



# 滴普科技股份有限公司

## Deepexi Technology Co., Ltd.

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

Stock Code : 1384

## GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



**CITIC SECURITIES**



民銀資本  
MIN SHENG CAPITAL HOLDINGS LIMITED



國泰君安國際  
GUOTAI JUNAN INTERNATIONAL



交銀國際  
BOCOM International

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## IMPORTANT

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*If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.*



### Deepexi Technology Co., Ltd.

### 滴普科技股份有限公司

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

#### GLOBAL OFFERING

<b>Number of Offer Shares under the Global Offering</b>	<b>: 26,632,000 H Shares</b>
<b>Number of Hong Kong Offer Shares</b>	<b>: 1,331,600 H Shares (subject to adjustment)</b>
<b>Number of International Offer Shares</b>	<b>: 25,300,400 H Shares (subject to adjustment)</b>
<b>Offer Price</b>	<b>: HK\$26.66 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)</b>
<b>Nominal value</b>	<b>: RMB1.00 per H Share</b>
<b>Stock code</b>	<b>: 1384</b>

#### *Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers*



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK\$26.66 per Offer Share, unless otherwise announced. Applicants for Hong Kong Offer Share may be required to pay, on application (subject to application channels), the Offer Price of HK\$26.66 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and a Hong Kong Stock Exchange trading fee of 0.00565%.

**The Overall Coordinators, on behalf of the Underwriters, and with our consent may, where considered appropriate, reduce the number of Hong Kong Offer Shares and/or the Offer Price below that is stated in this prospectus (which is HK\$26.66) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares and/or the Offer Price will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notices will also be available on the website of our Company at [www.deepexi.com](http://www.deepexi.com) and on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). Further details are set forth in "Structure and Conditions of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.**

We are incorporated, and substantially all of our businesses are located, in the PRC. Potential investors should be aware of the differences in the legal, economic and financial systems between the PRC and Hong Kong and that there are different risk factors relating to investment in PRC-incorporated businesses. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in "Risk Factors," "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association" to this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" of this Prospectus.

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by our Company before making their investment decisions.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may be offered and sold only outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

October 20, 2025

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## IMPORTANT

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### IMPORTANT NOTICE TO INVESTORS:

#### FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of the prospectus to the public in relation to the Hong Kong Public Offering.

The prospectus is available at the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at [www.deepexi.com](http://www.deepexi.com). If you require a printed copy of this document, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

- (a) apply online through the **HK eIPO White Form** service through the designated website at [www.hkeipo.hk](http://www.hkeipo.hk);
- (b) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf.

*We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of the prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong).*

*If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that the prospectus is available online at the website addresses above.*

Please refer to the section headed “How to Apply for Hong Kong Offer Shares” in the prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

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## IMPORTANT

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Your application through the **HK eIPO White Form** service or by giving **electronic application instructions** to HKSCC must be for a minimum of 200 Hong Kong Offer Shares and in one of the numbers set out in the table.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>
200	5,385.77	3,000	80,786.60	40,000	1,077,154.64	180,000	4,847,195.90
400	10,771.55	4,000	107,715.47	50,000	1,346,443.30	200,000	5,385,773.22
600	16,157.31	5,000	134,644.33	60,000	1,615,731.97	300,000	8,078,659.84
800	21,543.10	6,000	161,573.20	70,000	1,885,020.63	400,000	10,771,546.45
1,000	26,928.87	7,000	188,502.06	80,000	2,154,309.29	500,000	13,464,433.06
1,200	32,314.64	8,000	215,430.93	90,000	2,423,597.95	665,800 <sup>(1)</sup>	17,929,239.06
1,400	37,700.42	9,000	242,359.80	100,000	2,692,886.61		
1,600	43,086.18	10,000	269,288.66	120,000	3,231,463.93		
1,800	48,471.96	20,000	538,577.33	140,000	3,770,041.25		
2,000	53,857.73	30,000	807,865.98	160,000	4,308,618.58		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and Accounting and Financial Reporting Council (“**AFRC**”) transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

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## EXPECTED TIMETABLE

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*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our websites [www.deepexi.com](http://www.deepexi.com).*

**Time and date<sup>(1)</sup>**

Hong Kong Public Offering commences . . . . . 9:00 a.m. on Monday,  
October 20, 2025

Latest time to complete electronic applications under  
**HK eIPO White Form** service through the  
designated website [www.hkeipo.hk](http://www.hkeipo.hk)<sup>(2)</sup> . . . . . 11:30 a.m. on Thursday,  
October 23, 2025

Application lists open<sup>(3)</sup> . . . . . 11:45 a.m. on Thursday,  
October 23, 2025

Latest time to (a) give **electronic application instructions** to  
HKSCC and (b) complete payment of **HK eIPO White Form**  
applications by effecting internet banking transfer(s) or  
PPS payment transfer(s)<sup>(4)</sup> . . . . . 12:00 noon on Thursday,  
October 23, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via FINI to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your broker or custodian for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close<sup>(3)</sup> . . . . . 12:00 noon on Thursday,  
October 23, 2025

Announcement of the results of applications in the  
Hong Kong Public Offering, the level of indications  
of interest in the International Offering and the basis  
of allocation of the Hong Kong Offer Shares to be  
published and on the websites of the Stock Exchange at  
[www.hkexnews.hk](http://www.hkexnews.hk) and our Company at [www.deepexi.com](http://www.deepexi.com)  
at or before<sup>(7)(9)</sup> . . . . . 11:00 p.m. on Monday,  
October 27, 2025

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## EXPECTED TIMETABLE

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The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's websites at [www.deepexi.com](http://www.deepexi.com) respectively<sup>(7)</sup> .....no later than 11:00 p.m. on  
Monday, October 27, 2025
  
- in the designated results of allocations website at [www.hkeipo.hk/IPOResult](http://www.hkeipo.hk/IPOResult) (alternatively: [www.tricor.com.hk/ipo/result](http://www.tricor.com.hk/ipo/result)) with a "search by ID" function<sup>(7)</sup> .....from 11:00 p.m. on  
Monday, October 27, 2025  
to 12:00 midnight on  
Sunday, November 2, 2025
  
- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. .... from Tuesday,  
October 28, 2025 to  
Monday, November 3, 2025  
(excluding Saturday,  
Sunday and public  
holidays in Hong Kong)

For those applying through HKSCC EIPO channel,  
you may also check with your broker or custodian ..... 6:00 p.m. on Friday,  
October 24, 2025

Dispatch of H Share certificates or deposit of the H Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before<sup>(5)(8)</sup> .....Monday, October 27, 2025

Dispatch of **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques (if applicable) on or before<sup>(8)(9)</sup> .....Tuesday, October 28, 2025

Dealings in H Shares on the Main Board of the Stock Exchange to commence at ..... 9:00 a.m. on Tuesday,  
October 28, 2025

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## EXPECTED TIMETABLE

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- (1) All times and dates refer to Hong Kong local time and date, except as otherwise stated. Details of the structure of the Global Offering, including its conditions, are set out in “Structure and Conditions of the Global Offering” in this prospectus. If there is any change in the above expected timetable, we will issue a separate announcement in Hong Kong to be published on our websites at [www.deepexi.com](http://www.deepexi.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).
- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at [www.hkeipo.hk](http://www.hkeipo.hk) after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning signal and/or Extreme Conditions in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, October 23, 2025, the application lists will not open or close on that day. See “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements.”
- (4) Applicants who apply for the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to “How to Apply for Hong Kong Offer Shares — 2. Application Channels.”
- (5) The H Share certificates are expected to be issued on Monday, October 27, 2025 but will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be at around 8:00 a.m. on Tuesday, October 28, 2025. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of H Share certificates and before they become valid evidence of title do so entirely of their own risk.
- (6) The announcement will be available for viewing on the Stock Exchange’s website [www.hkexnews.hk](http://www.hkexnews.hk) and our Company’s websites at [www.deepexi.com](http://www.deepexi.com).
- (7) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (8) Applicants being individuals who are eligible for personal collection must not authorize any other person to make collection on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. Applicants who have applied for Hong Kong Offer Shares through the HKSCC EIPO channel should refer to the paragraph headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this prospectus for details.
- (9) Applicants who apply through the **HK eIPO White Form** service by paying the application monies through a single bank account, may have **HK eIPO White Form** e-Auto Refund payment instructions (if any) dispatched to their application payment bank account. Applicants who apply through the **HK eIPO White Form** service by paying the application monies through multiple bank accounts, may have refund cheques in favor of the applicant (or, in the case of joint applications, the first-named applicant) sent to the address specified in their application instructions by ordinary post and at their own risk.
- (10) e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications.

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## EXPECTED TIMETABLE

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The H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with its respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Tuesday, October 28, 2025. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The above expected timetable is a summary only. Potential investors should read carefully “Underwriting,” “Structure and Conditions of the Global Offering” and “How to Apply for Hong Kong Offer Shares” for details relating to the structure and conditions of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and H Share certificates.

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## CONTENTS

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### IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

*This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any securities other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to subscribe for or buy any securities in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.*

*You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not included in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors or advisors, or any other person or party involved in the Global Offering. Information contained on our website, located at [www.deepexi.com](http://www.deepexi.com), does not form part of this prospectus.*

	<i>Page</i>
<b>Expected Timetable</b> .....	iv
<b>Contents</b> .....	viii
<b>Summary</b> .....	1
<b>Definitions</b> .....	28
<b>Glossary of Technical Terms</b> .....	39
<b>Forward-Looking Statements</b> .....	43
<b>Risk Factors</b> .....	45
<b>Waivers from Strict Compliance with the Listing Rules</b> .....	88

---

## CONTENTS

---

<b>Information about this Prospectus and the Global Offering</b> .....	92
<b>Directors and Parties Involved in the Global Offering</b> .....	98
<b>Corporate Information</b> .....	104
<b>Industry Overview</b> .....	106
<b>Regulatory Overview</b> .....	120
<b>History, Development and Corporate Structure</b> .....	142
<b>Business</b> .....	178
<b>Directors and Senior Management</b> .....	302
<b>Relationship with Our Controlling Shareholders Group</b> .....	319
<b>Share Capital</b> .....	324
<b>Substantial Shareholders</b> .....	328
<b>Financial Information</b> .....	330
<b>Future Plans and Use of Proceeds</b> .....	387
<b>Underwriting</b> .....	398
<b>Structure and Conditions of the Global Offering</b> .....	415
<b>How to Apply for Hong Kong Offer Shares</b> .....	423
<b>Appendix I — Accountants' Report</b> .....	I-1
<b>Appendix II — Unaudited Pro Forma Financial Information</b> .....	II-1
<b>Appendix III — Taxation and Foreign Exchange</b> .....	III-1
<b>Appendix IV — Summary of Principal Legal and Regulatory Provisions</b> ..	IV-1
<b>Appendix V — Summary of the Articles of Association</b> .....	V-1
<b>Appendix VI — Statutory and General Information</b> .....	VI-1
<b>Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display</b> .....	VII-1

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## SUMMARY

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

*There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this Prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.*

### OVERVIEW

We specialize in delivering enterprise large model AI application solutions, empowering enterprises to integrate their data, decisions and operations efficiently at scale. Our FastData Foil Data Fusion Platform and the Deepexi enterprise large model platform serve as the foundational infrastructure for deploying and implementing agentic AI applications.

The market size of enterprise AI application solution in China, in terms of revenue, reached RMB38.6 billion in 2024, and it is expected to reach RMB239.4 billion in 2029 with a CAGR of 44.0% from 2024 to 2029, according to Frost & Sullivan. Given the substantial scale of China’s enterprise AI application solution market, we held a 0.6% market share in 2024.

The enterprise large model AI application market accounted for 15% of the overall enterprise AI application solution market in 2024. The market size of enterprise large model AI application in China, in terms of revenue, reached RMB5.8 billion in 2024 and is expected to reach RMB52.7 billion in 2029 with a CAGR of 55.5% from 2024 to 2029, according to Frost & Sullivan. We ranked fifth in China’s enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2%.

Our solutions empower enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity. We have achieved large-scale commercialization across multiple verticals, including consumer goods, manufacturing, healthcare and transportation. As of June 30, 2025, we served 283 enterprise customers, including 94 customers with multiple engagements, representing 33.2% of our customer base, reflecting our strong customer loyalty and satisfaction.

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## SUMMARY

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We have demonstrated rapid revenue growth during the Track Record Period. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023, and further grew by 88.3% to RMB242.9 million in 2024, achieving a CAGR of 55.5% from 2022 to 2024. Our revenue further increased by 118.4% from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the same period of 2025. This sustained growth underscores the effectiveness of our strategic initiatives and our ability to consistently meet the evolving needs of enterprise customers.

We operate a project-based business model. We offer two solutions based on our technology infrastructure: (i) FastData enterprise data intelligence solution (or FastData solution) based on our FastData Foil Data Fusion Platform, and (ii) FastAGI enterprise AI solution (or FastAGI solution) based on our Deepexi enterprise large model platform. Our solutions and platforms are built based on mainstream open-source foundation models which were not self-developed. Our FastData solution provides our customers with the infrastructure to organize and manage structured and semi-structured business data and documents, and unstructured content such as engineering diagrams and medical reports and generates data output that is ready for further AI processing. Our FastAGI solution is built around our Deepexi enterprise large model platform, and assists customers in making more informed decisions and automating their business processes.

Our FastData and FastAGI solutions can either be offered independently to customers or offered together to achieve synergies, where FastData solution organizes and prepares the data that is necessary for FastAGI solution to function.

### **Our Technology Infrastructure**

Through sustained R&D investment, we have built a technology infrastructure to support the scalable commercialization of our AI applications. Key components include the following.

#### ***FastData Foil Data Fusion Platform***

Our FastData Foil Data Fusion Platform combines two ways of storing data, namely data lakehouse, which is a modern data architecture that creates a single platform by combining the key functions of data lakes (a large repository that stores raw data in its original form) and data warehouses (an organized set of structured data designed for querying and analysis), which enables it to handle large amounts of information while maintaining order and reliability. It can process both live data and stored data at the same time, helping customers avoid having their information separated in different systems. The platform can manage many types of structured, semi-structured and unstructured data, such as numbers, text, images and diagrams, all under one set of rules, which makes it possible to quickly process huge amounts of information from different sources. It can also convert raw and complicated data like documents, pictures and formulas into a format that AI large models can understand, while keeping important details and connections between the data. This is essential for training and improving AI models that are customized for customers' businesses.

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## SUMMARY

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Unlike conventional data platforms, our platform is specially designed for AI: it can feed up-to-date information directly to our customers' business systems, create training materials for custom AI models, and act as a trusted source of information for AI tools that help with decision-making.

- *Diverse Data Handling.* Our platform can process massive amounts of diverse information, from simple numbers in spreadsheets to complicated items like engineering drawings, medical reports and business processes. It can read and organize data in many formats, select important details such as formulas or measurements, and connect related pieces of information. This converts unorganized and unstructured real-world data into clean and organized data inputs that AI systems can directly use.
- *Intelligent Data Organization.* Our platform acts like a smart library for our customers' data. Beyond simply storing information, it understands the underlying meaning of data and how different types of data (like text, pictures and databases) are connected. This helps AI systems find exactly what they need, when they need it, with all the right context.
- *Enterprise-level Security.* The platform automatically protects sensitive information based on data sensitivity and usage scenarios such as daily operations, AI training or decision-making. This keeps private data safe during AI development and ensures proper authorization of data access that aligns with our customers' existing security rules.

### *Deepexi enterprise large model platform*

Our Deepexi platform is built using popular open-source AI models and combines them with information from public sources. We improve and train these models by providing them with task-specific examples, and by using techniques that help improve decision-making capabilities of AI models under dynamic and evolving business circumstances. We also use data from different industries to make the models more useful for business needs. This results in a powerful AI system that can search for information, reason through problems and help with decision-making across different areas.

The platform also enables our customers to use AI in their own systems, connect with other software and keep their data secure. Deepexi can be installed on a company's own computers and further customized using their own data, which is organized and processed by our FastData Foil Data Fusion Platform. This ensures that our customers' AI models can fit their specific business needs, with controls over access to results and the ability to automate tasks and workflows.

Together, our FastData Foil Data Fusion Platform and Deepexi enterprise large model platform form the foundation of our technology which allows us to provide flexible and specialized AI solutions that help customers transform their business operations.

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## SUMMARY

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### **Our Solutions**

Our FastData enterprise data intelligence solution and FastAGI enterprise AI solution empower enterprises to integrate their data, decisions and operations efficiently at scale. Our solution extends far beyond basic AI capabilities such as simple data retrieval, office collaboration and simple chatbots. It directly tackles core business challenges by providing operational decision-making support and productivity enhancement tools.

#### ***FastData Enterprise Data Intelligence Solution***

Today's enterprises deal with massive amounts of data, including documents, images, spreadsheets, technical drawings and complex formulas, often unstructured and scattered in different formats and systems. Leveraging our proprietary FastData Foil Data Fusion Platform, our FastData solution tackles this challenge by enabling enterprises to efficiently govern structured, unstructured and semi-structured multi-format data, building high-quality knowledge bases. By standardizing and unifying the governance of multi-format data (e.g., knowledge, documents, drawings and formulas), it bridges the gap between raw information and real-world business needs for faster, more accurate data access, reduced development costs and sharper decision-making.

FastData solution also prepares data for AI, delivering tokenized data output for training and fine-tuning large models and agentic AI applications. Tokenization refers to the process of converting a wide range of raw, complex data, which may include textual data, images, documents and formulas, into a format that large models can comprehend and process while preserving the semantic relationships and contextual nuances within the data, laying the ground for large model training. Its data output also powers business intelligence and analytics, ensuring enterprises derive maximum value from their information assets.

