseas, together with confidentiality arrangements with employees and relevant counterparties. For details of our material intellectual property rights, see “Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights.”

We have established an intellectual property management and compliance framework to support our business and protect our proprietary technologies. Our intellectual property function is responsible for the centralized management of patents, trademarks, copyrights and trade secrets, as well as the implementation and ongoing improvement of our intellectual property compliance system. We have adopted internal policies and procedures covering intellectual property acquisition, maintenance and risk management, and conduct patent searches, freedom-to-operate analyses and risk assessments throughout the research, development and commercialization process. We also implement internal controls, including periodic reviews and employee training, to reduce the risk of intellectual property infringement and to safeguard our technological assets.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we had not been subject to any material intellectual property claims which could have a material adverse effect on our business or operations.

COMPETITION

We operate in the enterprise cognitive intelligence algorithm market through our cognitive intelligent offerings. According to Frost & Sullivan, the size of enterprise cognitive intelligence algorithm market in China increased from RMB9.3 billion in 2021 to RMB27.4 billion in 2025, representing a CAGR of 31.0% and is expected to further increase to RMB142.2 billion by 2030, representing a CAGR of 39.0% from 2025 to 2030. Enterprise cognitive intelligence algorithm market in China remains relatively fragmented. In terms of revenue in 2025, we ranked as the fourth-largest enterprise cognitive intelligence algorithm service provider in China. In addition, in terms of revenue in 2025, we was the largest independent enterprise cognitive intelligence algorithm service provider in China. For further details regarding the industry landscape, market drivers and competitive position, see “Industry Overview.”

OUR EMPLOYEES

As of December 31, 2025, we had 190 full-time employees. All of our employees were based in China. The following table sets forth the number of our employees by function as of December 31, 2025:

Function	Number of Employees	Percentage
R&D	118	62.1%
Sales and Marketing	38	20.0%
General and Administrative	34	17.9%
Total	<u>190</u>	<u>100.0%</u>

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Attracting and retaining qualified employees is important to our success. We recruited employees primarily through employment websites, on-campus recruitment and internal referrals. We emphasize the importance of training and development for our employees. We provide induction training to new joiners on various aspects including our corporate culture, internal regulations and policies, general skills and professional skills. Furthermore, we offer online or on-site ongoing training sessions conducted by internal and external experts to improve our employees within their respective practice areas. Additionally, we have management training programs, which encompass training for individuals in pivotal roles, ensuring that our leaders are well-equipped to drive our success.

In accordance with PRC laws and regulations, we participate in government-administered social welfare programs, including pension, medical, work-related injury, maternity and unemployment insurance, as well as housing provident fund contributions. Contributions are calculated based on employees’ prior-year salary levels, subject to statutory minimum and maximum thresholds set by local authorities.

We typically enter into standard employment, confidentiality and non-competition agreements with our senior management and core personnel. These contracts include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and for two years after termination of his or her employment. We have established labor unions for our employees. We believe that we generally maintain a good working relationship with our employees and labor unions. During the Track Record Period, we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are deeply committed to the innovation, development, and practical application of core algorithms, leveraging technology to empower digital transformation and intelligent advancement across industries. By integrating ESG principles throughout our entire business operation system, we actively promote and implement sustainable development initiatives.

ESG Governance Structure

To ensure the robustness and transparency of our ESG governance, we plan to establish a three-tier ESG governance structure consisting of the Board of Directors, the Board Strategy and Sustainability Committee, and the ESG Working Group. As the highest decision-making body, the Board of Directors will be responsible for reviewing and approving ESG strategic plans, governance policies, disclosure reports, and major risk response measures. The Board Strategy and Sustainability Committee will serve a research and advisory function, responsible for assessing ESG policy trends, reviewing relevant policies and reports, overseeing the implementation of ESG initiatives, and identifying significant ESG risks and opportunities. The ESG Working Group, led by the Board Secretary, will be responsible for the execution of ESG-related activities, including formulating ESG strategies and annual action plans, cascading targets and responsibilities, tracking implementation progress, improving management systems, and facilitating stakeholder engagement and communication. In addition, we plan to engage external experts or professional institutions as needed to provide specialized support. Through regular communication mechanisms, we will actively solicit feedback from stakeholders to ensure the efficient and effective operation of our ESG governance framework.

