
INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by iResearch. We engaged iResearch to prepare the iResearch Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], [REDACTED] or any of the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved, in the [REDACTED], and no representation is given as to its accuracy.

SOURCES OF INFORMATION

We commissioned iResearch, an independent market research and consulting company that provides industry consulting services, commercial due diligence and strategic consulting to conduct a detailed research and analysis of the Sci-tech innovation service industry in China. We have agreed to pay a fee of RMB600,000 in connection with the preparation of the iResearch Report. We have extracted certain information from the iResearch Report in this section, as well as in “Summary”, “Risk Factors”, “Business”, “Financial Information” and elsewhere in this Document, to provide our potential [REDACTED] with a more comprehensive presentation of the industry in which we operate. Our Directors confirm that, after taking reasonable care, they are not aware of any material adverse change in the overall market information since the date of the iResearch Report that would materially qualify, contradict or have an adverse impact on such information.

All statistics are based on information available as at the date of the iResearch Report. The market research covers historical years of 2021 to 2025, the base year of 2025 and the forecast period of 2026 to 2030.

During the preparation of the iResearch Report, iResearch performed both primary and secondary research, and obtained knowledge, statistics, information and industry insights on the industry trends of the Sci-tech innovation service industry in China. Primary research was conducted via interviews with key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. Projected market data were based on the following assumptions: (i) the social, economic and political environments of China will remain stable during the forecast period, which ensures a sustainable and steady development of China’s Sci-tech innovation service market; (ii) the data quoted from authoritative agencies remain unchanged; (iii) related key industry drivers remain relevant and applicable in the forecast period; (iv) there will be no subversive changes to the related industries. The information and data collected by iResearch have been analyzed, assessed and validated using iResearch’s in-house analysis models and techniques.

THE SCI-TECH INNOVATION SERVICE MARKET IN CHINA

Sci-tech innovation service in China refers to technology innovation and entrepreneurship services, referring to a series of services provided to support corporate entrepreneurship and innovation activities that meet their operational and developmental needs. These services primarily include empowerment and incubation investment services, private equity fund investment management services and other Sci-tech innovation services.

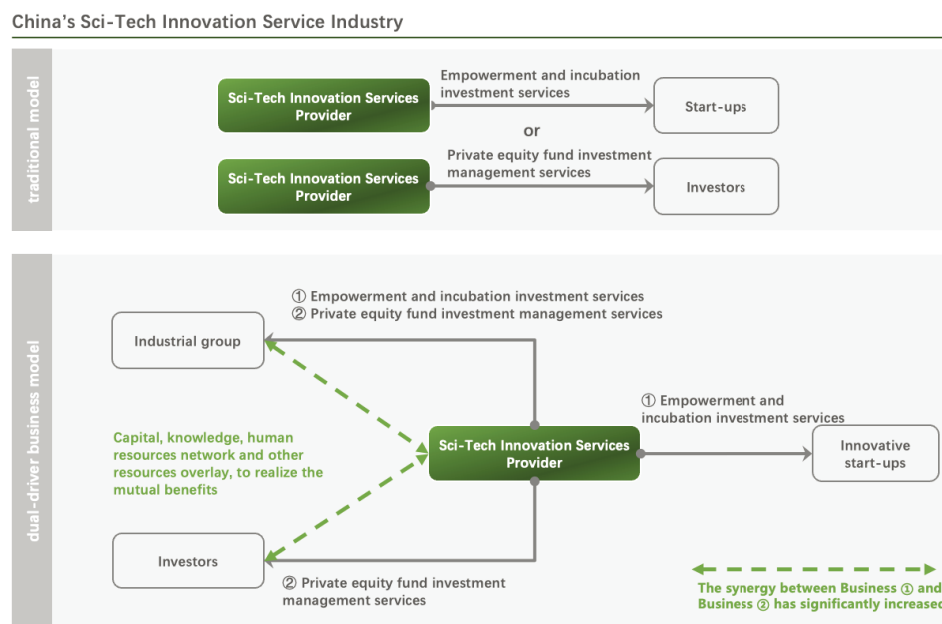
INDUSTRY OVERVIEW

Empowerment and incubation investment services generally include:

- (i) Empowerment services, refers to management training and business consulting provided to innovative and entrepreneurial businesses; as well as a series of industrial services centered around industrial groups (refers to medium to large groups and listed companies within a specific industry), including training, investment target screening, etc.;
- (ii) Incubation investment services, primarily serves as early-stage incubation investment, i.e., investing with proprietary capital. Such services make early-stage equity investments using proprietary capital to support early stage start-ups with R&D, product prototype development, team building, and business model validation, thereby facilitating the commercialization of scientific and technological achievements and the growth of start-ups.