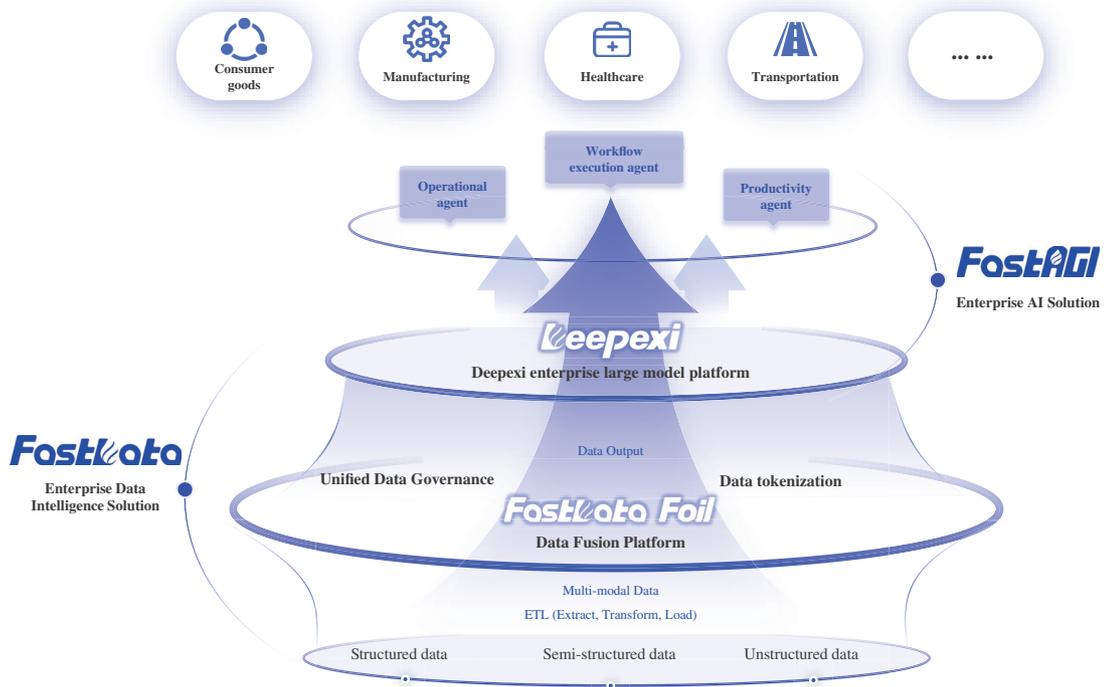
#### ***FastAGI Enterprise AI Solution***

Based on our Deepexi enterprise large model platform, our FastAGI solution, launched and commercialized in late 2023, delivers multi-scenario agentic AI applications tailored to various industries, including consumer goods, manufacturing, healthcare and transportation. Agentic AI applications goes beyond content creation, it is capable of making decisions, taking actions and adapting to changing environments, focusing on acting autonomously to achieve specific goals with minimal human intervention. In business operations, FastAGI solution enhances data and knowledge retrieval capabilities and external service integration, enabling support for business personnel in refined operations, dynamic resource optimization and intelligent decision-making. In manufacturing, FastAGI solution empowers engineering design and production processes by constructing and organizing technical knowledge (such as industry standards and knowledge base), helps employees retrieve the relevant documents and designs instantly, and assists engineers in the design and reviewing processes. It also formulates optimal manufacturing processes, recommends optimal parameters and settings, and timely identifies quality issues.

## SUMMARY

To further optimize deployment at the computing power level, we developed Fast5000E, an integrated platform with FastAGI solution built in. By optimizing from different aspects including interface compatibility, computing power scheduling and engine adaptation, Fast5000E maximizes the synergy between software and hardware. This enhances the cost-effectiveness and feasibility of deploying FastAGI solution across enterprises.

The following diagram illustrates our solutions and technology infrastructure:



### Specialist Technology Industries

The table below sets out a summary for how each of our FastData and FastAGI solutions fall within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
FastData Solution . . . . .	<p>(i) Artificial intelligence (AI-empowered algorithm programming: image recognition, natural language processing (NLP), machine learning and deep learning); and</p> <p>(ii) Artificial intelligence (AI solutions: the design and provision of AI solutions used in different industry verticals).</p>	<p>FastData solution is based on a data intelligence platform that enables the high-speed processing of both structured and unstructured data, serving as a foundational infrastructure for AI-driven enterprise applications. Going beyond basic data processing capabilities, the ability to comprehend and dissect complex, unstructured data requires extensive machine learning algorithms. FastData solution combines layout, text, table, engineering drawings and formula parsing capabilities with Visual Language Models (VLMs) to deconstruct complex multi-modal data while taking into account the customer's business logic. It leverages AI algorithms to tokenize raw, multi-modal data, transforming them into actionable insights and into formats optimized for AI applications, large model training and fine-tuning, and real-time decision-making across industries.</p>	<p>Leveraging its foundational technologies, FastData solution empowers enterprise customers across different industries, with the below examples:</p> <ul style="list-style-type: none"> <li>• <b>Consumer goods industry:</b> For retail companies, FastData solution helps our clients predict by integrating and processing diverse data streams. The platform consolidates historical sales records (item-location-time dimensions), real-time inventory data, external factors (weather, competitor landscape) and product characteristics to generate granular demand data at the SKU-level and store-level. These insights directly inform replenishment strategies and inventory allocation decisions. The solution enhances key retail metrics including sales conversion rates, inventory turnover and supply chain responsiveness.</li> </ul>
		<p>FastData solution's Modern Data Stack (MDS) architecture incorporates NLP (Natural Language Processing) algorithms, including an innovative NLP-to-SQL (Structured Query Language) conversion feature. This allows users to input natural language business queries that are automatically translated into SQL commands, enabling real-time data retrieval and improving analysis efficiency.</p>	

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## SUMMARY

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Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
			<ul style="list-style-type: none"><li>• <b>Manufacturing industry:</b> In manufacturing, FastData solution acts as a powerful data refinery, turning complex technical documents and data into clean, AI-friendly fuel. For engineering knowledge, it is able to comprehend and analyze technical documents containing formulas, parameters and specifications through machine learning algorithms, preserving their precise meaning while converting them into digital formats AI systems can work with. When processing mechanical drawings and diagrams, it intelligently identifies key components, extracts measurements and maps relationships between different elements, like an expert engineer. All such diverse and complex information, whether from PDF manuals, CAD drawings or equipment sensors, are organized in a unified smart catalog. The processed, tokenized data output enables the development of AI models to support decision-making in the manufacturing process.</li><li>• <b>Healthcare industry:</b> FastData solution empowers healthcare data management by transforming complex medical information through machine learning algorithms into structured, computer-readable outputs that can support AI workloads. FastData solution intelligently processes diverse clinical data, including lab reports, imaging studies, and medical device outputs, extracting and standardizing critical information while preserving vital clinical context. It automatically analyzes text-based pathology reports, interprets medical charts and scans and deciphers results generated by medical devices, recognizing relationships between different data types such as lab values and patient conditions. All this information is organized in a unified, searchable medical knowledge base that maintains temporal relationships and clinical relevance. FastData solution implements security measures to protect sensitive health information, with hierarchical access controls. The processed, tokenized output enables healthcare organizations to develop accurate diagnostic AI models, power clinical decision support systems, and generate real-time patient monitoring insights.</li></ul>

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## SUMMARY

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Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
			<ul style="list-style-type: none"><li>• <b>Transportation industry:</b> In transportation sector applications, FastData solution provides critical data processing capabilities for road maintenance and emergency response systems. FastData solution can handle diverse data modalities using machine learning algorithms including road surface data images, surveillance camera feeds and traffic laws and regulations and standardize such information for AI model consumption. By creating structured, analysis-ready datasets from unstructured inputs, FastData solution enables the development of accurate roadway condition monitoring AI models that support automated hazard detection (cracks, potholes and surface deterioration), priority-based repair scheduling and rapid emergency incident response, improving inspection efficiency and incident resolution times compared to manual processes.</li></ul>

# SUMMARY

Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
FastAGI Solution . . . . .	Artificial intelligence (AI) solutions: the design and provision of AI solutions used in different industry verticals)	<p>FastAGI solution is our enterprise agentic AI solution based on our proprietary enterprise multi-modal large model technology stack designed to seamlessly integrate and accelerate the implementation of AI solutions across various business functions for customers in different industries. FastAGI solution extends beyond basic AI capabilities such as data retrieval, office collaboration and simple chatbots. It directly tackles core business painpoints by providing operational decision-making support and productivity enhancement tools. FastAGI solution centers around three types of AI agents, operational agent, productivity agent and workflow execution agent. The operational agent optimizes operational decision-making by integrating enterprise-specific real-time data and industry knowledge; the productivity agent processes complex industry knowledge and unstructured data, such as involving interpreting complicated engineering designs and manufacturing processes, to boost productivity; the workflow execution agent executes complex, multi-step actions autonomously based on results and decisions made by the operational and productivity agents.</p>	<p>FastAGI solution empowers different industry verticals in the following ways:</p> <ul style="list-style-type: none"> <li> <p><b>Consumer goods industry:</b> FastAGI solution empowers consumer goods companies by transforming data into immediate, actionable business decisions acting as an around-the-clock digital operations team that continuously analyzes inventory levels, competitor activities and market trends to optimize different aspects of retail management.</p> <p>At the store level, FastAGI solution functions like an AI store manager, monitoring real-time performance metrics to provide advice for staffing, inventory placement and promotional strategies. For product management, it tracks each item's complete lifecycle across store locations, making smart recommendations about when to reorder, transfer stock between stores or initiate markdowns. FastAGI solution also serves as a strategic advisor, comparing store performance with different stores to suggest pricing and product assortment strategies. FastAGI solution has empowered our customers to achieve faster response to market changes, better inventory management and improved operational efficiency.</p> </li> <li> <p><b>Manufacturing industry:</b> FastAGI solution transforms manufacturing operations by integrating AI across core engineering design and manufacturing processes, generating optimized manufacturing routes, procedures and engineering parameter recommendations while enabling quality improvement through reverse-engineering capabilities. For engineering design teams, FastAGI solution provides intelligent assistance in product design, constructs industry-standard knowledge base, and offers automated engineering drawing review and analysis through its productivity agents. For example, for our manufacturing customers, FastAGI solution is able to interpret engineering drawings and provide construction guidance directly to field workers, and recommend optimized processing parameters and performs equipment diagnostics autonomously, enhancing efficiency and quality control.</p> </li> </ul>

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## SUMMARY

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Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
			<ul style="list-style-type: none"><li>• <b>Healthcare industry:</b> FastAGI solution empowers healthcare operations by deploying specialized AI assistants across the care continuum. For patients, it provides intelligent digital companions that offer personalized guidance on treatments, test results, and medication management. Healthcare teams benefit from AI-powered diagnostic support and automated report generation, which streamline clinical workflows while maintaining medical accuracy. The system creates a connected network of AI agents that collaborate, from simplifying patient interactions to assisting complex medical decision-making. This includes automating time-consuming administrative tasks such as generating specialized reports for various institutions. For clinical specialties, FastAGI solution delivers tailored assistance by learning department-specific protocols, such as supporting anesthesiologists with preoperative assessments.</li><li>• <b>Transportation industry:</b> FastAGI solution delivers intelligence for transportation systems through a combination of its operational and productivity AI agents, including monitoring industry developments and providing smart mobility recommendations. For infrastructure operators, FastAGI solution enables granular project control from operational management and risk control to contract payment recovery.</li></ul>

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## SUMMARY

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Our Directors are of the view that based on the information above, each of solutions fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules.

### Commercialization

We adopt a transaction-based model for our solutions. We started to commercialize our FastData and FastAGI solutions in 2019 and 2023, respectively. Our industry consultant, Frost & Sullivan, confirms, and our Directors are of the view, that each of our solutions falls within an acceptable sector of a Specialist Technology Industry, namely Artificial Intelligence under Next-generation Information Technology as defined under Chapter 18C of the Listing Rules.

The following chart illustrates the commercialization timeline of our major products, reflecting our continuous commercial application of technologies:

<u>Specialist Technology Product</u>	<u>Launch</u>	<u>Start of Revenue Generation</u>
FastData solution . . . . .	June 2019	November 2019
FastAGI solution . . . . .	November 2023	December 2023

Our commercialization centers around increasing engagement with industry leaders, enhancing our appeal to top-tier customers. By serving industry leaders across different verticals, we gain deeper insights into sector-specific challenges, making our solutions more attractive to new customers. This enables efficient scaling, creating a self-reinforcing mechanism that drives customer acquisition while boosting our brand influence and market penetration.

The number of customers each year increased from 56 in 2022 to 71 in 2023 and further to 89 in 2024. The number of customers was 54 in the six months ended June 30, 2025. Cumulatively, we served 129, 178, 245 and 283 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023, and further increased by 88.3% to RMB242.9 million in 2024. Our revenue further increased by 118.4% from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the six months ended June 30, 2025.

## SUMMARY

The table below sets forth our revenue breakdown in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>									
	<i>(Unaudited)</i>									
FastData enterprise data										
intelligence solution . . . . .	100,468	100.0	122,491	94.9	152,530	62.8	35,390	58.5	59,031	44.7
FastAGI enterprise AI solution . . . . .	-	-	6,549	5.1	90,396	37.2	25,107	41.5	73,072	55.3
<b>Total . . . . .</b>	<b><u>100,468</u></b>	<b><u>100.0</u></b>	<b><u>129,040</u></b>	<b><u>100.0</u></b>	<b><u>242,926</u></b>	<b><u>100.0</u></b>	<b><u>60,497</u></b>	<b><u>100.0</u></b>	<b><u>132,103</u></b>	<b><u>100.0</u></b>

Our cost of sales amounted to RMB70.9 million, RMB77.3 million, RMB116.7 million, RMB27.6 million and RMB59.4 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. During the Track Record Period, our cost of sales primarily consisted of (i) on-site deployment costs, mainly in relation with our on-premise deployment and implement of our solutions, (ii) software and hardware costs, which primarily represent procurement cost of software and hardware from third-party vendors, (iii) employee benefits expenses, (iv) traveling costs, and (v) warranty expenses.

Our gross profit amounted to RMB29.6 million, RMB51.8 million, RMB126.2 million, RMB32.9 million and RMB72.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our gross profit margin was 29.4%, 40.1%, 51.9%, 54.4% and 55.0% in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
FastData enterprise data										
intelligence solution . . . . .	29,559	29.4	50,934	41.6	81,794	53.6	19,623	55.4	32,375	54.8
FastAGI enterprise AI solution . . . . .	-	-	839	12.8	44,383	49.1	13,295	53.0	40,331	55.2
<b>Total . . . . .</b>	<b><u>29,559</u></b>	<b><u>29.4</u></b>	<b><u>51,773</u></b>	<b><u>40.1</u></b>	<b><u>126,177</u></b>	<b><u>51.9</u></b>	<b><u>32,918</u></b>	<b><u>54.4</u></b>	<b><u>72,706</u></b>	<b><u>55.0</u></b>

See “Financial Information — Period-to-Period Comparison of Results of Operations.”

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## SUMMARY

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### OUR STRENGTHS

We believe that the following strengths contribute to our success, and distinguishing us from our competitors:

- A Fast-Growing Contributor to China's Enterprise AI Transformation;
- Commercialization-Oriented Proprietary Technological Capabilities;
- Strategic Industry Entry Cultivating Loyal, High-Value Customer Base;
- Backing from Top-Tier Global Investors; and
- Strategic Leadership Driving Rapid Growth.

### OUR STRATEGIES

We plan to implement the following strategies to achieve our mission:

- Further strengthening R&D capabilities and expanding solutions portfolio;
- Attracting top talent to build a stable and motivated workforce;
- Expanding coverage of industry leading customers and strengthening partnerships across industry value chain;
- Expanding global presence; and
- Pursuing strategic acquisitions to enhance competitive advantages.

### RESEARCH AND DEVELOPMENT

Our ability to develop new technologies, design new solutions and enhance existing solutions is critical for maintaining our market position.

#### R&D Team

Our R&D team consists of dedicated talents with profound industry expertise, focusing on developing and commercializing our solutions which help maintain our technological advantages and market competitiveness. Each of our core R&D team members has extensive working experience in data, AI, large models and software programming, in reputable technology companies.

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## SUMMARY

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As of June 30, 2025, our R&D team consisted of 147 members, representing 40.5% of our total employees. We incurred research and development expenses of RMB94.2 million, RMB82.3 million, RMB81.4 million, RMB24.1 million and RMB58.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 93.7%, 63.8%, 33.5%, 39.9% and 44.1% of our total revenue for the respective periods.

### OUR PROPRIETARY TECHNOLOGIES

#### Data Engineering:

- ***Unified Multi-modal Metadata:*** This technology enables the integration of structured, unstructured, graph and vector data for effective multi-modal data governance, enterprise-grade search functions and precise semantic processing.
- ***MQL:*** This technology provides sophisticated data asset retrieval based on a unified framework and leverages semantic modeling to achieve highly accurate data intelligence analysis with high accuracy rates.

#### Model Engineering:

- ***Task-driven dynamic batch data processing:*** Enhances task processing by aggregating multiple requests into a single batch, allowing for simultaneous handling. This approach optimizes memory utilization and significantly increases throughput, enabling our system to manage far greater volumes of data concurrently. As a result, we achieve a significant improvement in efficiency compared to traditional one-time batch data processing methods that process tasks individually.
- ***KV Cache Optimization:*** Specifically designed to enhance performance in applications involving multi-turn dialogues and hybrid knowledge retrieval. By employing a key-value caching mechanism, this system efficiently stores critical computational results, eliminating the need for redundant calculations for similar requests. This leads to substantial improvements in inference performance and efficiency, achieving reductions in the latency of the first response by six to eight times according to internal test results, while also allowing more users to interact with the system concurrently without compromising performance.
- ***Proximity Inference:*** Optimizes response times by distributing key-value caches generated by remote services to nearby computational resources in scenarios where data processing occurs remotely. This strategic approach reduces the latency associated with the initial response, thereby significantly enhancing user experience and enabling faster interactions with the system.

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## SUMMARY

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### Application Engineering:

- **Hybrid Enhanced Retrieval:** This capability enables the precise retrieval of integrated data, knowledge, documents and graphs, ensuring efficient and accurate information access.
- **Custom Workflow and Agent Orchestration:** This technology supports the development of contextualized intelligent applications. It allows for quick expansion using workflows, facilitating continuous construction, evaluation, deployment and operation of intelligent agents.

### INTELLECTUAL PROPERTY

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of June 30, 2025, we had 43 registered patents and 41 patent applications in China. As of June 30, 2025, we also had 443 trademarks, 233 copyrights and 17 domain names in China. See “Appendix VI — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights.”

We acquire patents through self-development. As of June 30, 2025, with respect to our specialist technology products, we self-developed and solely owned all intellectual properties and had no co-own or co-share arrangements of our intellectual properties with third parties.

For the portfolio of material patents, patent applications and software copyrights for our core technologies of which we were the registered owner as of the Latest Practicable Date, see “Business — Intellectual Property.”