Anti-Corruption

We uphold the highest standards of business ethics and integrity and are committed to conducting our operations in a lawful, transparent, and ethical manner. To support this commitment, we have established a series of policies and procedures, including the Anti-Money Laundering and Economic Sanctions Management Policy, the Anti-Fraud Management Policy, and the Anti-Fraud Whistleblowing and Reporting Management Policy, which clearly prohibit all forms of corruption, bribery, embezzlement, and other unethical conduct. At both the organizational and operational levels, we have embedded real-name verification and sanctions screening procedures throughout key business processes, including customer and supplier onboarding. We have also established dedicated whistleblowing channels, including a

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reporting email address and hotline, supported by confidentiality and whistleblower protection mechanisms. Reports of suspected misconduct are subject to classification, investigation, and closed-loop resolution procedures. Confirmed violations are addressed in accordance with applicable policies and disciplinary measures. In addition, we continuously strengthen our anti-corruption governance framework through regular compliance training, risk assessments, and policy reviews and updates, ensuring the ongoing effectiveness of our integrity management practices. During the Track Record Period, we did not record any incidents of corruption, bribery, fraud, or other material violations related to unethical business conduct.

Environmental Indicators and Management

We are committed to implementing internal policies that promote energy conservation and environmental protection throughout our daily operations, while continuously reducing our overall environmental impact. Through these efforts, we aim to provide strong support for our green and low-carbon transformation and to foster sustainable business operations.

Emissions and Resource Consumption

Our principal business is the provision of cognitive intelligence algorithm products, and we are not directly involved in manufacturing activities. As a result, our resource consumption is primarily associated with daily office operations, while waste generation mainly consists of general office waste. Resource consumption is largely attributable to employees’ routine use of electricity and water in the workplace. Although our overall environmental footprint is relatively limited, we remain committed to promoting energy conservation and environmental protection in our daily operations. We actively encourage paperless working practices to reduce paper consumption, conduct regular inspections and maintenance of lighting systems to prevent unnecessary electricity usage caused by equipment malfunctions, and implement waste segregation practices to improve waste management efficiency at the source. In addition, employees are required to switch off lights, electronic devices, and air-conditioning systems when not in use to prevent energy wastage. By integrating environmental considerations into every aspect of our daily operations, we strive to foster a culture in which environmental responsibility becomes an integral part of employees’ everyday behavior. Our energy consumption for each year is presented below:

Category	Unit	2023	2024	2025
Electricity	MWh	146	158	257
Water	tonnes	—	—	332

Note: Our water consumption was estimated based on water charges. As there were no separate water charges in 2023 and 2024, water consumption for those years could not be calculated. Our electricity consumption increased from 158 MWh in 2024 to 257 MWh in 2025 primarily due to the installation of additional office equipment.

Carbon Emissions Management

Our business is primarily non-manufacturing in nature. Carbon emissions mainly arise from electricity consumption for office lighting and air-conditioning, as well as indirect emissions associated with water usage. Although our business does not involve manufacturing activities, we place great importance on environmental responsibility. We have deeply integrated ESG principles into our operational strategy and daily management practices, taking concrete actions to reduce the carbon footprint throughout our operations and advance sustainable development. In terms of carbon emissions management, we have implemented a range of control measures. We prioritize virtual meetings whenever possible to minimize carbon emissions associated with business travel. We also actively promote the use of digital collaboration and office software to reduce paper consumption. In addition, all printers are configured for double-sided printing by default, further enhancing paper conservation and resource efficiency.

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During the Track Record Period, our Scope 2 emissions primarily arise from purchased electricity consumption, while our Scope 3 emissions are mainly attributable to indirect emissions associated with water consumption. Our Scope 2 emissions increased from 91.5 tCO₂e in 2024 to 148.7 tCO₂e in 2025, primarily due to the expansion of our office space. Going forward, we will continue to enhance our carbon emissions accounting, monitoring, and management systems to improve the accuracy and comprehensiveness of our emissions data. The greenhouse gas emissions for each year are presented below:

Category	Unit	2023	2024	2025
Scope 1	tCO ₂ e	We do not engage in manufacturing activities and do not have fuel consumption from our own vehicles; therefore, we currently have no Scope 1 direct emissions.		
Scope 2	tCO ₂ e	84.1	91.5	148.7
Scope 3	tCO ₂ e	Since we are currently unable to determine the exact water consumption, we are unable to calculate the specific Scope 3 emissions at this time.		

Social Indicators and Management

We are committed to a people-first approach, prioritizing the protection of employee rights, occupational health and safety, employee growth and development, supply chain responsibility, as well as product responsibility and data privacy protection, and we continue to foster a fair, safe, compliant, and responsible development environment.