Private equity fund investment management services include private equity fund management, which provides a range of services related to private equity investment activities in technology innovation companies, supporting the rapid growth of science and technology innovation enterprises.

Development of China’s Sci-Tech Innovation Service Industry



Source: iResearch report

China’s Sci-tech innovation service industry has evolved two key development stages — traditional model and dual-driver business model — reflecting shifts in market dynamics and service strategies.

- Traditional model: Service providers offered fragmented, one-way support such as entrepreneurial training and media exposure, relying on fixed-fee models. Revenue volatility was high due to start ups’ limited payment capacity, and investor-facing services lacked scale and synergy.

INDUSTRY OVERVIEW

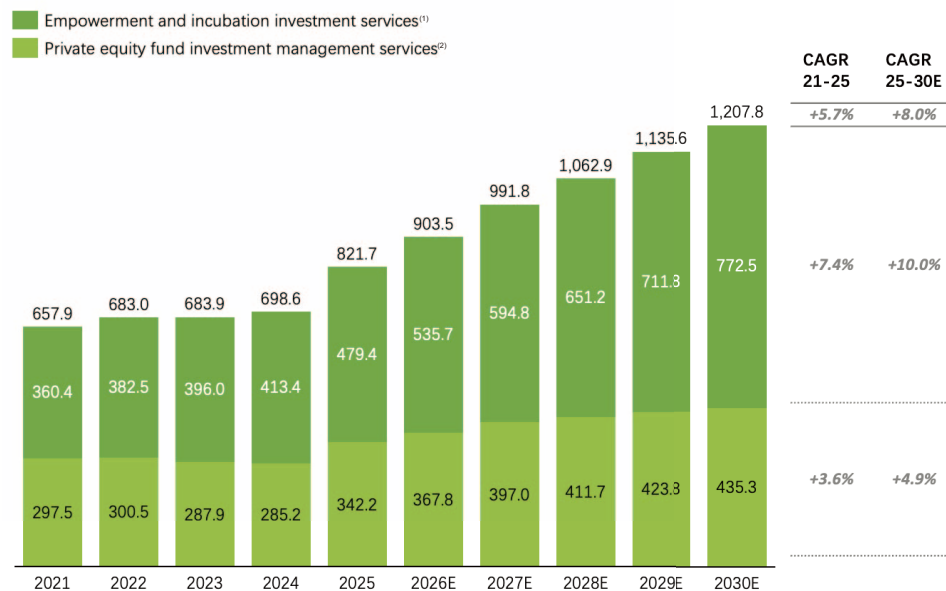
- Dual-driver business model: Service providers adopted a dual-driver approach, while providing services to innovative start-ups, derive additional revenue by offering services aimed at investors or industrial groups.

Compared with the traditional model, the service targets of the dual-driver business model have significantly expanded, providing empowerment and incubation investment services, and private equity fund investment management services for the entire industry.

Market Size of Sci-Tech Innovation Service Industry

China Sci-Tech Innovation Service Industry Market Size, in terms of Revenue, 2021-2030E

RMB Billion



Source: iResearch report

Note:

- (1) Empowerment services comprise revenues derived from three core segments: the management training market, the business consulting market, and industrial innovation services.

Incubation investment services comprise income primarily through carried interest from direct investment activities, including general partner co-investments across PE and VC vehicles, as well as other forms of direct investment.

- (2) Private equity fund investment services comprise carried interest and management fees generated from both PE and VC funds.

Against this backdrop, China’s Sci-tech innovation service industry has experienced steady expansion. Empowerment and incubation investment services constitute a foundational pillar of the industry, answering primary demands for innovative start-ups, providing essential business and financial resources during their development. As service providers continue to expand and diversify their capabilities, many are transitioning into integrated sci-tech innovation services providers, thereby accelerating the development of the empowerment and incubation investment services. According to iResearch, the market size of empowerment and incubation investment services alone accounts to RMB479.4 billion in 2025 and is expected to exceed RMB770 billion by 2030.