### CUSTOMERS

We primarily sell our solutions to customers in the PRC across sectors such as consumer goods, manufacturing, healthcare and transportation, among others, and all of our revenue during the Track Record Period was generated from China (including Hong Kong). The majority of our customers are end users of our products, while some of our customers are system integrators.

Revenue from our five largest customers in each year/period during the Track Record Period was RMB43.5 million, RMB58.8 million, RMB74.2 million and RMB41.9 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, accounting for 43.3%, 45.6%, 30.5% and 31.7% of our total revenue for the same periods, respectively. Revenue from

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## SUMMARY

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our largest customer in each year/period during the Track Record Period was RMB20.9 million, RMB15.8 million, RMB18.9 million and RMB9.4 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, accounting for 20.8%, 12.2%, 7.8% and 7.1% of our total revenue for the same periods, respectively. See “Risk Factors — Risk Relating to the Commercialization of Our Solutions — If we fail to retain existing customers, attract new customers or increase the spending by existing customers, our business, financial condition and prospects may be materially and adversely affected.”

### SUPPLIERS

Our suppliers primarily comprise technology and IT companies. Purchases from our five largest suppliers in each year/period during the Track Record Period were to RMB20.2 million, RMB15.5 million, RMB57.3 million and RMB33.3 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 43.3%, 33.7%, 41.9% and 37.9% of our total purchases for the same periods, respectively. Purchases from our largest supplier in each year/period during the Track Record Period were RMB6.2 million, RMB4.4 million, RMB13.1 million and RMB9.1 million in 2022, 2023, 2024 and six months ended June 30, 2025, respectively, representing 13.2%, 9.5%, 9.6% and 10.3% of our total purchases for the same periods, respectively. See “Risk Factors — Risks Relating to Our General Operations — We engage third party suppliers for certain software, hardware and services, which may subject us to supply chain risks.”

### COMPETITIVE LANDSCAPE

The market size of enterprise AI application solution in China, in terms of revenue, reached RMB38.6 billion in 2024, and it is expected to reach RMB239.4 billion in 2029 with a CAGR of 44.0% from 2024 to 2029. Given the substantial scale of China’s enterprise AI application solution market, we held a 0.6% market share in 2024.

The enterprise large model AI application market accounted for 15% of the overall enterprise AI application solution market in 2024. The market size of enterprise large model AI application solution, in terms of revenue, has reached RMB5.8 billion in 2024, and it is expected to reach RMB52.7 billion in 2029 with a CAGR of 55.5% from 2024 to 2029. We ranked fifth in China’s enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2%.

See “Industry Overview.”

The competitive landscape of the enterprise large model AI application solution market in China is relatively concentrated, with the top five providers accounting for 39.1% of the total market share in terms of revenue in 2024. Although we believe that we have technological strengths, we may face competition from established market players which may possess more resources and skills in R&D and sales and marketing. See “Risk Factors — Risk Relating to the R&D of Our Solutions — The industry in which we operate is characterized by constant

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## SUMMARY

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development. If we fail to continuously improve our technology and provide innovative solutions that meet the expectations of our customers, our business, financial condition and prospects may be materially and adversely affected.”

### RISK FACTORS

Our business and the Global Offering involve certain risks as set out in “Risk Factors” in this prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. We believe the most significant risks we face include but are not limited to the following:

- AI technologies are constantly evolving. Any flaw or misuse of the AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could harm our reputation and materially and adversely impact on our business, financial condition, prospects and the general acceptance of AI solutions by the society.
- We may be subject to complex and evolving laws and regulations regarding privacy and data protection. Actual or alleged failure to comply with cybersecurity and data protection and personal information protection laws and regulations could damage our reputation, deter current and potential customers from using our solutions and could subject us to significant legal, financial and operational consequences.
- The industry in which we operate is characterized by constant development. If we fail to continuously improve our technology and provide innovative solutions that meet the expectations of our customers, our business, financial condition and prospects may be materially and adversely affected.
- We have been and intend to continue investing significantly in R&D. If we are unable to generate commercial returns from our R&D investments, our business, financial condition, results of operations and prospects may be materially and adversely affected.
- If we are unable to compete effectively, our business, financial condition and prospects may be materially and adversely affected.
- If we fail to retain existing customers, attract new customers or increase the spending by existing customers, our business, financial condition and prospects may be materially and adversely affected.
- Any failure of our solutions to perform as required, or any failure by us to offer high-quality customer services could harm our business, financial condition and prospects.

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## SUMMARY

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- If our expansion into new verticals is not successful, our business, prospects and growth momentum may be materially and adversely affected.
- We may not be able to obtain or maintain adequate intellectual property protection for our technologies and solutions, or the scope of such intellectual property protection may not be sufficiently broad.
- We have incurred significant net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the near future. We also had deficit during the Track Record Period.
- We are subject to risks related to sanctions, export control laws and economic or trade restrictions, and such laws and regulations may disrupt the operations of our suppliers and business partners and in turn adversely affect our business, financial condition and results of operations.

See “Risk Factors.”

### THE CONTROLLING SHAREHOLDERS GROUP

Immediately following the completion of the Global Offering, Mr. Zhao will be entitled to exercise 32.10% of the voting rights of our Company, comprising: (i) 15.14% of our voting rights through Shares directly held by him, (ii) 3.59% of our voting rights through Shares directly held by Mr. Yang in light of the Concert Party Agreement between Mr. Zhao and Mr. Yang, pursuant to which Mr. Yang has irrevocably agreed to act in concert with Mr. Zhao and follow his decisions in exercising his vote at the shareholders’ meetings of our Company, and (iii) 13.37% of our voting rights through Shares held by Deepexi Huachuang and Deepexi Huaying, which are both controlled by Mr. Zhao, through Deepexi Huichuang. Therefore, Mr. Zhao, Mr. Yang, Deepexi Huachuang, Deepexi Huaying and Deepexi Huichuang will constitute a group of Controlling Shareholders of our Company upon completion of the Global Offering. See “Relationship with Our Controlling Shareholders Group.”

### PRE-IPO INVESTMENTS

We have engaged in Pre-IPO Investments with our Pre-IPO Investors. For further details of the identity and background of the Pre-IPO Investors and the principal terms of the Pre-IPO Investments, see “History, Development and Corporate Structure — Pre-IPO Investments.”

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountant’s Report in Appendix I to this prospectus. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this prospectus, including the related notes. Our consolidated financial information was prepared in accordance with HKFRS.

## SUMMARY

### Selected Items from the Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
Revenue . . . . .	100,468	100	129,040	100	242,926	100	60,497	100.0	132,103	100.0
Cost of sales . . . . .	(70,909)	(70.6)	(77,267)	(59.9)	(116,749)	(48.1)	(27,579)	(45.6)	(59,397)	(45.0)
<b>Gross profit . . . . .</b>	<b>29,559</b>	<b>29.4</b>	<b>51,773</b>	<b>40.1</b>	<b>126,177</b>	<b>51.9</b>	<b>32,918</b>	<b>54.4</b>	<b>72,706</b>	<b>55.0</b>
Other income and gains, net . . .	40,153	40.0	5,978	4.6	8,622	3.5	2,829	4.7	1,853	1.4
Selling and marketing expenses .	(120,178)	(119.6)	(103,312)	(80.1)	(89,096)	(36.7)	(45,712)	(75.6)	(49,311)	(37.3)
Administrative expenses . . . . .	(84,723)	(84.3)	(143,000)	(110.8)	(49,314)	(20.3)	(26,617)	(44.0)	(145,507)	(110.1)
Research and development expenses . . . . .	(94,168)	(93.7)	(82,342)	(63.8)	(81,399)	(33.5)	(24,146)	(39.9)	(58,244)	(44.1)
Impairment (losses)/gains on financial and contract assets, net . . . . .	(2,433)	(2.4)	(5,516)	(4.3)	(9,305)	(3.8)	(6,215)	(10.3)	1,189	0.9
Other expenses . . . . .	(3,404)	(3.4)	(4,594)	(3.6)	(2,695)	(1.1)	(1,620)	(2.7)	(2,327)	(1.8)
Finance costs . . . . .	(1,035)	(1.0)	(797)	(0.6)	(385)	(0.2)	(248)	(0.4)	(265)	(0.2)
Share of profits and losses of an associate . . . . .	2,668	2.7	14	0.0	(2,409)	(1.0)	(230)	(0.4)	-	-
Changes in fair value of financial liabilities at shares with preferential rights . . . . .	(421,570)	(419.6)	(221,023)	(171.3)	(1,155,186)	(475.5)	(551,923)	(912.3)	(128,265)	(97.1)
<b>Loss before tax . . . . .</b>	<b>(655,131)</b>	<b>(652.1)</b>	<b>(502,819)</b>	<b>(389.7)</b>	<b>(1,254,990)</b>	<b>(516.6)</b>	<b>(620,964)</b>	<b>(1,026.4)</b>	<b>(308,171)</b>	<b>(233.3)</b>
Income tax expense . . . . .	(95)	(0.1)	(76)	(0.1)	-	-	-	-	(50)	(0.0)
<b>Loss for the year/period . . . . .</b>	<b>(655,226)</b>	<b>(652.2)</b>	<b>(502,895)</b>	<b>(389.7)</b>	<b>(1,254,990)</b>	<b>(516.6)</b>	<b>(620,964)</b>	<b>(1,026.4)</b>	<b>(308,221)</b>	<b>(233.3)</b>

## SUMMARY

### *Non-HKFRS Financial Measure*

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted net loss (Non-HKFRS measure) as additional financial measure, which is not required by, or presented in accordance with HKFRS. We believe this non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-HKFRS financial measure we presented may not be directly comparable to similar measures presented by other companies.

We define adjusted net loss (Non-HKFRS measure) for the periods as net loss for the periods adjusted by adding back (i) share-based payment expenses, (ii) changes in fair value of financial liabilities at shares with preferential rights, and (iii) listing expenses. The following table reconciles our adjusted net loss (Non-HKFRS measure) for the periods presented in accordance with HKFRS, which is net loss for the periods:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>				
	<i>(Unaudited)</i>				
Net loss for the year/period . . . .	(655,226)	(502,895)	(1,254,990)	(620,964)	(308,221)
Add:					
– Share-based payment expenses <sup>(1)</sup> . . . . .	9,756	92,885	2,784	834	108,017
– Changes in fair value of financial liabilities at shares with preferential rights <sup>(2)</sup> . . . .	421,570	221,023	1,155,186	551,923	128,265
– Listing expenses <sup>(3)</sup> . . . . .	–	–	631	–	19,749
<b>Adjusted net loss (Non-HKFRS measure) for the year/period .</b>	<b><u>(223,900)</u></b>	<b><u>(188,987)</u></b>	<b><u>(96,389)</u></b>	<b><u>(68,207)</u></b>	<b><u>(52,190)</u></b>

*Notes:*

- (1) Share-based payment expenses represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees.
- (2) Changes in fair value of financial liabilities at shares with preferential rights represent changes in fair value of the redeemable shares we issued to our Pre-IPO Investors. Shares with preferential rights that we issued to the Pre-IPO Investors will be re-classified from liabilities to equity as a result of the automatic conversion into Shares upon Listing.
- (3) Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering.

## SUMMARY

Prior to the Track Record Period and as of January 1, 2022, we had accumulated losses of RMB1,444.5 million, primarily due to the net loss incurred in 2021. The year 2021 was still the initial stage of our commercialization process, during which revenue and gross profit were insufficient to cover relatively high operating expenses. These expenses were mainly attributable to market expansion activities and ongoing technology optimization efforts aimed at enhancing the maturity of our solutions. In addition, the increase in changes in fair value of financial liabilities at shares with preferential rights, driven by a rise in our valuation, further contributed to the net loss in 2021.

Our net losses decreased from RMB655.2 million in 2022 to RMB502.9 million in 2023, primarily due to a significant decrease in changes in fair value of financial liabilities at shares with preferential rights, partially offset by an increase in administrative expenses in relation to the Employee Incentive Scheme adopted by us in 2023 to recognize the contribution of employees, attract and retain talents. Our net losses increased from RMB502.9 million in 2023 to RMB1,255.0 million in 2024, primarily due to a significant increase in changes in fair value of financial liabilities at shares with preferential rights, partially offset by a decrease in administrative expenses in relation to the aforementioned Employee Incentive Scheme. Our net loss decreased from RMB621.0 million in the six months ended June 30, 2024 to RMB308.2 million in the same period of 2025, primarily due to a significant decrease in changes in fair value of financial liabilities at shares with preferential rights, partially offset by an increase in administrative expenses in relation to the aforementioned Employee Incentive Scheme.

During the Track Record Period, we recorded adjusted net losses (Non-HKFRS measure) primarily because revenue and gross profit growth were insufficient to cover relatively high operating expenses, which were driven by continued investment in market expansion activities and ongoing technology optimization efforts aimed at enhancing the maturity of our solutions.

### Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Total current assets . . . . .	629,102	435,354	412,575	382,226
Total current liabilities . . . . .	2,668,385	2,884,003	4,099,125	4,293,046
<b>Net current liabilities . . . . .</b>	<b>(2,039,283)</b>	<b>(2,448,649)</b>	<b>(3,686,550)</b>	<b>(3,910,820)</b>
Total non-current assets . . . . .	32,366	29,622	12,241	16,956
Total non-current liabilities . . . . .	6,797	4,877	1,605	3,315
<b>Net liabilities . . . . .</b>	<b>(2,013,714)</b>	<b>(2,423,904)</b>	<b>(3,675,914)</b>	<b>(3,897,179)</b>

## SUMMARY

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
<b>EQUITY</b>				
Paid-in capital/Share capital. . . . .	50,137	50,137	50,333	300,000
Reserves . . . . .	<u>(2,063,851)</u>	<u>(2,474,041)</u>	<u>(3,726,247)</u>	<u>(4,197,179)</u>
<b>Total deficit. . . . .</b>	<b><u>(2,013,714)</u></b>	<b><u>(2,423,904)</u></b>	<b><u>(3,675,914)</u></b>	<b><u>(3,897,179)</u></b>

We recorded net current liabilities throughout the Track Record Period. Our net current liabilities increased from RMB2,039.3 million as of December 31, 2022 to RMB2,448.6 million as of December 31, 2023 and further increased to RMB3,686.6 million as of December 31, 2024 and RMB3,910.8 million as of June 30, 2025, primarily due to (i) an increase in shares with preferential rights we issued to our Pre-IPO Investors, and (ii) a decrease in cash and cash equivalents.

We recorded net liabilities throughout the Track Record Period. Our net liabilities increased from RMB1,371.0 million as of January 1, 2022 to RMB2,013.7 million as of December 31, 2022, primarily due to (i) loss and other comprehensive loss for the year of RMB654.7 million, and (ii) recognition of shares with preferential rights of RMB120.5 million, partially offset by issue of new shares of RMB122.7 million. Our net liabilities increased from RMB2,013.7 million as of December 31, 2022 to RMB2,423.9 million as of December 31, 2023, primarily due to loss and other comprehensive loss for the year of RMB503.1 million, partially offset by recognition of equity-settled share-based payment of RMB92.9 million. Our net liabilities increased from RMB2,423.9 million as of December 31, 2023 to RMB3,675.9 million as of December 31, 2024, primarily due to loss and other comprehensive loss for the year of RMB1,255.0 million. Our net liabilities increased from RMB3,675.9 million as of December 31, 2024 to RMB3,897.2 million as of June 30, 2025, primarily due to (i) loss and total comprehensive loss for the period of RMB308.2 million, and (ii) equity transfer between shareholders of RMB54.5 million, partially offset by (i) recognition of equity-settled share-based payment of RMB108.0 million, and (ii) capital contribution from shareholders of RMB33.5 million. Our net liabilities position would turn into net assets upon Listing.

See “Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position” and “Appendix I — Consolidated Statements of Changes in Equity.”

## SUMMARY

### Selected Items from the Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>				
	<i>(Unaudited)</i>				
Net cash flows used in					
operating activities . . . . .	(257,049)	(194,768)	(117,679)	(72,754)	(100,919)
Net cash flows used in					
investing activities . . . . .	(4,467)	(2,603)	(912)	(1,070)	(171)
Net cash flows from/(used					
in) financing activities . . .	98,591	(15,062)	(10,373)	(5,964)	76,312
Cash and cash equivalents at					
beginning of year/period .	678,720	549,138	336,798	336,798	208,317
Effect of foreign exchange					
rate changes, net . . . . .	33,343	93	483	198	(154)
<b>Cash and cash equivalents</b>					
<b>at end of year/period . . .</b>	<b><u>549,138</u></b>	<b><u>336,798</u></b>	<b><u>208,317</u></b>	<b><u>257,208</u></b>	<b><u>183,385</u></b>

We had net operating cash outflow of RMB257.0 million, RMB194.8 million, RMB117.7 million and RMB100.9 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, primarily due to our losses before tax as we incurred significant operating expenses for the provision of our solutions, carrying out R&D and selling and marketing activities, as well as administrative management. See “Financial Information — Liquidity and Capital Resources.”

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) purchase of items of property, plant and equipment, and (iii) lease payment. Our historical cash burn rate was RMB23.1 million, RMB17.7 million, RMB10.8 million and RMB17.5 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, mainly representing our expenditure in selling and marketing activities, R&D activities and administrative management activities throughout the Track Record Period. We had relatively higher cash burn rates in 2022 and 2023, primarily due to relatively higher selling and marketing expenses in 2022 and the share-based payments in 2023.

Our cash burn rate in 2024 is representative compared to that in 2022, 2023, as it reflects our operational and cost structure in the latest full year, particularly following the launch of our FastAGI enterprise AI solution in November 2023, after which our business model gradually stabilized.

## SUMMARY

We had cash and cash equivalents, financial assets at fair value through profit or loss and pledged deposits of RMB185.0 million as of June 30, 2025. We estimate that we will receive net proceeds of approximately HK\$609.8 million after deducting the underwriting fees and expenses payable by us in the Global Offering, and assuming an Offer Price of HK\$26.66 per Offer Share. Assuming that the average cash burn rate going forward will be similar to the cash burn rate level in 2024, based on the underlying assumptions that (i) our workforce growth will generally align with our business expansion, (ii) we do not expect substantial capital investment, and (iii) we do not expect significant acquisitions of fixed assets, we estimate that our cash and cash equivalents, financial assets at fair value through profit or loss and pledged deposits as of June 30, 2025 will be able to maintain our financial viability for 17 months or, if we take into account 10% of the estimated net proceeds from the Listing (namely, the portion allocated for our working capital and other general corporate purposes), 22 months or, if we also take into account the estimated net proceeds from the Listing, 69 months.