Employment

We adhere to the principles of fairness, impartiality, objectivity, and openness in our recruitment practices, providing equal employment opportunities and a safe working environment for both employees and job applicants. We enter into employment contracts with employees in accordance with the law, standardizing procedures for onboarding, probationary evaluations, attendance tracking, leave management, and benefits administration. We safeguard employees’ fundamental rights and interests through social insurance, housing provident funds, and other benefit programs. We encourage employees to develop career plans based on their personal growth and development needs, and we support internal job mobility. We have established performance management and grievance mechanisms, conducting performance evaluations in accordance with strategic and value-oriented approaches, goal-based management, and the principles of fairness, impartiality, and objectivity. If employees have objections to their performance results, they may file an appeal with the Human Resources and Administration Department in accordance with established procedures, and we will conduct an investigation, verify the facts, and coordinate a resolution. As of December 31, 2025, we had a total of 190 employees, including 135 men and 55 women. By age, 41 employees were under 30, 141 were between 30 and 50, and 8 were over 50.

Occupational Safety Development

We prioritize the occupational health and safety of our employees and are continuously improving our safety management mechanisms. We have obtained ISO 45001 certification for our Occupational Health and Safety Management System, with the scope of certification covering occupational health and safety management activities related to computer software development, information system integration, and operation and maintenance services. We have established the “Safety Management Regulations” and conduct fire safety education, training, and inspection activities. We enhance employee safety awareness through fire safety awareness campaigns, fire safety regulations training, emergency evacuation drills, and hands-on demonstrations of fire safety equipment. New employees are required to undergo pre-employment fire safety training, and employees in specialized roles must complete refresher training

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before assuming their duties. We also require that fire lanes and emergency exits remain unobstructed, conduct regular inspections of fire safety facilities, equipment, and electrical/fire safety practices, and maintain a record of fire hazards, ensuring they are rectified and tracked.

Employee Development and Training

We place a high priority on our employees’ learning, growth, and skill development, supporting their advancement through annual training plans, specialized training, onboarding programs, and performance coaching. Upon joining us, new employees are required to complete an onboarding assessment to help them understand company policies and job requirements; this assessment serves as a key basis for determining training completion and eligibility for permanent employment. Through annual and monthly performance management, we help employees clarify their career paths, identify areas for improvement, and pursue continuous growth. Line managers are responsible for evaluating the implementation of employees’ performance plans, conducting timely performance reviews and providing support to help employees enhance their job capabilities. Performance results are also used for human resources management decisions, including salary adjustments, job reassignments, career development, and incentives.

Sustainable Supply Chain

We place a high priority on the standardization and prudence of supplier management. Through supplier surveys, comparative analyses, and change management processes, we document and manage suppliers’ basic information, collaboration status, and changes to ensure the compliant and stable operation of procurement and supply chain partnerships. Throughout the supplier onboarding and collaboration process, we focus on supplier qualifications, service capabilities, partnership stability, and associated risks. By updating information and conducting comparative analyses, we continuously refine our supplier management processes to promote more standardized, transparent, and traceable supply chain management.

Product Liability and Data Privacy

We place a high priority on accountability in the delivery of our products and services. We require employees to comply with company policies in the course of their work, to accurately record and report information, and to protect our relevant data of our clients, and our partners. Employees must not disclose, copy, or use without authorization our proprietary information, technical documents, source code, customer information, or other business materials. In accordance with the relevant requirements of the Employee Handbook, we require employees to comply with the company’s information security policies, network access regulations, computer usage guidelines, and IT security policies. We mitigate the risks of information leaks and unauthorized use through confidentiality obligations, access controls, and standards for the use of information and communication systems.

PROPERTIES

Our headquarter is located in Shanghai, primarily for corporate administration as well as research and development.

As of the Latest Practicable Date, we did not own any properties. As of the Latest Practicable Date, we leased certain properties in China, with a total of 6,396 square meters, primarily to be used as R&D and offices. As of the Latest Practicable Date, three of our property lease agreements had not been registered and filed with the competent PRC government authorities as required by applicable PRC laws and regulations. Our PRC Legal Advisor has advised us that failure to complete the registration and filing of lease agreements will not affect the validity of such leases or impede our use of the relevant properties but could result in fines ranging from RMB1,000 to RMB10,000 per lease agreement that is unregistered

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if we fail to rectify such non-compliance within the time frame prescribed by the relevant authorities. See “Risk Factors — Risks Relating to Our Business and Industry — Certain of our leases have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.”

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of December 31, 2025, none of our property interests of the Group’s non-property activities has a carrying amount of 15% or more of our consolidated total assets.

INSURANCE

We maintain regular property insurance. However, the insurance may not be able to cover all potential injuries to our manufacturing facilities and equipment, death or losses due to fire, earthquake, flood or any other disasters. We also maintain accident insurance for certain employees and commercial supplementary insurance for certain key personnel. We also maintain employer’s liability insurance. Consistent with customary industry practice in China, we do not maintain business interruption insurance. We believe our insurance policies as a whole are in line with the general market practice and comply with the relevant rules and regulations in China. See “Risk Factors — Risks Relating to Our Industry and Business — We may not have sufficient insurance coverage to cover our business risks.”