INDUSTRY OVERVIEW

Private equity fund investment management services is a significant profit-generating business for Sci-tech innovation service providers and is expected to maintain their important position in the future. The market size of private equity fund investment management service reached RMB342.2 billion in 2025 and is expected to exceed RMB430 billion by 2030.

Development Opportunities for China’s Sci-Tech Innovation Service Market

Policy support

China’s Sci-tech innovation service market benefits from strong national and local policy support aimed at developing the venture capital ecosystem and promoting innovation. Recent initiatives focus on enhancing capital market infrastructure, encouraging long-term investment, and supporting high-quality growth of technology enterprises.

At national level, key policies include:

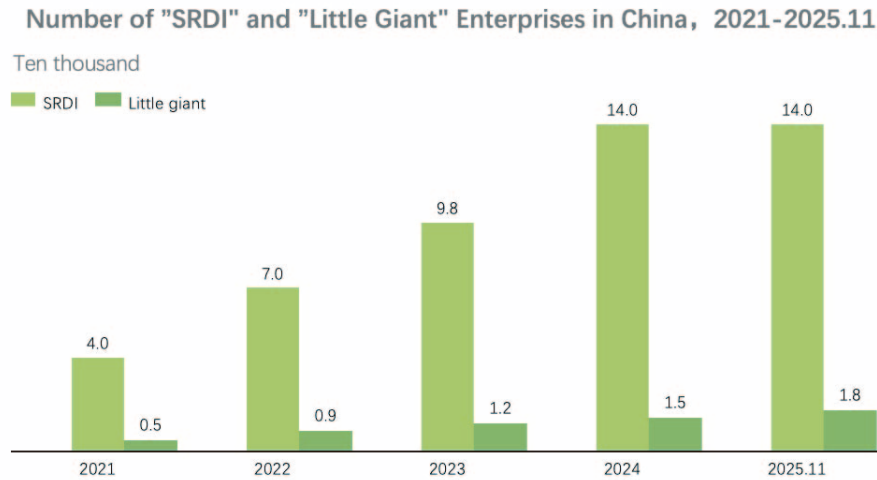
- the “*Opinions on Promoting the Expansion and Quality Improvement of the Service Sector*”, which established a full-cycle financing system covering early-stage, small and medium-sized, long-term, and hard-tech enterprises. It accelerates the cultivation of leading service enterprises, and support eligible listed enterprises in financing, mergers and acquisitions, and restructuring;
- the “*Resolution of the Central Committee of the Communist Party of China (CPC) on Further Deepening Reform Comprehensively to Advance*” on deepening reform, which called for improved financial governance and better alignment of investment and financing functions;
- the “*Several Policy Measures for Promoting the High-Quality Development of Venture Capital*”, which promoted institutionalized venture capital and aimed to expand funding sources and exit channels; and
- the “*Several Opinions of the State Council on Strengthening Regulation, Preventing Risks, and Promoting the High-Quality Development of the Capital Market*”, which strengthened capital market regulation and optimized the delisting system to foster a healthier investment environment.

At regional and local level, plans such as the “*Several Measures of Beijing Municipality for Promoting Steady Economic Progress in 2026*” strengthened corporate financing support by leveraging government investment funds and national venture capital to prioritize early-stage, small-scale, long-cycle, and hard-core technology projects, the “*Several Measures of Haidian District to Support the Innovation and Development of Tech SMEs*” prioritized high-tech and “little giant” enterprises for municipal investment funds, guided by government-backed financing and the Zhongguancun Sci-Tech Financial Service Center to deliver efficient financing and specialized financial products.

These policies together form a comprehensive and favourable regulatory environment that supports the continued growth and evolution of China’s Sci-tech innovation service industry.