We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, bank facilities and external financings. We do not expect to have next round of financing before the Global Offering.

We expect our costs and expenses to continue increasing as our business grows, but we expect that our revenue growth will surpass that of our costs and expenses in the foreseeable future.

### Key Financial Ratios

The following table sets forth our key financial ratios for the periods/as of the dates indicated:

	As of/For the Year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
	Revenue growth (%) . . . . .	N/A	28.4	88.3
Gross profit growth (%) . . . . .	N/A	75.2	143.7	120.9 <sup>(1)</sup>
Gross profit margin (%) . . . . .	29.4	40.1	51.9	55.0
Net loss margin (%) . . . . .	(652.2)	(389.7)	(516.6)	(233.3)
Adjusted net loss margin (Non-HKFRS measure) (%) . . . . .	(222.9)	(146.5)	(39.7)	(39.5)

*Note:*

(1) The revenue growth and gross profit growth for the six months ended June 30, 2025 are compared with those for the same period of 2024.

See “Financial Information — Key Financial Ratios.”

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## SUMMARY

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### BUSINESS SUSTAINABILITY

We have experienced strong revenue growth during the Track Record Period. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023, and further increased by 88.3% to RMB242.9 million in 2024, achieving a CAGR of 55.5% from 2022 to 2024. Our revenue also increased by 118.4% from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the same period of 2025. We have met the revenue requirement of HK\$250 million to qualify as a commercial company in 2024 as set out in Rule 18C.03(4) of the Listing Rules. Benefiting from the solid foundation we have built and the momentum we have seized, we believe that we are able to maintain sustainability and growth of our business. See “Business — Business Sustainability.”

### GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 26,632,000 H Shares are newly issued in the Global Offering, and (ii) 326,632,000 Shares are issued and outstanding following the completion of the Global Offering:

	<b>Based on an Offer Price of HK\$26.66 per Share</b>
Market capitalization of our H Shares <sup>(1)</sup> . . . . .	HK\$8,708.0 million
Unaudited pro forma adjusted net tangible assets per Share . . . . .	HK\$2.75 (RMB2.51)

*Note:*

- (1) The calculation of market capitalization is based on 326,632,000 Shares expected to be in issue immediately upon completion of the Conversion and the Global Offering.

For the calculation of the unaudited pro forma adjusted net tangible assets per Share attributable to our Shareholders, see Appendix II in this prospectus.

### LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB91.5 million (based on the Offer Price of HK\$26.66 per Offer Share), representing 14.2% of the gross proceeds of the Global Offering. During the Track Record Period, we incurred listing expenses of RMB26.9 million. We expect to incur additional listing expenses of approximately RMB64.6 million, of which approximately RMB26.8 million is expected to be recognized in the consolidated statements of profit or loss as general and administrative expenses and approximately RMB37.8 million is expected to be recognized as a deduction in equity directly upon the Listing. Our Directors do not expect such expenses to

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## SUMMARY

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materially impact our results of operations in 2025. By nature, our listing expenses are composed of (i) underwriting commission of approximately RMB40.5 million, and (ii) non-underwriting related expenses of approximately RMB51.0 million, which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB21.4 million and other fees and expenses of approximately RMB29.6 million.

### **FUTURE PLANS AND USE OF PROCEEDS**

After deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$26.66 per Share, we estimate that we will receive net proceeds of approximately HK\$609.8 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 40.0% of the net proceeds, or HK\$243.9 million, will be used for enhancing our R&D capabilities in the next five years;
- approximately 30% of the net proceeds, or HK\$182.9 million, will be used for the expansion of our sales network and customer base in China, enhancing our commercialization capabilities;
- approximately 15% of the net proceeds, or HK\$91.5 million, will be used for overseas business expansion;
- approximately 5% of the net proceeds, or HK\$30.5 million, will be used for potential investment, merger, and acquisition opportunities aimed at further strengthening our core technological capabilities and solidifying our technological strengths; and
- approximately 10% of the net proceeds, or HK\$61.0 million, as working capital and for general corporate uses.

See “Future Plans and Use of Proceeds.”

### **IMPACT OF COVID-19 PANDEMIC**

Since the end of December 2019, the COVID-19 pandemic has materially and adversely affected the global economy. In response, countries and regions worldwide, including mainland China, implemented various measures to contain the virus’s spread, such as social distancing, travel restrictions, quarantine and remote work.

Although the recurrence of the pandemic in 2022 temporarily affected the mobility of certain operations — such as the extended implementation and delivery processes — and prompted us to undertake measures to mitigate the impact on our business and financial condition, including temporary office closures, remote work arrangements, and additional

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## SUMMARY

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support for R&D activities, we believe that COVID-19 did not have any material adverse impact on our business and financial condition during the Track Record Period and up to the Latest Practicable Date. This assessment is primarily based on the following considerations: (i) we did not encounter difficulties in securing timely and sufficient supplies; (ii) we did not experience significant disruption in the development and deployment of our solutions to customers; and (iii) there was no material labor shortage attributable to the COVID-19 pandemic. As the COVID-19 pandemic has subsided since early 2023, we do not anticipate any further material impact from COVID-19 going forward.

### **DIVIDENDS AND DIVIDEND POLICY**

As of December 31, 2022, 2023, 2024 and June 30, 2025, no dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

### **RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE**

Subsequent to the Track Record Period, we experienced a steady growth in our business and financial performance. We signed new contracts with 48 customers in July and August 2025, with contract value amounting to approximately RMB70.1 million. These customers span across key industries including manufacturing, consumer goods and transportation. As of August 31, 2025, the total order backlog amounted to RMB161.9 million, spanning 103 on-going projects. Nonetheless, the results of operations in any particular period are not necessarily indicative of our future trends.

Our Directors have confirmed that up to the date of this prospectus there has been no material adverse change in our financial or trading position or prospects since June 30, 2025 (being the date of our latest audited financial statements) and there has been no event since June 30, 2025 which would materially affect the information shown in the Accountant's Report in Appendix I to this prospectus.

We expect that we will continue to record net loss in 2025 primarily due to (i) the relatively higher change in fair value of redeemable liabilities, and (ii) share-based payments made to recognize employee contributions and to attract and retain talents.

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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms”.*

“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company adopted on April 8, 2025, which will become effective on the Listing Date and as amended from time to time, a summary of which is set out in “Appendix V — Summary of the Articles of Association” to this document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal business to the public
“CAGR”	compound annual growth rate
“Capital Market Intermediaries”	the capital market intermediaries as named in “Directors and Parties Involved in the Global Offering”
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China”, “Mainland China” or “PRC”	the People’s Republic of China, and for the purpose of this prospectus and for geographical reference only and except where the context requires, references in this prospectus to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan

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## DEFINITIONS

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“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Deepexi Technology Co., Ltd. (滴普科技股份有限公司), a limited liability company established under the laws of the PRC on May 3, 2018 under the name of Beijing Deepexi Technology Co., Ltd. (北京滴普科技有限公司) and converted into a joint stock limited company on April 8, 2025 under the current name
“Company Law” or “PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Compliance Advisor”	SPDB International Capital Limited
“Concert Party Agreement”	the acting-in-concert agreement dated October 31, 2020 entered into between Mr. Zhao and Mr. Yang, pursuant to which Mr. Yang has irrevocably agreed to act in concert with Mr. Zhao and follow his decisions in exercising his vote at the shareholders’ meetings of our Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders Group”	refers to Mr. Zhao, Mr. Yang, Deepexi Huachuang, Deepexi Huaying and Deepexi Huichuang
“Conversion of Unlisted Shares into H Shares”	the conversion of 300,000,000 Unlisted Shares in aggregate held by all our existing Shareholders into H Shares upon the completion of the Global Offering
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Deepexi Huachuang”	Tianjin Deepexi Huachuang Enterprise Management Consulting Partnership (Limited Partnership) (天津滴普華創企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 2, 2018, and a member of the Controlling Shareholders Group
“Deepexi Huaying”	Guangzhou Deepexi Huaying Enterprise Management Consulting Partnership (Limited Partnership) (廣州滴普華贏企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on July 8, 2021, and a member of the Controlling Shareholders Group
“Deepexi Huichuang”	Zhuhai Deepexi Huichuang Enterprise Management Consulting Company Limited (珠海滴普慧創企業管理諮詢有限公司), a limited liability company established under the laws of the PRC on May 8, 2021, and a member of the Controlling Shareholders Group
“Deepexi Huiying”	Tianjin Deepexi Huiying Enterprise Management Consulting Partnership (Limited Partnership) (天津滴普慧贏企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on November 2, 2018 and our former employee shareholding platform which was dissolved on February 16, 2022
“Director(s)”	the director(s) of our Company
“Unlisted Share(s)”	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and not listed on any stock exchange
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“ESG”	Environmental, Social and Corporate Governance

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## DEFINITIONS

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“Exchange Participant”	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
“Existing WVR Structure”	the weighted voting rights structure adopted by our Company on November 7, 2020, pursuant to which, each of the Shares held by Mr. Zhao and Mr. Yang is entitled to five votes, while each of the remaining Shares held by other Shareholders is entitled to one vote, and which will be terminated on the day immediately preceding the date of the Listing
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“FINI”	“Fast Interface for New Issuance”, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
“Frost & Sullivan” or “Industry Consultant”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant
“Frost & Sullivan Report”	the industry report commissioned by us and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed “Industry Overview” in this prospectus
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Global Offering”	the Hong Kong Public Offering and the International Offering

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## DEFINITIONS

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“Group”, “our Group”, “we”, “our” or “us”	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“Guangzhou Deepexi”	Deepexi Guangzhou Technology Co., Ltd. (廣州滴普科技有限公司), a limited liability company established under the laws of the PRC on June 11, 2019 and a wholly-owned subsidiary of our Company
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
“H Share(s)”	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
“H Share Registrar”	Tricor Investor Services Limited
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ <b>HK eIPO White Form</b> ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>
“ <b>HK eIPO White Form Service Provider</b> ”	the <b>HK eIPO White Form</b> service provider designated by our Company as specified on the designated website at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>
“HK\$” or “Hong Kong dollars” or “HK dollars” or “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

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## DEFINITIONS

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“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is an HKSCC Participant to give <b>electronic application instructions</b> via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“HKSCC Participant”	a participant admitted participating in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong Offer Shares”	1,331,600 H Shares (subject to reallocation as described in “Structure and Conditions of the Global Offering”) initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering
“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee), on and subject to the terms and conditions described in “Structure and Conditions of the Global Offering — The Hong Kong Public Offering”
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Takeovers Code” or “Takeovers Code”	Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC

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## DEFINITIONS

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“Hong Kong Underwriters”	the underwriters listed in “Underwriting — Hong Kong Underwriters”, being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated October 17, 2025, relating to the Hong Kong Public Offering and entered into by, among others, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Hong Kong Underwriters and our Company as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses” in this prospectus
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of our Company and our connected persons as defined under the Listing Rules
“International Offer Shares”	25,300,400 H Shares (subject to reallocation) initially offered by our Company pursuant to the International Offering
“International Offering”	the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, on and subject to the terms and conditions of the International Underwriting Agreement, as further described in “Structure and Conditions of the Global Offering — The International Offering”
“International Underwriters”	the international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or about October 24, 2025 by, among others, our Company, the Overall Coordinators and the International Underwriters, as further described in “Underwriting — The International Offering”

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## DEFINITIONS

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“Joint Bookrunners”	the joint bookrunners as named in “Directors and Parties Involved in the Global Offering”
“Joint Global Coordinators”	the joint global coordinators as named in “Directors and Parties Involved in the Global Offering”
“Joint Lead Managers”	the joint lead managers as named in “Directors and Parties Involved in the Global Offering”
“Joint Sponsor-Overall Coordinators”	the joint sponsor-overall coordinators as named in “Directors and Parties Involved in the Global Offering”
“Joint Sponsors”	the joint sponsors as named in “Directors and Parties Involved in the Global Offering”
“Latest Practicable Date”	October 10, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date, expected to be on or about October 28, 2025, on which the H Shares are listed on the Stock Exchange and from which dealings in the H Shares are permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)

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## DEFINITIONS

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“Mr. Yang”	Mr. Yang Lei (楊磊), our co-founder, executive Director and president of our product and solution staff team (PSST) and a member of the Controlling Shareholders Group
“Mr. Zhao”	Mr. Zhao Jiehui (趙杰輝), our founder, chairman of the Board, executive Director and chief executive officer and a member of the Controlling Shareholders Group
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of our Board
“Offer Price”	the offer price per Offer Share (exclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee) of HK\$26.66
“Offer Share(s)”	the Hong Kong Offer Share(s) and/or the International Offer Share(s), as the context may require
“Overall Coordinators”	the overall coordinators as named in “Directors and Parties Involved in the Global Offering”
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Legal Advisor”	Haiwen & Partners, our legal advisor as to PRC law and PRC data compliance law
“Pre-IPO Investments”	the Pre-IPO investments in our Company undertaken by the Pre-IPO Investors, details of which are set out in “History, Development and Corporate Structure – Pre-IPO Investments”
“Pre-IPO Investors(s)”	the investor(s) who participated in our Pre-IPO Investments, details of which are set out in “History, Development and Corporate Structure – Pre-IPO Investments”
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering

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## DEFINITIONS

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“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	the Company and its subsidiaries, together with its investors and shareholders and persons who might, directly or indirectly, be involved in permitting the listing, trading, clearing and settlement of its shares, including HKEx and related group companies
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable
“SAMR”	State Administration for Market Regulation of the PRC (中國國家市場監督管理總局) (formerly known as State Administration for Industry and Commerce of the PRC (中國國家工商行政管理總局))
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會)
“SAT”	State Administration of Taxation of the PRC (中國國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Shares
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Track Record Period”	the three years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency for the time being of the United States
“VAT”	value-added tax
“%”	per cent

*Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as of the date of this prospectus.*

*The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this prospectus are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.*

*Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

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## GLOSSARY OF TECHNICAL TERMS

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*This glossary of technical terms contains explanations of certain technical terms used in this prospectus. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.*

“AI”	artificial intelligence
“AI agent”	a system enabled by agentic AI technology that operates autonomously to perceive its environment, process information and execute actions toward achieving defined objectives, either as software or embedded within hardware
“agentic AI”	goes beyond content creation, capable of making decisions, taking actions and adapting to changing environments, and focusing on acting autonomously to achieve specific goals with minimal human intervention
“API”	application program interface, a computer programming approach for facilitating exchange of information and executing instructions between different computer systems
“at scale”	the ability of to deliver solutions that empower different functions across the entire organization in a way that is efficient and impactful
“CDC”	change data capture, a software process that identifies and tracks changes to data in a database
“data fusion”	a process of integrating multiple data sources to produce more consistent, accurate and useful information than that provided by any individual data source
“data governance”	the process of managing the availability, usability, integrity and security of the data in enterprise systems
“data lake”	a large repository that stores raw data in its original form
“data warehouse”	an organized set of structured data designed for querying and analysis
“distillation”	a process of transferring knowledge from a large model to a smaller one

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## GLOSSARY OF TECHNICAL TERMS

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“EAR”	the Export Administration Regulations, 15 C.F.R. Parts 730-744
“ECCN”	the Export Control Classification Number
“ETL”	extract-transformation-load, referring to the general procedure of extracting, transforming and loading data from data sources to the destination system
“foundation models”	AI models trained on vast, immense datasets and can fulfill a broad range of general tasks
“full-stack data fabric”	an integrated full process data management structure with full-stack data capabilities including data storage, management, development, governance and analysis
“generative AI”	designed to create content ranging from text and images, to codes, audio and even video by learning from vast amounts of data and applying that knowledge to generate new, original outputs that mimic human creativity
“hybrid retrieval”	a process of combining different search indices and query strategies to identify the most relevant information for a given query
“lakehouse”	a modern data architecture that creates a single platform by combining the key functions of data lakes (large repositories of raw data in its original form) and data warehouses (organized sets of structured data)
“large model”	a neural network architecture containing an ultra-large scale of parameters (typically billions or more), enabling it to process complex patterns and relationships across massive datasets
“lighthouse customer(s)”	a select group of client(s) being early adopter in an industry vertical
“fine-tune”	the process of further training a pre-trained model on a smaller, targeted dataset to tailor it for specific applications
“Iceberg”	an open-source project for analytic SQL tables, designed for high performance and ease of use

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## GLOSSARY OF TECHNICAL TERMS

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“IT”	Information Technology
“KA customer(s)”	key accounts customer(s), in the context of our Company, refers to a category of key clients with revenue contribution of RMB1.5 million or more in a single year
“KV Cache management”	a memory optimization strategy that selectively caches and reuses key-value pairs from previous sequence tokens during autoregressive inference
“kWh”	kilowatt hours, a unit for measuring electrical power, meaning one kilowatt of power for one hour
“LLM”	Large Language Model, an artificial intelligence system trained on vast amounts of text data to understand, generate and work with human language
“Math model”	an abstract description of a concrete system using mathematical concepts and language
“MCP”	Model Context Protocol, an open protocol that enables secure, two-way connections between data sources and AI-powered tools
“MQL”	metrics query language, our proprietary technology that enables sophisticated data asset retrieval
“multi-modal data”	data captured in multiple different formats e.g., text, images, audio, video and other forms of sensory input
“open-source”	a source code that is made freely available for possible modification and redistribution
“Q&A”	question and answer
“R&D”	research and development
“RAG”	retrieval-augmented generation, a technique that enables generative artificial intelligence models to retrieve and incorporate new information
“reinforcement learning”	a technique used to adapt a pre-trained large model to optimize behavior in a dynamic environment using a reward and punishment mechanism

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## GLOSSARY OF TECHNICAL TERMS

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“SFT”	supervised fine-tuning, a technique used to adapt a pre-trained large model to a specific downstream task using custom labeled dataset containing in depth domain-specific knowledge
“SQL”	a domain-specific language used in programming and designed for managing data held in a relational database management system, or for stream processing in a relational data stream management system
“semi-structured data”	data that has some defining or consistent characteristics but does not conform to a rigid structure
“sq.m.”	square meter
“structured data”	data that uses a predefined and expected format
“tokenization/tokenizing”	the process of converting a wide range of raw, complex data (which may include textual data, images, documents and formulas) into a format that large models can comprehend and process while preserving the semantic relationships and contextual nuances within the data, laying the ground for large model training
“ton”	the metric ton, a unit of weight, with one metric ton equal to 1,000 kilogrammes or 2,204.6 pounds
“unstructured data”	data with no predefined format or organization (such as in the form of documents, images and videos and often involving complex industry-specific knowledge), comprising the majority of enterprise data and requiring sophisticated data capabilities to govern and process
“VLM”	Vision Language Model, an AI model that blend computer vision and natural language processing capabilities

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## FORWARD-LOOKING STATEMENTS

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This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the PRC;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate;
- various business opportunities that we may pursue; and
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

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## **FORWARD-LOOKING STATEMENTS**

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Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management’s view only as of the date of this prospectus. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

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## RISK FACTORS

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*You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.*

*These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this prospectus.*

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to the R&D of our solutions; (ii) risks relating to the commercialization of our solutions; (iii) risks relating to our intellectual property rights; (iv) risks relating to our financial condition and need for additional capital; (v) risks relating to our general operations; (vi) risks relating to doing business in the country where we operate; and (vii) risks relating to the Global Offering.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition and operating results. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

### RISKS RELATING TO THE R&D OF OUR SOLUTIONS

**The industry in which we operate is characterized by constant development. If we fail to continuously improve our technology and provide innovative solutions that meet the expectations of our customers, our business, financial condition and prospects may be materially and adversely affected.**

The enterprise large model AI application solution industry in which we operate is characterized by constant development, including rapid technological evolution, frequent introductions of new solutions, continual shifts in customer demands and constant emergence of new industry standards and practices. Thus, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We need to constantly anticipate the emergence of new technologies and assess their market acceptance. We may encounter significant unexpected technical challenges, or delays in completing the development of new and enhanced solutions in a cost-efficient manner, which require us to invest significant resources in R&D and also require that we:

- design innovative, accurate and efficiency-enhanced features and functions that differentiate our solutions from those of our competitors;

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## RISK FACTORS

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- continuously improve the advancement of our technologies;
- cooperate effectively on new designs and development with our customers, suppliers and partners;
- respond effectively to technological changes and the new product and solution announcements by our competitors; and
- adjust to changing customer requirements, market conditions and regulatory landscape quickly and cost-effectively.