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are subject to various risks in the course of our business operations and have established internal policies and procedures intended to identify, assess and manage those risks. Our board of directors oversees our internal control framework and reviews its effectiveness, while our internal audit function evaluates risk management, internal control and governance processes. Our Board is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of internal control procedures across subsidiaries and functional departments.

We maintain a compliance risk assessment mechanism that reviews operational, regulatory and business-related risks across departments and functions. We have adopted and implemented comprehensive risk management policies covering key areas of our operations, including legal and regulatory compliance, internal control, intellectual property protection, human resources management and financial reporting. We have adopted anti-fraud policies governing employee conduct, reporting channels and disciplinary measures, as well as sanctions compliance policies applicable to sales and procurement activities. Where appropriate, we engage external professional advisers and conduct periodic internal reviews to confirm that required registrations, licenses, permits and regulatory filings remain valid and in good standing.

Internal Control Management

We have engaged an independent internal control consultant to perform a general internal control review on our internal control systems. Based on a sample-based review, certain deficiencies were identified, including the absence of certain formalized governance policies. We have since adopted and implemented appropriate remedial measures to address these matters. After the follow up review, the internal control consultant did not identify any further material internal control deficiencies on design aspect of internal control.

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We have established risk management and internal control systems covering our principal operational functions, including research and development, procurement, manufacturing, warehousing and logistics, and sales. These systems also extend to general corporate functions such as human resources, financial management, asset management, intellectual property management, information system management and corporate governance, including decision-making processes. With respect to intellectual property management, we implement internal procedures to conduct intellectual property searches and analyses prior to offering products to customers, periodically monitor published trademarks and patents, and update contractual arrangements with customers, suppliers and partners to safeguard our intellectual property rights.

We conduct periodic reviews of our internal control systems and update policies and procedures as necessary to reflect changes in business scale and operational complexity. We have established an internal audit function to monitor the effectiveness of our risk management and internal control systems on an ongoing basis. We have also adopted internal policies and procedures governing business conduct, anti-bribery and anti-corruption compliance, management of company assets, confidentiality, employee reporting and disciplinary procedures, emergency response measures and whistleblowing mechanisms. Anonymous reporting channels are available for employees to report suspected non-compliance, including bribery and corruption, and appropriate investigations and corrective actions are taken where necessary.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we did not experience any material breaches of our internal control policies and procedures.

LICENSES AND PERMITS

We believe that we have obtained all necessary licenses and permits that are material to conduct our business operations as of the Latest Practicable Date. As of the Latest Practicable Date, as advised by our PRC Legal Adviser, all of our licenses and permits relating to principal businesses that are material to our operations in the PRC remained in full force and effect.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. We are committed to maintaining the standards of compliance with the laws and regulations applicable to our business.

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any actual or pending legal or administrative proceedings, which would have a material adverse effect on our business, financial position or results of operations as a whole.

AWARDS AND RECOGNITIONS

The following table sets forth some of our recent major awards and achievements.

Award Year	Award Name	Award Institution
2026, 2025, 2024	Forbes China AI Technology Companies TOP 50 (“福布斯中國人工智能科技企業TOP 50”)	Forbes China
2025	Top 100 Shanghai Specialized and New Enterprise Brand Value (“上海專精特新企業品牌價值100 強”)	Shanghai Specialized and New Enterprise Brand Value Evaluation Committee, Shanghai Institute of Corporate Culture & Brand

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Award Year	Award Name	Award Institution
2025	Shanghai AI+ Manufacturing High-Quality Professional Service Provider (“上海市AI+製造高質量專業服務商”)	Shanghai Industrial Internet Association
2024	First Prize, Wu Wenjun Artificial Intelligence Science and Technology Progress Award (“吳文俊人工智能科技進步一等獎”)	China Association for Artificial Intelligence
2024	MIIT Specialized and New “Little Giant” Enterprise (“工信部專精特新“小巨人”企業”)	Ministry of Industry and Information Technology (MIIT)
2022	First Prize, Ministry of Education Science and Technology Progress Award (“教育部科學技術進步獎一等獎”)	Ministry of Education
2022	Shanghai Hard-Core Technology Enterprises TOP 100 (“上海硬核科技企業TOP 100”)	Shanghai Municipal Commission of Economy and Informatization, Shanghai Association for Industrial Technology Innovation
2022	National Intellectual Property Advantage Enterprise (“國家知識產權優勢企業”)	China National Intellectual Property Administration
2021	Shanghai Specialized and New Enterprise (“上海市專精特新企業”)	Shanghai Municipal Commission of Economy and Informatization
2020	15th Batch Shanghai Strategic Emerging Industry Major Project (“第十五批上海市戰略性新興產業重大項目”)	Shanghai Municipal Government