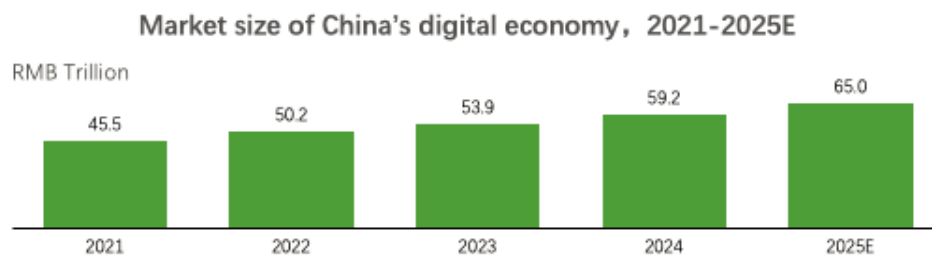
INDUSTRY OVERVIEW

Supply and demand aspect



Source: iResearch report

The continued expansion of China's Sci-tech innovation service market is supported by strong structural demand from policy-backed enterprises and ongoing digital and technological transformation. The rise of “SRDI” enterprises (refers to specialized, refined, distinctive, and innovative enterprises) and “little giant” enterprises (refer to the novel elites of small and medium-sized enterprises (SMEs) that are engaged in manufacturing, specialize in a niche market and boast cutting-edge technologies) has created a significant and growing client base. By November 2025, the number of SRDI enterprises reached 140,000, up from 40,000 in 2021, while little giants enterprises grew from 5,000 to 18,000 over the same period. These innovation-oriented SMEs increasingly rely on scientific and innovation services.



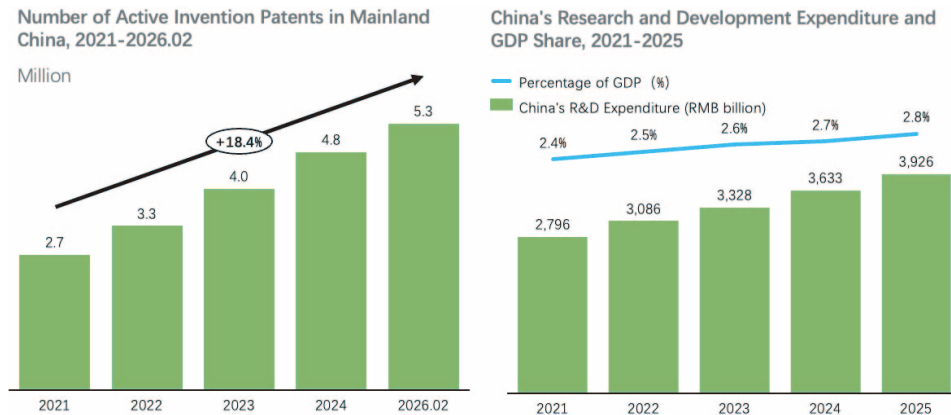
Source: iResearch report

Note:

- (1) China's Digital Economy uses digital technology, data, and networks to integrate with the real economy, boosting digitalization and intelligence. It covers four areas: Digital industrialization — ICT industries (hardware, telecom, software, internet); Industrial digitalization — digital transformation of traditional industries (e.g., smart manufacturing, industrial internet, platform economy); Digital governance — technology-enhanced governance and public services, and Data valorization — the full data lifecycle from collection and pricing to trading and protection.

INDUSTRY OVERVIEW

At the same time, the digital economy in China reached RMB45.5 trillion in 2021, driving enterprise demand for integrated solutions to improve efficiency and enable new growth, the scale is expected to reach RMB65 trillion in 2025. Sci-tech innovation enterprises and start-ups are early adopters of digital and innovation services given their technology orientation and growth imperatives.



Source: iResearch report

China's improving innovation capacity has further expanded the market. Active invention patents grew from 2.7 million in 2021 to over 5 million by early 2026, with a CAGR of 18.4%, alongside a surge in research and development expenditure from RMB2.80 trillion in 2021 to RMB3.93 trillion in 2025. This has created robust demand for IP protection, standardization, and innovation financing services.

Together, these supply and demand dynamics — driven by industrial upgrading, digital transformation, and intensified innovation efforts — are fueling sustained growth and diversification across China's Sci-tech innovation service industry.

Key Trends in China's Sci-Tech Innovation Service Market

As China's sci-tech innovation service industry matures, its development is shaped by the evolution of the investment ecosystem, service models, and client expectations.

Focus on Early-Stage and Hard Tech Investment

There is a clear shift toward early-stage, small-scale investments targeting high-tech sectors such as AI, deep tech and advanced manufacturing. Supported by national policies, this trend reflects growing investor preference for long-cycle, value-driven opportunities in frontier technologies. The focus on high-tech projects — such as advanced manufacturing, AI, and deep tech — is on the rise. This marks the beginning of a “golden era” for hard tech investment, with a heightened focus on partnering with companies through longer innovation cycles.