Considering the rapid advancement of technology, there is a risk that we may not be able to upgrade our technologies promptly, efficiently or cost-effectively, if at all. In addition, new technologies could render our technologies, products or solutions obsolete or unattractive. As a result, our business, results of operations and prospects may be materially and adversely affected.

**We have been and intend to continue investing significantly in R&D. If we are unable to generate commercial returns from our R&D investments, our business, financial condition, results of operations and prospects may be materially and adversely affected.**

We are focusing our R&D efforts in developing our solutions. We have been investing heavily in our R&D efforts. Our research and development expenses were RMB94.2 million, RMB82.3 million, RMB81.4 million, RMB24.1 million and RMB58.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 93.7%, 63.8%, 33.5%, 39.9% and 44.1% of our total revenue in the respective periods. The industry in which we operate is subject to rapid technological changes and is evolving quickly in terms of technological innovation. We need to invest significant resources, including financial resources, in R&D to make technological advances in order to expand our offerings and make our solutions innovative and competitive in the market. As a result, we may continue to incur significant R&D expenses in the future.

However, we cannot guarantee that our efforts will result in commercially viable products or solutions, or that we will be able to monetize our R&D investments as anticipated. Development activities are inherently uncertain, and we may not be able to obtain and retain sufficient resources including qualified R&D personnel. Even if we succeed in our R&D efforts and generate the results we expect, we may still encounter practical difficulties in commercializing our development results. New technologies could render our technologies, technological infrastructure, products or solutions that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related product and solution development costs, which could result in a decline in our revenues, profitability and market share.

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## RISK FACTORS

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**We entered into outsourced R&D arrangements with certain business partners for R&D projects. The termination of any collaboration with our business partners may materially and adversely affect our business, financial condition and prospects.**

We from time to time engage independent technology companies for certain outsourced R&D arrangements. In 2022, 2023, 2024 and six months ended June 30, 2025, we engaged in R&D collaborations with four, four, eight and fourteen outsourcing partners, respectively, incurring relevant R&D expenses of RMB1.0 million, RMB0.3 million, RMB6.9 million and RMB14.6 million during the same periods. See “Business — Research and Development — Outsourced Data Labeling and Solutions Testing Service Arrangements.” Such arrangements may reduce our direct control over the quality, development and deployment of our solutions. There can be no assurance that our business partners or third-party vendors will continue to collaborate with us on commercially reasonable terms or at all. Moreover, there can be no assurance that we will be able to establish new business partner relationships, or extend existing relationships with our business partners when our agreements with them expire. If we are unable to maintain our collaborations with our key business partners in relation to R&D projects and other initiatives, our business, financial condition and prospects could be adversely affected.

### **RISKS RELATING TO THE COMMERCIALIZATION OF OUR SOLUTIONS**

**If we are unable to compete effectively, our business, financial condition and prospects may be materially and adversely affected.**

While the enterprise large model AI application solution market is in an early stage of development, it is, and is expected to be, increasingly competitive. We currently face and may face more intense competition from other companies. Our competitors may have better financial, technological or marketing resources, greater brand recognition, better supplier relationships, or have the capacity to expand large customer bases more quickly than we do. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than us and may have the ability to initiate or withstand significant regulatory changes and industry evolution. Competition from our competitors may also result in continued pricing pressures, which may lead to price reductions in certain of our product, solution or service lines, and may, in turn, materially and adversely affect our profitability and market share.

In addition, new competitors or alliances may emerge with greater market share, larger customer bases, more widely adopted proprietary technologies, greater marketing expertise, greater financial resources and larger sales forces than us, which could put us at a competitive disadvantage. In light of these factors, even if our products, solutions and services are more effective than those of our competitors, current or potential customers may accept competitive products, solutions or services in lieu of ours. If we are unable to successfully compete in the market, our business, financial condition and prospects may be materially and adversely affected.

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## RISK FACTORS

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**We have a limited track record in mass commercialization of our solutions.**

We have a limited track record in launching, sales and marketing and mass commercialization of our solutions. Our ability to successfully mass commercialize our solutions may involve more inherent risks, take longer time and incur higher cost than it would if we were a company with longer track record in launching and marketing. In particular, the commercialization of new solutions requires additional resources.

Due to our limited track record in mass commercialization of our solutions, we cannot guarantee that our efforts in seeking customer selection of our solutions will succeed, that the sales results of our solutions will meet our forecast, that third parties will deploy and operate our solutions effectively and meet overall user experience, or that be able to fully maintain quality control over our solutions, which, individually or collectively, would materially and adversely affect the mass commercialization of our solutions, and, in turn, would materially and adversely affect our business and results of operations.

**Our sales and marketing efforts are crucial to our business, but there is no guarantee that our efforts will continue to be successful.**

Our results of operations may fluctuate, in part, because of the intensive nature of our sales efforts and the length and unpredictability of our sales cycle. We may invest significant effort from the time of our initial contact with a customer to the time when they choose to purchase or incorporate our solutions into their systems, such as evaluating the specific organizational needs of our potential customers and educating these potential customers about the technical capabilities and value of our solutions. However, there can be no assurance that our efforts to market and sell our solutions will succeed, that the sales results of our solutions will meet our forecast, or that customers will deploy and utilize our solutions effectively and meet overall user experience.

The success of our sales and marketing efforts depends on our ability to attract, motivate and retain qualified and professional employees who have, among other things, adequate industry knowledge to communicate effectively with technical professionals, sufficient experience in sales and marketing, and extensive industry connections. However, competition for experienced sales and marketing personnel is intense. If we are unable to attract, motivate and retain a sufficient number of qualified sales and marketing personnel to support our business, our mass commercialization of our solutions may be adversely affected.

Our results of operations depend on sales to enterprise customers, which make product purchasing decisions based in part on factors, or perceived factors, not directly related to the features of the solutions, including, among others, that customer's projections of business growth, uncertainty about economic conditions, capital budgets and anticipated cost savings from the implementation of our solutions, potential preference for such customer's internally-developed software solutions, perceptions about our business and solutions, more favorable terms offered by potential competitors and previous technology investments. In addition, certain decision-makers and other stakeholders within our potential customers tend to have

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## RISK FACTORS

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vested interests in the continued use of internally developed or existing software, which may make it more difficult for us to sell our solutions. As a result of these and other factors, our sales efforts typically require an extensive effort throughout a customer's organization, a significant investment of human resources, expense and time, and there can be no assurances that we will be successful in making a sale to a potential customer. If our sales efforts to a potential customer do not result in sufficient revenue to justify our efforts, our business, financial condition and results of operations could be adversely affected.

**If we fail to retain existing customers, attract new customers or increase the spending by existing customers, our business, financial condition and prospects may be materially and adversely affected.**

We have been expanding our customer base to cover various verticals. Our abilities to retain existing customers, attract new customers, as well as increase the spending by our customers depend on a number of factors, including our ability to offer more solutions that address the needs of our customers at competitive prices, the strength of our technologies and the effectiveness of our sales and marketing efforts. If we fail to retain existing customers or attract new customers, we may not be able to grow our revenue as quickly as we anticipate, or at all. As our customer base grows and diversifies into other verticals, we may be unable to provide customers with solutions that meet the specific demand of such customers, and we may be unable to provide quality customer support, which could result in customer dissatisfaction, decreased overall demand for our solutions and loss of expected revenue. In addition, our inability to meet customer service expectations may damage our reputation and could consequently limit our ability to retain existing customers and attract new customers, which would materially and adversely affect our business, financial condition and prospects.

**The size of our addressable markets and the demand for our solutions may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations, financial condition and prospects.**

We are pursuing opportunities in markets that are undergoing rapid changes, including technological and regulatory changes, and it is difficult to predict the timing and size of the opportunities for each of our solutions. Our future financial performance will depend on our ability to make timely investments in the correct market opportunities. If one or more of these markets experience a shift in customer or prospective customer demand, then our solutions may not compete as effectively, if at all, and they may not be incorporated into commercialized end customer solutions. Given the evolving nature of the markets in which we operate, it is difficult to predict customer demand for our solutions or the future market growth. The addressable markets for our solutions may be smaller than we have estimated, our future growth opportunities and sales growth may be smaller than we estimate, and our future business, results of operations and financial condition may be materially and adversely affected. Even if the markets in which we operate grow substantially, there is no guarantee that demand for our solutions will correlate with that growth if we fail to effectively pursue such opportunities. There is also no guarantee that our business will be successful simply because of the future

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## RISK FACTORS

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addressable markets of our solutions, or because of the trends of the addressable markets of our solutions. If demand does not develop or if we cannot accurately forecast customer demand, our future business, results of operations and financial condition would be materially and adversely affected.

**If our expansion into new verticals is not successful, our business, prospects and growth momentum may be materially and adversely affected.**

We aim to provide innovative enterprise data intelligence and AI solutions to address diversified needs of our customers across various verticals. We have a track record of successfully expanding into new verticals. We cannot assure you, however, that we will be able to maintain this momentum in the future. Expanding into new verticals involves new risks and challenges. Unfamiliarity with new verticals may make it more difficult for us to keep pace with evolving customer demands and preferences. In addition, there may be one or more existing market leaders in any vertical that we decide to expand into. Such companies may be able to compete more effectively than us by leveraging their experience in doing business in that vertical as well as their deeper industry insight and greater brand recognition. We could be subject to additional regulatory restrictions that are relevant to these businesses. Expansion into any new vertical may place significant strain on our management and resources, and failure to expand successfully could have a material adverse effect on our business and prospects.

**Any failure of our solutions to perform as required, or any failure by us to offer high-quality customer services could harm our business, financial condition and prospects.**

Our solutions are complex and are deployed in a wide variety of heterogeneous environments. Implementing our solutions can be a complex and lengthy process since we often tailor our solutions to a customer's unique environment. Inability to meet the unique customer demands may result in customer dissatisfaction or damage to our reputation, which could materially harm our business. Further, the proper use of our solutions requires training of the customer and the initial or ongoing support of our technical personnel as well as maintenance services over the contract term. If training and ongoing services require more of our expenditures than we originally estimated, our margins will be lower than projected. As we continue to grow our business and customer base, we need to be able to continue to provide efficient support and effective maintenance that meets our customer demands at scale. We may not be able to recruit or retain sufficient qualified personnel with experience in supporting customers of our solutions. As a result, we may be unable to quickly respond to accommodate short-term increases in customer demand for technical support or maintenance assistance, which may result in customer dissatisfaction or damage to our reputation. Furthermore, if customer personnel are not well trained in the use of our solutions, customers may defer the deployment of our solutions, may deploy them in a more limited manner than originally anticipated, or may not deploy them at all.

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## RISK FACTORS

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In addition, if our customers do not use our solutions correctly or as intended, inadequate performance or outcomes may result. It is possible that our solutions may also be intentionally misused or abused by customers or their employees or third parties who obtain access and use of our solutions. Because our customers rely on our solutions to address important business goals and challenges, the incorrect or improper use or configuration of our products, solutions and maintenance services, failure to properly train customers on how to efficiently and effectively use our solutions, or failure to properly provide implementation or analytical or maintenance services for our customers may result in contract terminations or non-renewals, reduced customer payments, negative publicity or legal claims against us.

### **RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS**

**We may not be able to obtain or maintain adequate intellectual property protection for our technologies and solutions, or the scope of such intellectual property protection may not be sufficiently broad.**

Our success depends in a part on our ability to protect our proprietary technology and solutions from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We have been protecting the proprietary technologies that we consider commercially important by, among others, filing patent applications in the PRC. As of June 30, 2025, we owned 43 registered patents in China. See “Business — Intellectual Property.” The patent application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner, if at all. In addition, we may fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive solutions in all such fields.

Specifically, patents may be invalidated, and patent applications may not be granted for several reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. As such, we do not know the degree of future protection that we will have on our proprietary technologies, if any, and we may not be able to obtain adequate intellectual property protection with respect to our solutions.

Even if our patent applications are granted as patents, they may not be issued in a manner that offers any substantial protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies, products or solutions in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices. Further, although various extensions may be available, the life of a patent and the protection it affords are limited. For example, in the PRC, invention patents and utility model patents are valid for 20 years and ten years from the date of application, respectively. We may face competition for any solution even if we successfully obtain patent protection once the patent life has expired for the solution.

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## RISK FACTORS

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Any of the foregoing could materially and adversely affect our business, results of operations, financial condition, competitive position and prospects.

**Unauthorized use of our intellectual properties by third parties may harm our brand and reputation and may materially and adversely affect our business. We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Our intellectual property rights relating to our solutions could be found invalid or unenforceable if being challenged.**

Competitors may infringe, misappropriate or violate our intellectual property rights. Unauthorized use of our intellectual properties by third parties may harm our brand and reputation and may materially and adversely affect our business. In addition, to counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights. This can be expensive and time-consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our intellectual properties, as well as any intellectual properties that may issue in the future from our pending intellectual property applications, at risk of being invalidated, held unenforceable or interpreted narrowly.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation. Defendant counterclaims alleging invalidity or unenforceability are commonplace, and can be asserted on numerous grounds. Third parties may also raise similar claims before administrative bodies in China or abroad, even outside the context of litigation. Such proceedings could result in revocation or amendment to our intellectual properties in such a way that they no longer cover and protect our solutions. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the intellectual property protection on our solutions. Such a loss of intellectual property protection could materially and adversely affect our business.

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## RISK FACTORS

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**If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and may have to redesign or discontinue selling the solutions involved.**

Some of our competitors have large intellectual property portfolios, and may claim that our expected commercial use of our solutions have infringed their intellectual properties. These intellectual properties have broad claims, so it might be alleged that certain features of our solutions fall within the claims of such intellectual properties. Therefore, our competitors may initiate legal proceedings alleging that we are infringing, misappropriating or violating their intellectual property rights in connection with the commercialization of the relevant solutions.

Our competitors may use intellectual property litigation to gain a competitive advantage. Whether a solution infringes the intellectual property involves an analysis of complex legal and factual issues, the determination of which is often uncertain. We may hire employees who have previously worked for our competitors. We cannot guarantee that such employees will not use their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, regardless of their merit, could:

- be expensive and time-consuming to defend;
- require us to pay substantial damages to third parties;
- forbid us from making or selling solutions that incorporate the challenged intellectual property;
- require us to redesign, reengineer or rebrand our solutions;
- require us to enter into royalty or licensing agreements in order to obtain the right to use a third-party's intellectual property, such agreements may not be available on terms acceptable to us or at all;
- divert the attention of our management; or
- result in customers terminating, deferring or limiting their purchase of the affected solutions until resolution of the litigation.

In addition, new intellectual properties obtained by our competitors could threaten the continued life of the solution in the market even after it has already been introduced.

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## RISK FACTORS

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There could be existing intellectual property of which we are not aware that our operations and business may inadvertently infringe. In particular, we use open-source public datasets in training our AI technology. Those open-source public datasets are developed and published by third parties on reputable sources such as Hugging Face or Github. Along with the publication of those datasets, the publishers and developers typically release their terms of use. During the Track Record Period, we have examined the license terms of the open-source public datasets we use to confirm that commercial use is not prohibited. However, there remains a risk that resources and data contained in those open-source public datasets may contain intellectual property owned by third parties other than the publishers and developers. During the Track Record Period, we have cleaned and refined the public data we use to avoid using data marked with a “copyright” notice. If we inadvertently use such protected content without proper authorization, we may be exposed to claims of intellectual property infringement. This could result in significant legal costs and damages, and could adversely affect our reputation and business operations. We cannot assure you that we will not become subject to intellectual property laws in other jurisdictions. If a claim of infringement brought against us in another jurisdiction is successful, we may be required to pay substantial penalties or other damages and fines or enter into license agreements which may not be available on commercially reasonable terms or at all, or we may be subject to injunctions or court orders. Even if allegations or claims lack merit, defending against them could be both costly and time-consuming and could significantly divert the efforts and resources of our management and other personnel.

**Obtaining and maintaining our intellectual property protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental agencies, and our intellectual property protection could be reduced or eliminated for noncompliance with these requirements.**

The governmental agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the intellectual property application process and over the lifetime of the intellectual property. In 2022, 2023, 2024 and six months ended June 30, 2025, our costs incurred in relation to the application, maintenance and protection of intellectual properties amounted to RMB1.0 million, RMB1.5 million, RMB1.4 million and RMB0.6 million, respectively. Non-compliance events, including failure to respond to official actions within prescribed time limits, non-payment of periodic maintenance fees and failure to properly legalize and submit formal documents, can result in abandonment or lapse of the intellectual property or intellectual property application, leading to partial or complete loss of intellectual property rights in the relevant jurisdiction. In any such event, our competitors might be able to enter the market, which would materially and adversely affect our business.

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## RISK FACTORS

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**Changes in intellectual property law could diminish the value of intellectual properties in general, thereby impairing our ability to protect our solutions.**

The scope of intellectual property protection is uncertain. Changes in either the intellectual property laws or their interpretation may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our intellectual property rights. We cannot predict whether the intellectual property applications we are currently pursuing and may pursue in the future will be issued as intellectual property rights in any particular jurisdiction or whether the claims of any future granted intellectual properties will provide sufficient protection from competitors. The coverage claimed in an intellectual property application can be significantly reduced before the intellectual property right is issued, and its scope can be reinterpreted after issuance.

**We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed alleged trade secrets owned by others.**

In addition to our issued intellectual properties and pending intellectual property applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our solutions and thus maintain our competitive position. We protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements, non-compete covenants or including such undertakings in the agreements with parties that have access to them. We also enter into employment agreements with our employees that include undertakings regarding assignment of inventions and discoveries. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information intentionally or inadvertently. It is possible that a competitor will gain access to such information and make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees or business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Our employees or business partners might intentionally or inadvertently disclose our trade secret information to competitors, or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable.

**We may not be able to protect our intellectual property rights globally.**

Filing, prosecuting and defending patents on our technologies and solutions can be extremely expensive and time-consuming. We may also encounter difficulties in protecting and defending such rights in overseas jurisdictions. Consequently, we may not be able to prevent

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## RISK FACTORS

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third parties from practicing our inventions in all countries and regions outside the jurisdictions where we registered our intellectual properties. Competitors may use our technologies and solutions in jurisdictions where we have not obtained intellectual property protection to develop their own technologies and solutions.

Many companies have encountered significant problems in protecting and defending intellectual property rights in overseas jurisdictions. The legal systems of many other countries and regions do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our intellectual properties in such countries.

Proceedings to enforce our patent rights in overseas jurisdictions could result in substantial cost and divert our resources and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of rejection, and could provoke third parties to assert claims against us. We may not prevail in lawsuits that we initiate or be awarded the damages or other remedies, if any, as we deem sufficient. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual properties involved.

### **RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL**

**We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future growth or financial results.**

We have achieved growth during the Track Record Period. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023 and further increased by 88.3% to RMB242.9 million in 2024. However, there is no assurance that we will be able to maintain our historical growth rates in future periods. Our growth relies on a number of factors, including overall economic growth, development of the AI and related industry, accumulation of AI experts in China, awareness of enterprises to deploy AI applications, our investment in technology innovation and AI solutions, our ability to attract and retain our customers, our ability to create value for users with our innovative enterprise data intelligence and AI solutions, our ability to manage our costs and enhance operating leverage. We cannot assure you that we will be able to effectively manage our growth or implement our business strategies. If the market for our solutions does not develop as we expect or if we fail to address the needs of this dynamic market, our business, results of operations and financial condition will be materially and adversely affected.

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## RISK FACTORS

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**We have incurred significant net losses during the Track Record Period and may not be able to achieve or subsequently maintain profitability in the near future. We also had deficit during the Track Record Period.**

In 2022, 2023, 2024 and six months ended June 30, 2025, we incurred net losses of RMB655.2 million, RMB502.9 million, RMB1,255.0 million and RMB308.2 million, respectively. In addition, we recorded total deficit of RMB2,013.7 million, RMB2,423.9 million, RMB3,675.9 million and RMB3,897.2 million, respectively. We expect to continue to incur losses for the foreseeable future as we continue investing significantly in R&D efforts and expand our business globally. In addition, we will continue to incur costs associated with operating as a public company going through a period of rapid growth. The size of our future net losses will depend, in part, on the number and scope of our R&D projects and the associated costs of those projects, the cost of commercializing any solutions, our ability to generate revenues and the timing and amount of milestones and other payments we make or receive with or through arrangements with third parties. We may not be able to achieve or subsequently maintain profitability in the future. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become and remain profitable would decrease the value of our Company and could impair our ability to raise capital, maintain our R&D efforts, expand our business or continue our operations. As a result, you may lose substantially all of your investment in us if our business fails.

**We had net current liabilities and net liabilities and recorded net operating cash outflows historically which may continue into the foreseeable future and expose us to liquidity risk.**

We recorded net current liabilities and net liabilities throughout the Track Record Period. Our net current liabilities amounted to RMB2,039.3 million, RMB2,448.6 million, RMB3,686.6 million and RMB3,910.8 million, respectively, as of December 31, 2022, 2023, 2024 and six months ended June 30, 2025. Our net liabilities amounted to RMB2,013.7 million, RMB2,423.9 million, RMB3,675.9 million and RMB3,897.2 million, respectively, as of December 31, 2022, 2023, 2024 and six months ended June 30, 2025. The net current liabilities and net liabilities positions as of December 31, 2022, 2023 and 2024 were primarily due to (i) an increase in the shares with preferential rights we issued to our Pre-IPO Investors, and (ii) a decrease in cash and cash equivalents. A net current liabilities position can expose us to the risk of shortfalls in liquidity, in which case our ability to raise funds, obtain bank loans and declare and pay dividends will be materially and adversely affected. We recorded net cash outflow from operating activities of RMB257.0 million, RMB194.8 million, RMB117.7 million and RMB100.9 million in 2022, 2023, 2024 and six months ended June 30, 2025, respectively. See “Financial Information — Liquidity and Capital Resources — Cash Flow.” We cannot assure you that we will always be able to match the timing and amount of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. Negative operating cash flow may require us to obtain additional financing to meet our financing needs and obligations and support our expansion plans. In the event that we are unable to generate sufficient cash flow from our operations or otherwise obtain sufficient external funds to finance our business, our liquidity and financial condition may be materially and adversely affected and we may not be able to expand our business as expected. We cannot assure you that we will

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## RISK FACTORS

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have sufficient cash from other sources to fund our operations. If we resort to other financing activities, we will incur additional financing costs, and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all. As a result, our business, financial condition and results of operations may be materially and adversely affected. We cannot guarantee that prospective business activities of our Group and/or other matters beyond our control (such as market competition and changes to the macroeconomic environment) will not adversely affect our operating cash flow and lead to net operating cash outflows in the future. If we encounter long-term and continuous net operating cash outflow in the future, we may not have sufficient working capital to cover our operating costs, and our business, financial position and results of operations may be materially and adversely affected.

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

We are exposed to credit risk related to delay in payment and defaults of our various customers. As of December 31, 2022, 2023, 2024 and June 30, 2025, our trade and bills receivables amounted to RMB41.0 million, RMB74.4 million, RMB166.2 million and RMB146.8 million, respectively. As of December 31, 2022, 2023, 2024 and June 30, 2025, we recorded the impairment loss of RMB4.4 million, RMB10.1 million, RMB18.8 million and RMB16.9 million, respectively. We experienced an increase in our trade receivables and turnover days of trade receivables during the Track Record Period. In 2022, 2023, 2024 and six months ended June 30, 2025, our trade receivables turnover days were 146 days, 181 days, 199 days and 237 days, respectively. See “Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Current Assets and Liabilities — Trade and Bills Receivables.” We may not be able to collect all of our trade and bills receivables due to factors beyond our control, such as adverse operating conditions or financial conditions of our customers, and customers’ inability to pay due to delays in payment from their own end users. If our customers delay or default on their payments to us, we may need to make impairment provisions and write off the relevant receivables. This would have a negative impact on our liquidity and financial condition.

**We may not be able to raise adequate capital to finance our business or R&D strategies, or we may be able to do so only on terms that significantly restrict our ability to operate and grow our business.**

We believe our cash and cash equivalents on hand, together with cash we expect to generate from future operations, will be sufficient to meet our working capital and capital expenditure requirements during the next 12 months. However, the implementation of our business strategy requires a substantial outlay of capital. As we pursue our business strategies and seek to respond to developments in our business and opportunities and trends in our industry, our actual capital expenditures may differ from our expected capital expenditures. No assurances can be given that our available funds and cash flow from operations will be

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## RISK FACTORS

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sufficient to meet our cash needs for the future, or that we will not require additional equity or debt financing. If we determine we need to obtain additional funds through external financing and are unable to do so, we may be prevented from fully implementing our business or R&D strategy.

**We are subject to the risk of exposure to fair value change for our financial assets at fair value through profit or loss (“FVTPL”) and equity investments designated at fair value through other comprehensive income (“FVOCI”) and valuation uncertainty due to the use of unobservable inputs.**

Our financial assets at FVTPL and equity investments designated at FVOCI are measured at fair value, determined using significant unobservable inputs and valuation techniques. As of December 31, 2022, 2023, 2024 and June 30, 2025, our equity investments designated at FVOCI amounted to RMB1.2 million, nil, nil and nil, respectively, representing our unlisted equity investment at fair value in Jiangxi Galaxies Information Technology Co., Ltd.. The value of these equity instruments can fluctuate due to various factors, such as market volatility, changes in interest rates, shifts in our creditworthiness and other market-driven variables. The valuation of these financial assets and equity instruments can be highly uncertain, especially when unobservable inputs are used in valuation models. These inputs might not accurately reflect actual market conditions or could be based on assumptions that may not materialize, leading to potential discrepancies between the recorded fair value and the price we might obtain in an actual transaction. Any changes in the fair value change of financial assets at FVTPL may adversely affect our profit and loss statements, potentially impacting our overall financial condition and results of operations. Our results of operations are affected by changes in the fair value of our financial assets. As of December 31, 2022, 2023, 2024 and June 30, 2025, our financial assets at FVTPL amounted to nil, nil, RMB0.4 million and RMB0.4 million, respectively, representing our equity interests in a listed company. There can be no assurance that we will recognize fair value gains from financial assets in the future.

Fair value measurements for certain of our financial assets and financial liabilities are categorized into Level 3, which involve the use of unobservable inputs. As a result, Level 3 fair value measurements require us to apply significant estimates and assumptions with respect to the relevant financial assets.

**We may be subject to inventory obsolescence risk and liquidity risk due to a long cash conversion cycle.**

Our business expansion requires us to manage a large volume of inventory effectively. Our inventories decreased from RMB25.8 million as of December 31, 2022 to RMB11.0 million as of December 31, 2023, then remained at a relatively stable level at RMB14.5 million as of December 31, 2024 and RMB12.2 million as of June 30, 2025. Our inventories consisted of contract fulfillment costs in relation to the development and deployment of our solutions.

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## RISK FACTORS

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While our inventory turnover days improved, decreasing from 153 days in 2022 to 91 days in 2023, and further to 41 days in 2024, which remained at a relatively stable level at 40 days in six months ended June 30, 2025, we cannot guarantee that our inventories can be fully recoverable, particularly in the event of changes in customer requirements or delays or cancellations of projects. As our business expands, the risk of inventory obsolescence may increase simultaneously, including the possibility that certain future products may be misaligned with evolving client needs. The aforementioned risks may result in material and adverse effect to our business, financial position and results of operations.

The relatively long inventory turnover days and trade and bills receivable turnover days may lead to delays in converting our revenue into cash. Our cash conversion cycle — a metric to measure how efficiently we manage its working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales — was 222 days, 163 days, 65 days and 71 days for the years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade and bills receivables turnover days, then subtracting accounts payable turnover days. The improvement in 2024 was primarily attributable to our continued focus on enhancing cash flow efficiency through strengthened supply chain coordination and increased development and deployment efficiency. However, there can be no assurance that similar performance can be sustained in future periods, particularly in light of potential fluctuations in customer payment patterns, supply chain volatility, and broader macroeconomic conditions. A long cash conversion cycle may increase our reliance on working capital or external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

### RISKS RELATING TO OUR GENERAL OPERATIONS

**AI technologies are constantly evolving. Any flaw or misuse of the AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could harm our reputation and materially and adversely impact on our business, financial condition, prospects and the general acceptance of AI solutions by the society.**

AI technologies are in the process of development and continue to evolve. Similar to many disruptive innovations, AI technologies present risks and challenges, such as misuse by third parties for inappropriate purposes, for purposes breaching public confidence or even violating applicable laws and regulations in China. Adoption of AI technologies in bias applications or mass surveillance could affect user perception, public opinions and their adoption. Any inappropriate, abusive or premature usage of AI technologies, whether actual or perceived, whether intended or inadvertent and whether by us or by third parties, may dissuade prospective customers from adopting AI solutions, may impair the general acceptance of AI solutions by the society, may attract negative publicity and adversely impact our reputation and may even violate applicable laws and regulations in China and subject us to legal or administrative proceedings, pressures from activist shareholders or other organizations and

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## RISK FACTORS

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heightened scrutiny by the regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations. In addition, flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the decisions and analysis made by the relevant solutions. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in AI technologies and solutions, whether actual or perceived, could materially and adversely affect our business, financial condition, prospects and the general acceptance of products and AI solutions by the society.

We may be subject to complex and evolving laws and regulations regarding AI industry. The PRC government has enacted a series of laws, regulations and governmental policies to oversee the AI industry in the past few years. See “Regulatory Overview — Regulations and Policies on Information Industry” and “Regulatory Overview — Regulations on Privacy Protection” for more information. Given the rapidly evolving regulatory landscape, we cannot guarantee continuous full compliance with all applicable laws and regulations in the future.

**We may be subject to complex and evolving laws and regulations regarding privacy and data protection. Actual or alleged failure to comply with cybersecurity and data protection and personal information protection laws and regulations could damage our reputation, deter current and potential customers from using our solutions and could subject us to significant legal, financial and operational consequences.**

In recent years, cybersecurity, data protection and personal information protection has become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies for the protection of cybersecurity, data protection and personal information protection in the past few years. For instance, on November 7, 2016, the Standing Committee of the National People’s Congress promulgated the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), effective since June 1, 2017, created the first national-level data protection framework for “network operators,” which may potentially include all organizations in China that provide services over the internet or through other types of information network. On June 10, 2021, the Standing Committee of the National People’s Congress promulgated the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), effective since September 1, 2021. The Data Security Law sets out a number of obligations on data security and privacy undertaken by entities and individuals engaged in data-related activities. On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025 and further provides rules on network data security. See “Regulatory Overview — Regulations Relating to Cybersecurity and Data Protection” and “Regulatory Overview — Regulations on Privacy Protection” for more information.

The above regulatory developments relevant to cybersecurity, data protection and personal information protection could generally impact the data collection, use, storage and other data processing activities conducted by the enterprises in technology industry, including us. We have adopted various measures to ensure legal compliance. See “Business — Data

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## RISK FACTORS

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Security and Privacy” for more information. However, the laws and regulations regarding cybersecurity, data protection and personal information protection in China are generally complex and evolving, with uncertainty as to the interpretation and application thereof, which may lead to uncertainty about the scope of our responsibility in this regard. As such, we cannot assure you that our cybersecurity, data protection and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the effectiveness of our protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations, or to address any cybersecurity, data protection and personal information protection concerns, such actual or alleged failure could damage our reputation, deter current and potential users from using our solutions and could subject us to significant legal, financial and operational consequences.

In addition, on December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), the “CAC Measures”), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review. See “Regulatory Overview — Regulations Relating to Cybersecurity and Data Protection” for more information. Although we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed Listing, since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, therefore, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations.

Further, the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), promulgated on July 7, 2022 and effective since September 1, 2022, the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), promulgated and effective on March 22, 2024, have provided that the transfer of personal information and important data by data processor meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. As of the Latest Practicable Date, we had not conducted any cross-border data transferring activities. As our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such case, in order to satisfy the legal and regulatory requirements, we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business.

In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. We expect that there will continue to be new proposed laws and regulations concerning cybersecurity, data protection and personal information protection, and we cannot yet determine the impact such future laws, regulations and standards may have on our business.

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## RISK FACTORS

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New laws, amendments to or re-interpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if the applicable legislation or regulations are interpreted or implemented in ways that negatively impact our business, financial condition and results of operations. Any inability to adequately address cybersecurity, data protection or personal information protection concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to cybersecurity, data protection or personal information protection could require significant resources and efforts, which have a material effect on our business, financial condition and results of operations.

**Failure to maintain or improve the reliability, performance, security and availability of our technologies, platforms, solutions and infrastructures to meet customers' needs may materially and adversely affect our business, financial condition and prospects.**

The satisfactory reliability, performance, security and availability of our solutions and underlying technologies and infrastructures are critical to our operations, customer service, reputation and our ability to retain existing customers and partners and to attract new ones. Our solutions are subject to unanticipated failures or disruptions, which results in various operational risks, such as improper information processing, slower response time and substandard user experience. During the Track Record Period, we did not encounter any failure or interruption of our solutions. However, there is no guarantee that we will be able to consistently maintain its reliability, performance, security and availability in the future. If our solutions fail to properly and accurately process and manage all such information, the quality of our solutions may be compromised, which may not meet our customer's needs and will have an adverse impact on our business, financial condition and prospects. If we are unable to maintain and constantly improve our technology infrastructure and to properly handle technological failures or disruptions, our business, financial condition and prospects, as well as our reputation, may be materially and adversely affected.

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

Hiring and retaining key individuals, such as key management, technical staff, developers, engineers and sales representatives are critical to our business, in particular, to the R&D and commercialization of our solutions. The competition for highly skilled employees in our industry is increasingly intense. Changes in our management team would also disrupt our business. Our management and senior leadership team has significant industry experience, and their knowledge and relationships would be difficult to replace. See "Directors and Senior Management." Changes in our management team may occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit

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## RISK FACTORS

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qualified personnel. In addition, changes in the interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our changing workforce needs. To help attract, retain and motivate key individuals, employee incentives such as share incentive schemes have been, and will continue to be, an important part of our compensation. Our employee hiring and retention also depend on our ability to build and maintain a diverse and inclusive workplace culture and be viewed as an employer of choice. If our share-based payment expenses or other compensation programs and workplace culture cease to be viewed as competitive, our ability to attract, retain and motivate key individuals would be weakened, which would in turn materially and adversely affect our business, financial condition and prospects.

**Our brand is integral to our success. If we fail to maintain our brand and reputation and the negative publicity and allegations involving us, or become the subject of anti-competitive, harassing or other detrimental conducts by third parties, our shareholders, Directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and prospects may be negatively affected.**

We believe that maintaining and enhancing our brands is of significant importance to the success of our business. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we received from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot guarantee that these activities are and will be successful or that we can achieve the brand promotion effect we expect.