INDUSTRY OVERVIEW

Platformization and Results-Oriented Delivery

Service formats are transitioning to platform-based models that integrate financing, strategic advisory, and technology enablement and resource matching. Ecosystem building improves scalability and client retention, while outcome-driven approaches — focused on commercialization and efficiency — are becoming the industry standard. Multi-channel service delivery, combining online scalability with offline customization, is increasingly essential.

Emphasis on Proprietary Tools and Iterative Innovation

Leading service providers are developing in-house methodologies and digital toolkits to deliver end-to-end solutions tailored to tech-focused start-ups. Independent R&D and continuous refinement of service content have become key differentiators in a competitive and fast-moving market.

Challenges to the Development of China’s Sci-Tech Innovation Service Market

The development of China’s Sci-tech innovation service Market faces several critical challenges that need to be addressed to achieve sustainable growth.

Talent Constraints in High-Tech Services

Serving high-tech enterprises requires specialized, cross-disciplinary talent with experience in technology commercialization and entrepreneurial management. The limited supply of such professionals — especially seasoned scientists, product experts, and serial founders — remains a key bottleneck for scaling service capabilities.

Linkage of Cross-Regional and International Resources

Integrated service delivery across the entire entrepreneurial chain is essential but remains fragmented. China’s international innovation connectivity is limited, and domestic resources are concentrated in a few regions. Bridging cross-regional and cross-border gaps is a major challenge for nationwide or global expansion.

Challenges of Market-Oriented Fundraising

Rising labour costs and fee compression have squeezed profit margins for fund managers. Meanwhile, investor preference is shifting toward low-cost, passive products, amid growing skepticism of complex fund structures. These trends challenge the sustainability of market-oriented fundraising models.

Barriers to Entry in China’s Sci-Tech Innovation Service Submarket

Client Resource

High-quality, innovation-driven start-ups are limited in the market. Service providers with deep client pools can better identify commercially viable cases and accumulate successful case experiences, thereby building early-mover advantages and reinforcing the formation of barriers. In fund management, credibility with investors and access to quality projects are key differentiators and important criteria for clients when selecting investment management service providers.

INDUSTRY OVERVIEW

Entrepreneurship Methodology

Leading service providers develop proprietary entrepreneurial frameworks and methodologies that guide start-ups in refining business models, allocating resources, and adapting to market shifts. As the domestic entrepreneurship environment continues to mature, these structured methodologies enhance service quality, improve start-ups success rates, and form replicable barriers to entry.

Industry Technology

Serving deep-tech sectors such as AI, new energy, and healthcare requires technical insight. Dual-driver business model providers can strengthen their industry understanding by combining first-hand exposure through empowerment services with validation via investment activities, thereby forming certain industry barriers.

Talent Resource

Top-tier talent with cross-sector knowledge, high professional capabilities, and entrepreneurial experience is essential. Institutions with established training, retention, and deployment systems are better positioned to deliver differentiated services and respond to varied client needs.

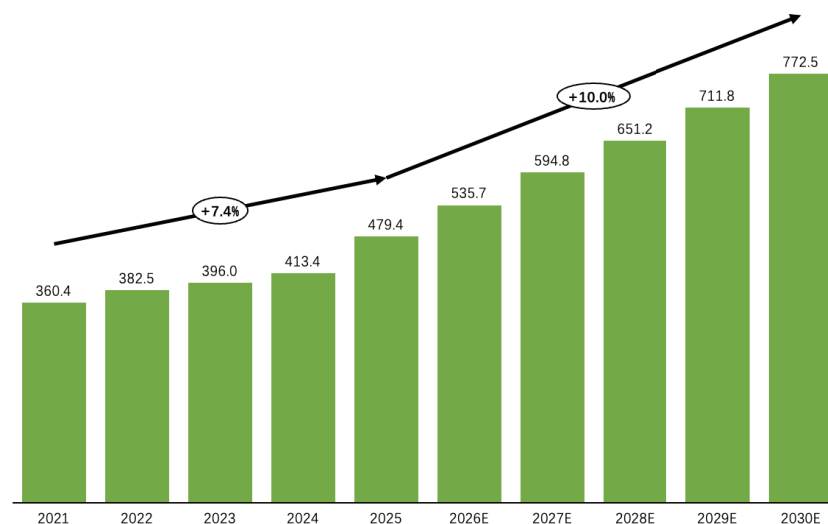
Brand Influence

In China’s Sci-tech innovation service industry, there is significant variation among service providers, and the industry currently lacks standard rules or rigid entry barriers. Clients build brand recognition based on factors such as training content, methodology systems, successful investment and financing cases, and service experience with major brands. These factors serve as important criteria for client selection, allowing companies to shape brand influence and further establish effective industry barriers.