In addition, negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners, or the industry in which we operate as a whole may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the solutions provided by us, thereby resulting in reduced sales volumes and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management's attention, and governmental investigations or other forms of scrutiny, which may have a material and adverse effect on our business, financial condition and prospects.

We may also be the target of anti-competitive, harassing or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. We thus may be subject to government or regulatory investigation and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted online by anyone, whether or not related to us, on an anonymous basis. Customers value readily available information concerning their products,

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## RISK FACTORS

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solutions and services and often act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media is virtually immediate, as is its impact. Social media immediately publish the content posted by their subscribers and participants, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which, in turn, may cause us to lose market share, customers and revenues.

**We may be subject to product liability claims if our solutions contain defects. We could incur significant expenses to remediate such defects, as a result, our reputation could be damaged and we could lose market shares, and our business, financial condition and prospects may be adversely affected.**

Our solutions may contain errors, defects, security vulnerabilities, service interruption or software issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released, despite our internal testing. While we did not receive any material complaints, product liability claims or product returns in relation to our solutions during the Track Record Period, there is no assurance that such issues will not arise in the future. Some errors or defects in our products solutions may only be discovered after they have been commercialized and deployed, and we may incur substantial additional development expenses and incur costs relating to fixing the errors or defects. Furthermore, given that many of our customers use our solutions in processes that are critical to their businesses, any error, defect, security vulnerability, service interruption or software issue in our solutions may result in losses to our customers, which could potentially lead to lawsuits filed against us by our customers or other parties, exposing us to potential liabilities and damages. We may also experience revenue loss, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could adversely affect our reputation, business, financial condition and prospects. Furthermore, our customers may share information about their negative experiences with others, which could damage our reputation and result in a loss of future sales. A claim brought against us by any of our customers would likely be time-consuming, costly to defend and may materially and adversely affect our reputation and brand, making it harder for us to sell our solutions.

**We engage third party suppliers for certain software, hardware and services, which may subject us to supply chain risks.**

We procure certain software, hardware and services such as data labeling, testing and deployment services from third-party suppliers. Our top five suppliers in each year/period during the Track Record Period accounted for approximately 43.3%, 33.7%, 41.9% and 37.9% of our total purchases in 2022, 2023, 2024 and six months ended June 30, 2025, respectively. Our largest supplier in each year/period during the Track Record Period accounted for approximately 13.2%, 9.5%, 9.6% and 10.3% of our total purchases in 2022, 2023, 2024 and

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## RISK FACTORS

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six months ended June 30, 2025, respectively. We may experience supply shortages or delays in delivery as a result of natural disasters, increased demand in the industry or our suppliers' lacking sufficient qualifications to supply.

Our engagement of these suppliers exposes us to risks, including reduced control over costs and constraints based on the then current availability, terms, and pricing of these products and services. These suppliers may experience disruptions in their operations due to equipment breakdowns, labor strikes or shortages, natural disasters, material shortages, cost increases, international trade policies and sanctions, environmental noncompliance issues or other similar problems. In addition, we may not be able to renew contracts with our third-party suppliers or identify substitute partners. Any failure of our third-party suppliers to perform their responsibilities or to be in compliance with all applicable laws and regulations may have a material negative impact on our business. We generally do not have any long-term contracts guaranteeing supply with these suppliers. If our supply of certain products and services is disrupted or delayed, there can be no assurance that additional supplies or services can serve as adequate replacements or that supplies will be available on terms that are favorable to us, if at all. Moreover, even if we can identify adequate replacements on substantially similar terms, our business could be adversely affected until those efforts were completed. Any disruption or delay in the supply of products and services may cause delay or other constraints on our operations that could damage our customer relationships.

**We may not be successful in implementing our business plans and strategies effectively or at all, which could materially and adversely affect our business, financial condition and prospects.**

Our business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, we cannot guarantee that our business plans and strategies will be implemented successfully as scheduled or at all.

If we fail to implement our business plans and strategies effectively and efficiently, we may be unable to expand our operations, manage our growth, take advantage of market opportunities as expected or remain competitive. Furthermore, even if we implement our business plans and strategies effectively and efficiently, there may be other unexpected events or factors beyond our control that may prevent us from achieving the desirable and profitable results, such as the changes in local laws and regulations and governmental policies, the availability of skilled professionals and changes in consumer demand. Moreover, our business plans and strategies may increase our operating costs, such as higher staff costs, and increase our cash outflows for operating and investing activities. Accordingly, if our business plans and strategies cannot be successfully implemented, or if they do not yield ideal results, we may have significant difficulties in recovering our costs and therefore experience a material adverse impact on our business, financial condition and prospects.

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## RISK FACTORS

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**Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency, security breaches or cyber-attacks.**

We rely on information technology networks and systems for electronic communications among our personnel, customers and suppliers and for synchronization with our demand forecast, order placements and service status and capacity. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. While we did not encounter any unexpected system failure, interruption, insufficiency, security breached or cyber-attacks during the Track Record Period, we cannot guarantee that such incidents will not occur in the future. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. If we do not effectively resolve the issues in a timely manner, our business, results of operations and financial condition maybe materially and adversely affected, and we could experience delays in reporting our financial results.

Although we do not collect or host any of our customer's operational data, our platforms process a large amount of business and operation data and our success depends in part on our ability to provide effective data security protection in connection with our platforms and solutions. Because many of our customers use our solutions to store, transmit, and otherwise process proprietary, confidential, or sensitive information, and complete mission-critical tasks, they have a lower risk tolerance for security vulnerabilities in our platforms and solutions than for vulnerabilities in other, less critical, software products and services. If any of our customers' cloud or on-premises environments are breached or if unauthorized access to customer or third-party data is otherwise obtained, public perception of us may be harmed, and we may lose business and incur losses or liabilities.

Any accidental or willful security breaches or other unauthorized access could cause our confidential information to be stolen and used for improper or criminal purposes. Moreover, if we fail to implement adequate encryption of data transmitted through the networks of the telecommunications and Internet operators we rely upon, there is a risk that telecommunications and Internet operators or their business partners may misappropriate the data. Security breaches, cyber-attacks or unauthorized access to confidential information could also expose us to liabilities related to the loss of the information, time-consuming and expensive litigations and other regulatory and legal proceedings, as well as negative publicity. If security measures are breached because of third party action, employee error, malfeasance or other similar factors, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with our customers and partners could be severely damaged and we could incur significant liabilities or subject to legal or regulatory actions that may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, concerns about our practices with regard to security of confidential information or other privacy-related matters, such as cybersecurity breaches, misuse of personal data and data sharing without necessary safeguards, even if unfounded, could damage our reputation and

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## RISK FACTORS

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operating results. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material incidents of cyberattacks or data security breaches. However, if any of the foregoing risks materializes, our business, financial condition, results of operations and prospects may be materially and adversely affected.

**We use open-source foundation models to provide our solutions, any error in such software or failure to maintain these licenses could adversely affect our business.**

We use open-source software in some of our solutions and expect to continue to use open-source software in the future. Although we monitor our use of open-source software to avoid subjecting our software to conditions we do not intend to be bound, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software, derivative works, or our proprietary source code that was developed using such software. These allegations could also result in litigation. The terms of many open-source licenses have not been interpreted by courts. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions. In such an event, we may be required to seek licenses from third parties to continue commercially offering our software, to make our proprietary code generally available in source code form, to re-engineer our solutions or to discontinue the sale of our solutions if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business and revenue.

**We are subject to risks related to sanctions, export control laws and economic or trade restrictions, and such laws and regulations may disrupt the operations of our suppliers and business partners and in turn adversely affect our business, financial condition and results of operations.**

*Sanctions and Export Controls*

Our operations are subject to deterioration in political and economic relations among countries and sanctions and export controls administered by the government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs and political instability. In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. Such laws and regulations are likely subject to frequent changes, and their interpretation and enforcement involves substantial uncertainties, which may be heightened by national security concerns or driven by political and/or other factors that are beyond our control. For instance, in recent years, the United States has expanded sanctions and export controls restrictions on China through the Export Administration Regulations (the “EAR”), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the “BIS”). In addition to the United States, Japan, the Netherlands and various other governments are also imposing controls, licensing requirements and restrictions applicable to exports to China. These types of restrictions could impact our ability to supply customers of affected countries, territories and entities and could restrict our

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## RISK FACTORS

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ability to obtain components and technologies we incorporate in or use to develop our solutions. Additionally, frequent changes in export control laws and regulations may create uncertainties for our ability to expand our business to certain jurisdictions in the future if we were to do so.

With respect to U.S. export controls, in October 2022, BIS issued an interim final rule (the “BIS October 2022 IFR”) aimed at restricting China’s ability to obtain advanced computing integrated circuits, develop and maintain supercomputers, and manufacture advanced semiconductors. In October 2023, BIS issued another interim final rule (the “BIS October 2023 IFR”) that updated and expanded U.S. export controls imposed by the BIS October 2022 IFR (collectively, and together with the BIS’s April 2024 interim final rule making technical corrections and clarifications to the BIS October 2023 IFR, the “BIS 2022/23 IFRs”). Among other measures, the BIS 2022/23 IFRs add to the Commerce Control List (which is a list of commodities, software, and technologies that are subject to the EAR’s more restrictive controls) certain advanced and high-performance computing integrated circuits and computer commodities that contain these integrated circuits, and impose new or expanded license requirements for items subject to the EAR destined for an end-use in the development or production of supercomputers, certain types of advanced node integrated circuits and advanced, or semiconductor manufacturing equipment in certain jurisdictions, including China. We have procured certain U.S. branded chips in the past for use in our internal technology infrastructure and platforms for our R&D and self-use. To our knowledge such purchases did not violate any then-applicable U.S. export control laws. We were not and do not expect to be affected by industry-wide chip cost surges as we procured these chips prior to the global chip shortages, and believe we have a sufficient supply of such chips to carry out our continuous internal R&D, as we did not deplete any U.S. branded chips for our internal R&D during the Track Record Period, and have a balance of 16 such chips as of the Latest Practicable Date. We also procure U.S. branded chips for incorporation into our solutions sold to customers. We consumed nil, nil, 320 and 192 U.S. branded chips for incorporation into our solutions for customers in 2022, 2023 and 2024 and the six months ended June 30, 2025. We did not have inventory of such chips as of the Latest Practicable date. We primarily procure U.S. branded chips from Chinese domestic suppliers, including Supplier L among our five largest suppliers in 2024 and for the six months ended June 30, 2025. We also procure domestic branded chips from domestic OEMs for incorporation into our solutions. We cannot guarantee that the geopolitical tension will not result in more restrictive measures in the future that may affect us.

In addition to the restrictions introduced by the BIS 2022/23 IFRs, BIS maintains lists of persons that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. During the Track Record Period, seven of our customers and two of our suppliers are on or are substantially owned by entities on the Entity List or other U.S. sanctions related lists. We believe that such customers/suppliers being on the Entity List or other U.S. sanctions related lists does not have any material impact on our business, given that our transactions with these entities did not involve the sale to the Entity List entities of any items subject to the EAR. Therefore the EAR restrictions applicable to such entities as a result of

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## RISK FACTORS

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being designated on the Entity List or other related lists were not implicated. The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. Also, certain chips of PRC and U.S. brands we procured are subject to changes of applicable export controls. Such introduction, interpretation and revision of the applicable export controls can be sudden and unpredictable and subject to frequent changes. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations. Moreover, given the important role played by such Chinese high-tech companies on the Entity List in the global supply chain or in China for technology industries, prolonged restrictions against such companies could cause a material negative impact to all such industries, which may in turn materially and adversely affect our business, financial condition and results of operations. Similar or more expansive restrictions that may be imposed on our business partners or their suppliers by the U.S. or other jurisdictions in the future may materially and adversely affect such business partners or their suppliers, which would in turn affect our business. See “Business — Legal Proceedings and Compliance” for a more detailed discussion of related background and risks.

Given the complexity of the U.S. Export Administration Regulations and level of information required for an exporter, reexporter, or transferor (within China) to determine whether an item is subject to U.S. law, there could be non-compliance by suppliers where they might supply us with goods incorporating controlled U.S.-origin content in violation of the EAR. Because the EAR asserts liability broadly to include parties acting without need for knowledge or reason to know a violation has occurred, will occur, or is likely to occur, there is a risk that we could be subject to a potential BIS investigation, enforcement action, or civil monetary penalties if our suppliers failed to comply with the EAR. To address the EAR-related risks, we have adopted a series of export control compliance measures for the entire Group. We have developed and are implementing an export control compliance program, focused on screening of suppliers and customers, monitoring and review of items that are subject to the EAR and employee training.

### ***Outbound Investment Restrictions***

On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “Final Rule”), which became effective on January 2, 2025. The Final Rule implements a regulatory framework for certain U.S. investments into China (including Hong Kong and Macau) in entities engaged in activities involving sensitive technologies critical to national securities in three sectors, namely, semiconductors and microelectronics, quantum information technologies, and certain artificial intelligence systems with applications that pose national security risks, collectively defined as Covered Foreign Persons. The program would prohibit U.S. persons from undertaking certain transactions and require notification by U.S. persons on certain investments in Covered Foreign Persons. Under the Final Rule, U.S. Persons face prohibitions or notification requirements for a broad range of investments in entities associated with China, Hong Kong SAR, and Macau SAR that are engaged in any “covered activity” in the sectors of (i) semiconductors and microelectronics, (ii) quantum information

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## RISK FACTORS

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technologies, and (iii) artificial intelligence systems, such entities are collectively defined as “covered foreign persons.” Although we are engaged in the development of our artificial intelligence systems, our artificial intelligence system is not designed for any end use, such as military end use, government intelligence or mass surveillance end use, or for the use of cybersecurity applications, digital forensic tools, penetration test tools, or the controls of robotic systems, which are listed and restricted under § 850.217 (d)(1)-(2) or § 850.224 (j)(1)-(2) for activities subject to restrictions related to the artificial intelligence system sector of the Final Rule, nor trained with a restricted quantity of computing power under the Final Rule (i.e., trained using a quantity of computing power greater than  $10^{23}$  computational operations or more). Thus, as advised by our Sanction Legal Advisor, based on our currently launched products and solutions, in particular, the end use and the computing power we used to train our artificial intelligence systems discussed above, we are not a Covered Foreign Person as defined under the Final Rule. However, we cannot guarantee that the rule will not negatively affect overall investor sentiment and potentially discourage investment in our Company.

Such U.S. foreign investment laws and regulations are subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be driven by political and/or other factors that are out of our control. They could also result in negative publicity, require significant time and attention of the management, and subject us to fines, penalties, or orders that we cease or modify our existing business practices. Any of these events may have an adverse effect on our business, financial condition, or results of operations.

Furthermore, significant political, trade, or regulatory developments, such as those stemming from the current U.S. federal administration and changes in U.S. federal policy implemented by the U.S. Congress, the Trump administration or any future administration may lead to circumstances beyond our control that could negatively impact our business operations. These impacts could stem from broader economic downturns or geopolitical tensions. For example, President Trump has increased, and has indicated his willingness to continue to increase, the use of tariffs by the U.S. to accomplish certain U.S. policy goals. The future direction of U.S.-China trade relations and broader trade policy remains highly uncertain.

As we currently do not and have no plans to sell to the U.S. or procure products from the U.S., we do not foresee these policies to have a direct adverse impact on our business. However, policy shifts and the uncertainty surrounding them could contribute to increased market volatility. Historically, tariffs have led to increased trade and political tensions, between not only the U.S. and China, but also between the U.S. and other countries in the international community. There is significant uncertainty as to whether countries will be able to successfully reach any trade deals with the U.S. Rising political tensions as a result of trade policies could reduce trade volume, investment and other economic activities. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, which in turn can adversely impact our business and results of operations.

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## RISK FACTORS

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**Our risk management and internal control systems may not be adequate or effective.**

We have designed and implemented risk management and internal control systems comprising organizational framework policies and procedures, financial reporting processes, compliance rules and risk management measures we believe are appropriate for our business operations. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot guarantee that these systems are sufficiently effective in ensuring the prevention of fraud. See “Business — Risk Management and Internal Control.” Since our risk management and internal control systems depend on implementation by our employees, we cannot guarantee that our employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, results of operations, financial condition and prospects could be materially and adversely affected.

**Our employees and business partners may engage in intentional or negligent misconduct, or violate our internal policies and laws, which could impair the quality of our service, cause us to lose customers or subject us to liabilities.**

We risk compromising the quality of our solutions if our employees and business partners do not perform in accordance with our standards. We have internal policies and guidelines to monitor and ensure the solutions delivered to our customers are of satisfactory standard. In addition, we have adopted and strictly implemented a series of procedures designed to verify the integrity and qualifications of our employees before they are engaged, and of partners prior to any cooperation. Nevertheless, we cannot guarantee that our employees and business partners will not engage in any intentional or negligent misconduct and our internal policies and guidelines may be effective in controlling unknown or unmanaged risks or losses.

Furthermore, we may be exposed to the risks of fraud or other unlawful activities committed by our employees and business partners. Fraud or other unlawful activities by our employees and business partners may include making unauthorized misrepresentation to our customers, misappropriating third-party intellectual properties and other proprietary rights, misusing sensitive customer information and engaging in bribery or other unlawful payments. In any such event, we could incur liability to our customers or any other third parties.

Any claims could subject us to costly litigation and affect our business, financial condition and prospects, and may distract the attention of our management regardless of whether the claims have merit. Any claims could result in complaints from our customers or other third parties, regulatory or legal liabilities or damages to our reputation.

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## RISK FACTORS

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**Changes in the market or our solutions may affect our pricing models and adversely affect our operating results.**

Our pricing models face challenges from evolving market changes. As the market for our solutions grows, as our competitors introduce new solutions that compete with ours or reduce their prices, or as we enter into new verticals or international markets, we may be unable to attract new customers or retain existing customers based on our historical pricing models. Given our limited operating history and limited experience with our historical pricing models, we may not be able to accurately predict customer renewal or retention. In addition, regardless of the pricing model used, certain customers may demand higher price discounts. As a result, we may be required to reduce our prices, offer shorter contract durations or offer alternative pricing models, which could adversely affect our business, financial condition and prospects.