EMPOWERMENT AND INCUBATION INVESTMENT SERVICES

Empowerment and Incubation Investment Services Market Size, in terms of Revenue, 2021-2030E

RMB Billion



Source: iResearch report

INDUSTRY OVERVIEW

In 2025, empowerment services accounted for 92.5% of segment revenue, followed by incubation investment services at 7.5%. Innovative entrepreneurial training and consulting remain the core service offering of enterprise empowerment services, driving the majority of income for Sci-tech innovation service providers.

Comprehensive service formats are driving expansion in China’s empowerment and incubation investment services market, presenting a significant opportunity. In 2025, the market size reached RMB479 billion, fuelled by growing demand for services supporting innovative start-ups, training, and corporate governance innovation. Services offerings are evolving beyond basic infrastructure to include business training, marketing support, and financial assistance.

Despite short-term pandemic disruptions in 2022, the overall market has achieved a CAGR of 7.4% over the past five years and is expected to accelerate from 2025 as more service providers enter and offer multi-dimensional support combining capital, expertise, and resources.

Market Drivers for Empowerment and Incubation Investment Services

Rising Demand for Digital Transformation and Emerging Technologies

Traditional enterprises are actively adopting advanced technologies such as the metaverse, AIGC, and Web 3.0 to pursue new growth trajectories. This shift has created strong demand for strategic planning, business model design, and professional services in areas including marketing, talent development, and organizational consulting.

Increased Focus on Operational Efficiency

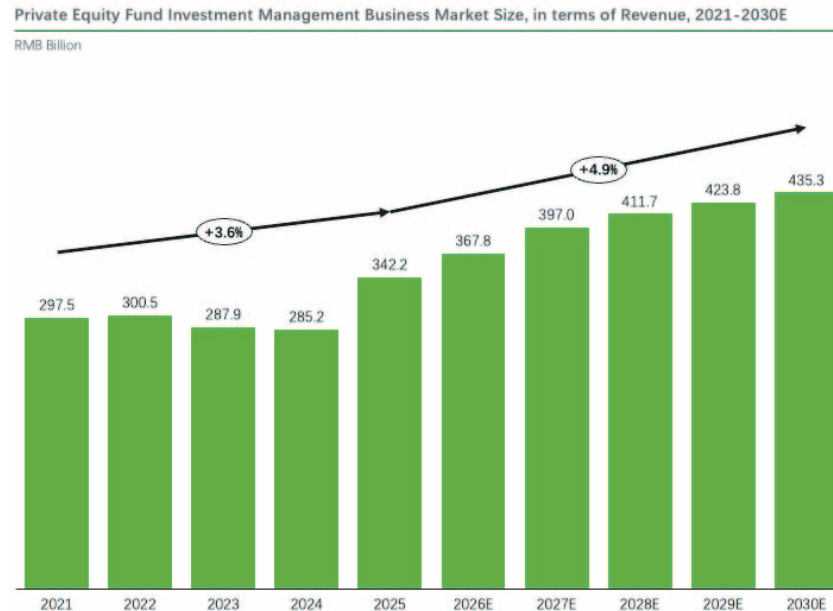
With slower macroeconomic growth and structural overcapacity in mid- to low-end tech sectors, enterprises are prioritizing efficiency over scale. This has led to growing demand for strategic training and performance-focused advisory services aimed at improving cost control and operational precision.

Expansion of the Industrial Internet and Service Diversification

The rise of the industrial internet is broadening the scope of enterprise services. In addition to strategic and investment-related services, companies now seek support in marketing, supply chain management, legal and accounting, and financing-related roadshow platforms, driving continued diversification across service offerings.

INDUSTRY OVERVIEW

FUND INVESTMENT AND MANAGEMENT BUSINESS



Source: iResearch report

China’s private equity fund investment management business has shown steady growth, with market size reaching RMB342.2 billion in 2025. Despite short-term fluctuations during 2022 to 2024 due to the pandemic, the segment achieved a CAGR of 3.6% from 2021 to 2025, driven by growing investor appetite for early-stage and small-scale investments, supportive national policies, and increased funding for innovative start-ups.

Looking ahead, the sector is expected to maintain strong momentum, supported by stable macroeconomic fundamentals, improved exit mechanisms following the registration-based reform, and continued policy support. In 2025, market recovery was evident as fund managers resumed activity amid improving capital market conditions. Fund management institutions play an increasingly important role in supporting start-ups to access public markets, and in promoting the development of high-tech and frontier technology sectors. These structural drivers position the private equity fund investment management market for continued long-term growth.

Market Drivers for Private Equity Fund Investment Management Business

Strong Demand for High-Quality Early-Stage Investment Opportunities

The market continues to face a shortage of investment channels targeting high-potential, innovation-driven start-ups. As government and market-oriented capital increasingly promote the integration of emerging technologies and traditional industries, investments aligned with national strategic priorities — such as digital transformation, frontier technology, and industrial upgrading — are in high demand. This trend also supports the continued development of the RMB fund market.

INDUSTRY OVERVIEW

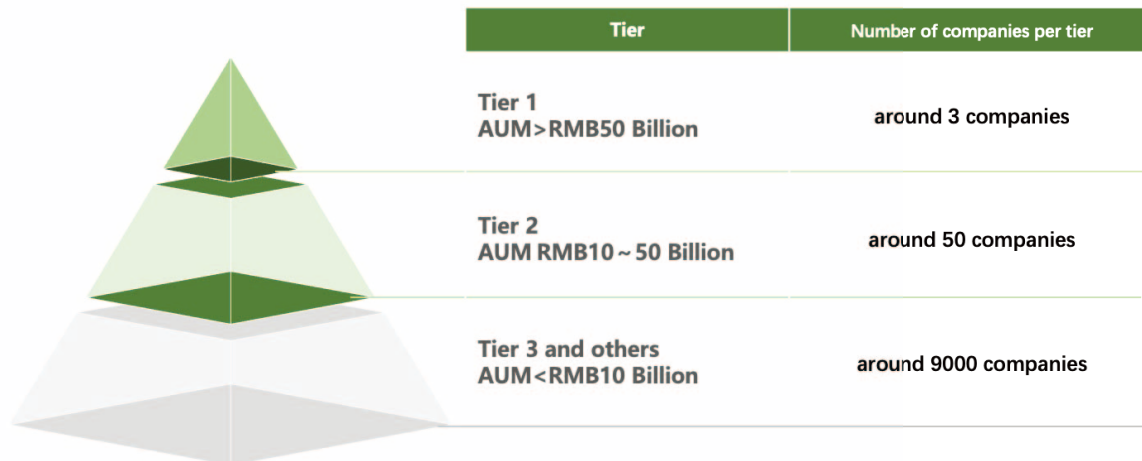
Consensus Around “Early-stage, Small Scale, and Sci-tech Focused” Investments

Early-stage technology innovative enterprises often represent the future direction of industry development, possessing enormous growth potential and transformative impact. By engaging early, investors can participate in various stages of a company’s growth and share in the benefits of its rapid expansion. Policy support, market demand, and changes in global competitive dynamics also provide a favourable external environment and growth momentum for early-stage technology innovative enterprises, making the strategy of “early-stage, small scale, and Sci-tech focused” investments an important approach to seizing future opportunities and achieving long-term value investment.

COMPETITIVE LANDSCAPE OF SCI-TECH INNOVATION SERVICE INDUSTRY

The market for empowerment and incubation investment is substantial in both scale and scope. However, within this vast landscape, only a handful of providers possess both empowerment services and incubation investment services. The Company is among this select group, yet its current market share and overall presence remain relatively modest.

Competitive Landscape of China’s Domestic Market-Oriented Private Equity Funds, by AUM, 2025



Source: iResearch report

In the area of private equity fund investment management business market, according to iResearch, the Company ranked 29th among domestic market-oriented private equity funds in China in 2025 based on assets under management (AUM), placing it firmly within the Tier 2 bracket (with an AUM ranging from RMB 10 billion to 50 billion).

The ranking was rigorously filtered using restrictive criteria that excludes:

1. Any state-owned or state-controlled enterprise (non-SOE);
2. Platforms funded or guided directly by government or national guidance funds;
3. Investment entities backed by traditional securities firms or brokerages; and
4. Funds originating from purely foreign capital sources.