**Our performance depends on favorable labor relations with our employees, and any deterioration in labor relations, shortage of labor or material increase in wages may have a material adverse effect on our business, financial condition and prospects.**

Our success depends on our ability to hire, train, retain and motivate our employees. As of June 30, 2025, we had 363 full-time employees. See “Business — Employees.” Although we have not experienced any material work stoppages or strikes in the past, during the Track Record Period, as part of our cost optimization measures that support our strategic business planning, we have consolidated certain non-core or low-efficiency functions, which led to the discontinuation of employment for certain personnel. In addition, due to the impact of COVID-19, some employees voluntarily resigned. Furthermore, we cannot guarantee that any of the work stoppages or strikes events will not arise in the future. If our employees engage in a strike or other work stoppage, we may experience significant operational disruption and/or accept higher labor costs, resulting in an adverse effect on our business, financial condition and prospects. We regard favorable labor relations as a significant factor that can affect our performance and any deterioration in our labor relations with employees could cause labor disputes, which could result in the disruption of operations.

In addition, labor costs in regions where we operate have been increasing in recent years and may potentially continue increasing. As such, we may have to increase our total compensation to attract and retain the experienced professionals required to achieve our business objectives. However, these increased costs might not be able to be passed onto customers by increasing the selling prices of our solutions in light of market competition. In such circumstances, our profit margin may decrease, which could have an adverse effect on our business, financial condition and prospects.

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## RISK FACTORS

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**We may be involved in lawsuits, claims, regulatory investigations or legal proceedings and commercial or contractual disputes in our ordinary course of business, which could materially and adversely affect our reputation, business, financial condition and prospects.**

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business. We cannot guarantee that we will not be involved in various legal and other disputes in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to inquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management's attention from our core business. The disruption of our business due to judgment, arbitration and legal proceedings against us or adverse adjudications in proceedings against our Directors, senior management or key employees may materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

**If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdiction where we operate our business, results of operation and financial condition may be materially and adversely affected.**

We are required to obtain and maintain the requisite licenses and approvals required in jurisdictions where we operate our business. We cannot assure you that we can successfully update or renew the licenses or complete the filings required for our business in a timely manner or that these licenses or filings are sufficient to conduct all of our present or future business. Considerable uncertainties exist regarding the interpretation and implementation of existing and future laws, regulations and policies governing our business activities. We cannot assure you that we will not be found in violation of any future laws, regulations and policies or any of the laws, regulations and policies currently in effect due to changes in the relevant authorities' interpretation of these laws, regulations and policies. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings in the jurisdiction where we operate our business, we may be subject to various penalties, such as confiscation of the revenue that were generated, the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, results of operations and financial condition.

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## RISK FACTORS

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**Our insurance coverage may be inadequate to protect us from the liabilities we may incur or cover all of our potential costs, and as a result, our business, financial conditions and prospects may be materially and adversely affected should any such liability or losses arise.**

We maintain insurance coverage including property insurance and employer liability insurance. While we believe that the amount of our insurance coverage is in line with the customary standard in the industry and is adequate for our operations, it may not be adequate to fully compensate for all kinds of losses we may suffer in the future. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured information technology networks and systems could have a material adverse effect on our business, financial condition and prospects. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure or business operations, or any material litigation, our business, financial condition and prospects could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there can be no assurance that we will be able to successfully claim losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and prospects could be materially and adversely affected.

**We may be subject to penalties if any failure to register for and/or make adequate contributions to social insurance and housing provident fund for our employees as required by the PRC regulations.**

Pursuant to relevant PRC laws and regulations, employers are obligated to directly and duly contribute to the social insurance and housing provident fund for their employees. During the Track Record Period, we did not make social insurance and housing provident fund contributions for some of our employees in full and we engaged third-party agencies to pay social insurance premium and housing provident funds for certain of our employees. We estimate that the shortfall of our social insurance and housing provident funds payments in 2022, 2023, 2024 and six months ended June 30, 2025 amounted to approximately RMB19.7 million, RMB16.7 million, RMB14.1 million and RMB6.6 million, respectively. As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or

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## RISK FACTORS

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underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement.

Furthermore, the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "New Judicial Interpretation") was enacted by the Supreme People's Court on July 31, 2025 and effective as of September 1, 2025. According to the New Judicial Interpretation, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims. See "Regulatory Overview — Regulations Relating to Labor and Social Security" for details.

Given the above, we cannot assure you that we will not receive any complaint or demand for social insurance or housing provident fund contribution from our employees, or that the relevant PRC authorities will not require us to make additional social insurance and housing provident fund contributions. If such circumstances occur, our financial condition and results of operations may be adversely affected.

**Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties and to renew our leases could adversely affect our business.**

As of the Latest Practicable Date, we had not registered six of lease agreements with the relevant real estate administration bureaus in accordance with applicable laws and regulations in China. As of the Latest Practicable Date, four of our lease agreements had not been registered with relevant authorities primarily because the lessors are unwilling to cooperate with the procedures and we are in the process of registering the remaining lease agreement. As advised by our PRC Legal Advisor, the non-registration of lease agreements will not affect the validity of the lease agreements, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and we may be subject to a fine of between RMB1,000 and RMB10,000 for any delay in making registration for each of these lease agreements. The aggregate amount of maximum fine will be approximately RMB60.0 thousand. As of the Latest Practicable Date, we had not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities. Having considered the aggregate amount of maximum fines that may be imposed and the grace period that the relevant authorities would allow before imposition of such penalty, our Directors are of the view that such incidents would not have any material adverse effect on our business, financial position and results of operations.

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## RISK FACTORS

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Nevertheless, we cannot assure you that we will not receive any complaint, investigation, proceeding, fine or other penalties in respect of our non-registration of two of our lease agreements. If such circumstances occur, our financial condition and results of operations may be adversely affected.

In addition, we may not be able to successfully extend or renew our leases upon their expiration at commercially reasonable terms, or at all. Consequently, we may have to relocate our operations, which could disrupt our business activities and lead to relocation costs, negatively impacting our business, financial condition and results of operations. Furthermore, if a lease agreement is renewed at a rent substantially higher than the current rate, or currently existing favorable terms granted by the lessor are not extended, our business and prospects may be adversely affected. In addition, as our business continues to expand, we may encounter difficulties in finding suitable alternative locations for our facilities. Any failure in relocating our operations could have a detrimental effect on our business, financial condition and prospects.

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

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

In addition, we may acquire additional assets, technologies or businesses that are complementary to our existing business. Future acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could adversely affect our business. Acquired assets or businesses may not generate the financial or results of operations we expect. In addition, acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the incurrence of debt, the incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

Our failure to address these risks or other problems encountered in connection with our future acquisitions and investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and expenses and harm our business generally. If we use our equity securities to pay for acquisitions or investments, we may dilute the value of our Shares. If we borrow funds to finance acquisitions or investments, such debt instruments may contain restrictive covenants that could, among other things, restrict us from distributing dividends. Such acquisitions and investments may also lead to significant

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## RISK FACTORS

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amortization expenses related to intangible assets, impairment charges or write-offs. Moreover, the costs of identifying and consummating acquisitions may be significant. In addition to possible shareholders' approval, we may also have to obtain approvals and licenses from the government authorities for the acquisitions and comply with applicable laws and regulations, which could result in increased costs and delays.

**We are in the process of prudently expanding our international operations, which exposes us to significant regulatory, economic and political risks, the failure to handle which may adversely affect our business, results of operations and financial condition.**

We are in the process of prudently expand our operations and customer base worldwide. We may adapt to and develop strategies to address international markets but there is no guarantee that such efforts will have the desired effect. As a result, we may be required to devote significant management attention and financial resources worldwide. In connection with such expansion, we may face difficulties including increased competition, uncertain enforcement of our intellectual property rights, unfamiliar market conditions, credit and collectability risk on our trade receivables, and the complexity of compliance with Chinese and foreign laws and regulations, potential adverse movement of currency exchange rates, tariffs and trade barriers, a variety of regulatory or contractual limitations on our ability to operate, political risks and a geographically and culturally diverse workforce and customer base. Failure to overcome any of these difficulties could harm our business. In some cases, compliance with the laws and regulations of one country could violate the laws and regulations of another country. We cannot assure you that we are able to fully comply with the legal requirements of each foreign jurisdiction and successfully adapt our business models to local market conditions.

**We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws.**

We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws and regulations. We have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business. These interactions subject us to an increased level of compliance-related concerns. We have implemented policies and procedures designed to ensure compliance by us and our Directors, officers, employees, representatives, consultants, agents and business partners with laws and regulations. However, our policies and procedures may not be sufficient, and our directors, officers, employees, representatives, consultants, agents and business partners could engage in improper conduct for which we may be held responsible. Non-compliance with anti-corruption or anti-bribery and anti-money laundering laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, financial condition and prospects.

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## RISK FACTORS

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**Our business growth, financial condition and prospects may be affected by any future occurrence of force majeure events, changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.**

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

**Our business is subject to seasonality.**

During the Track Record Period, we typically recorded higher revenue and cost of sales in the second half of each year. See “Financial Information — Factors Affecting Our Results of Operations and Financial Condition.” The degree of seasonality may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict the level of demand with precision. If seasonal demand exceeds our expectation, we may not have sufficient capacity or arrange for timely delivery. If seasonal demand is lower than our expectation, we may face increased working capital and liquidity needs. Furthermore, our operating and financial results for an interim period may not be representative of our overall performance for a year. We expect to continue to experience seasonal fluctuations in our revenue, results of operations and financial condition, which could result in volatility and adversely affect the price of our H Shares.

**We have granted, and may continue to grant, certain awards under our share incentive plans, which may result in increased share-based payment expenses, affect our financial condition and results of operations, and potentially dilute the shareholding of our existing shareholders.**

We adopted share incentive plans including share-based payments for the benefit of our Directors and employees to incentivize and reward the eligible persons who have contributed to our success. In 2022, 2023, 2024 and six months ended June 30, 2025, we incurred share-based payment expenses of RMB9.8 million, RMB92.9 million, RMB2.8 million and RMB108.0 million, respectively. We believe the granting of share-based payments is of significant importance to our ability to attract and retain key personnel and employees. Nevertheless, share-based payment expenses would potentially dilute the shareholding of existing shareholders. We may continue to grant share-based payments to employees in the future. As a result, our share-based payment expenses may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules,

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## RISK FACTORS

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lock-up period, or other key terms applicable to the grants under the share incentive plan from time to time. If we choose to do so, we may experience a substantial change in our share-based payment expenses in the reporting periods following this offering.

### **RISKS RELATING TO DOING BUSINESS IN THE COUNTRY WHERE WE OPERATE**

#### **Changes in the economic, political, social or legal conditions or government policies in the country where we operate could affect our business, financial condition and prospects.**

Our business, financial condition and prospects may be influenced by the general political, economic, social and legal conditions in the country where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The industry in which we operate in general is affected by macro-economic factors, including international, national, regional and local economic conditions, consumer demand and discretionary spending. Any changes in these factors may have material and adverse effect on our business, financial condition and prospects.

#### **You may experience difficulties in effecting service of legal process or enforcing foreign judgments against us and our Directors and management.**

We are a company incorporated under the PRC laws and substantially all of our assets and subsidiaries are located in the PRC. Substantially all of our Directors and senior management resides within the PRC. The assets of these Directors and senior management also may be located within the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult. As a result, it may be difficult and time-consuming to effect service of process upon our Directors and senior management outside the PRC. In addition, investors may also experience difficulties in seeking recognition and enforcing foreign judgments in the PRC if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the listing of our Shares on the Stock Exchange, the holders of Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

#### **Governmental control over capital inflow/outflow, currency conversion and fluctuations in exchange rates may affect the value of your investment, result in investment losses, and limit our ability to utilize our cash effectively.**

The Renminbi is not currently a freely convertible currency. We receive all of our payments from customers in Renminbi and may need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our Shares. Under the Chinese

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## RISK FACTORS

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existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from SAFE or its local branches by complying with certain procedural requirements. However, the Chinese government may take measures at its discretion in the future to restrict access to foreign currencies for current account transactions if foreign currencies become scarce in China. We may not be able to pay dividends in foreign currencies to our Shareholders if the Chinese government restricts access to foreign currencies for current account transactions. Foreign exchange transactions under our capital account continue to be subject to significant foreign exchange controls and require the approval of the SAFE or its local branches. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

Any significant revaluation of the Renminbi may materially and adversely affect our results of operations, cash flows and financial condition. The exchange rate of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the Chinese government and changes in China and in international political and economic conditions. Since 1994, the conversion of the Renminbi into foreign currencies, including U.S. dollars, has been based on rates set by the People's Bank of China, which are set daily based on the previous business day's interbank foreign exchange market rates and current exchange rates on the world financial markets. It is difficult to predict how market forces or government policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the PBOC regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rates and achieve policies goals.

There remains significant international pressure on the Chinese government to adopt a more flexible currency policy, which, together with domestic policy considerations, could result in appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or other foreign currencies. If the Renminbi appreciates against other currencies significantly, and as we need to convert and remit the proceeds from the Global Offering and future financing into the Renminbi for our operations, appreciation of the Renminbi against the relevant foreign currencies would reduce the Renminbi amount we would receive from the conversion. On the other hand, because the dividends on our Shares, if any, will be paid in Hong Kong dollars, any devaluation of the Renminbi against the Hong Kong dollar could reduce the amount of any cash dividends on our Shares in Hong Kong dollar terms. In addition, there are limited instruments available for us to reduce our exposure to foreign currency risk at reasonable costs. Any of the foregoing factors may materially and adversely affect our businesses, results of operations, financial condition and prospects.

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## RISK FACTORS

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**We are a mainland China enterprise and we are subject to mainland China tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to mainland China income taxes.**

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the mainland China and a non-mainland China investor's jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from mainland China sources payable to investors that are non-mainland China resident enterprises, which do not have an establishment or place of business in mainland China, or which have an establishment or place of business in mainland China if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% mainland China income tax rate if such gains are regarded as income from sources within mainland China unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within mainland China paid to foreign individual investors who are not mainland China residents are generally subject to a mainland China withholding tax at a rate of 20% and gains from mainland China sources realized by such investors on the transfer of shares are generally subject to a 20% mainland China income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in mainland China. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-mainland China resident individual holders of H Shares are generally subject to individual income tax of mainland China at the withholding tax rate of 10%, in which the non-mainland China resident individual holder of H Shares resides as well as the tax arrangement between mainland China and Hong Kong. Non-mainland China resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of mainland China and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限

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## RISK FACTORS

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售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-mainland China resident individuals on the sale of shares of mainland China resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-mainland China resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

**Policies on foreign investment in the PRC may adversely affect our business and results of operations.**

The investment activities of foreign investors in the PRC are subject to certain regulations regarding the industry participated and imposed to additional verification procedures by certain authorities. The Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》), the “**Negative List**”) issued by the NDRC and MOFCOM, which set out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment. The Negative List covers 11 industries, and any field not covered by the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. As of the Latest Practicable Date, our main business in China does not fall within the Negative List. However, certain industries are specifically prohibited for foreign investment, which may restrict us from entering into these industries afterwards.

**Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.**

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (Hui Fa [2012] No. 7), replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon the

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## RISK FACTORS

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completion of the Global Offering. Failure to complete SAFE registrations may subject them to fines, and legal sanctions. In light of the above, we cannot assure you that we will continuously adopt additional incentive plans for our directors, executive officers and employees under PRC law.

In addition, SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. We have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

### **RISKS RELATING TO THE GLOBAL OFFERING**

**There has been no prior public market for our H Shares, an active trading market for our H Shares may not develop following the Global Offering and the liquidity and market price of our H Shares may be volatile.**

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the Offer Price of our H Shares is expected to be fixed by agreement between the Overall Coordinators and us and may not be an indication of the market price of our H Shares following the completion of the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares could be materially and adversely affected. The price and trading volume of our H Shares may be highly volatile. Several factors, some of which are beyond our control, such as variations in our prospects, changes in our pricing policy, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in profit forecast or recommendations by financial analysts, changes in ratings by credit rating agencies, litigation or the removal of the restrictions on share transactions, could cause large and sudden changes to the volume and price at which our H Shares will trade. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility that is not related to the operating performance of any particular company.

**The liquidity, trading volume and market price of our Shares following the Global Offering may be volatile, which could result in substantial losses to investors.**

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the political uncertainties in Hong Kong and the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other

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## RISK FACTORS

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companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers and customers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

**Future sales or issuances or perceived sales or issuances or conversion of substantial amounts of our securities in the public market following the Global Offering, including any future public offering in China or conversion of our unlisted Shares into H Shares, could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.**

The price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution of their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

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

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## RISK FACTORS

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**You will incur immediate and significant dilution if the Offer Price of the Offer Shares is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.**

The Offer Price of the Offer Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets would be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

**We cannot assure you when, whether and in what form or size we will pay dividends in the future.**

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depends on various factors, including but not limited to our prospects, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or HKFRS (whichever is lower), our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. See "Financial Information — Dividends and Dividend Policy."

**Certain facts, forecasts and other statistics obtained from government publications contained in this prospectus may not be reliable in terms of accuracy, competence or reliance.**

Certain facts, forecasts and other statistics contained in this prospectus relating to China, the PRC economy and the industry in which we operate have been derived from various official government publications. We have taken reasonable care in the reproduction or extraction of the official government publications or other third-party reports for the purpose of disclosure in this prospectus, however, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Underwriters or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such information obtained from the official government publications, which may not be consistent with other information compiled within or outside the PRC. Further, there is

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## RISK FACTORS

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no assurance that the information obtained from the official government publications are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts.

**Forward-looking information in this document is subject to risks and uncertainties.**

This prospectus contains forward-looking statements and information relating to us and our operations and prospects that are based on our current beliefs and assumptions as well as information currently available to us. When used in this prospectus, the words “anticipate,” “believe,” “estimate,” “expect,” “plans,” “prospects,” “going forward,” “intend” and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and various assumptions, including the risk factors described in this prospectus. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this prospectus. Whether actual results will conform with our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. All forward looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

**You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media or research analyst reports regarding us, our business, or our industry Global Offering.**

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this Prospectus, there has been press and media coverage regarding us, our business, our industry and the Global Offering. There may be additional media coverage regarding us, our business, our industry and the Global Offering subsequent to the date of this Prospectus but prior to the completion of the Global Offering. Such press and media coverage may include references to certain information that does not appear in this Prospectus, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the Global Offering has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Prospectus, we disclaim responsibility for it, and you should not rely on such information.

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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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In preparation for the Global Offering, we have sought the following waivers from strict compliance with certain provisions of the Listing Rules.

### WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

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

Given that (i) our core business operations are principally located, managed and conducted in the PRC and the Company's head office is situated in the PRC; (ii) all of our executive Directors and senior management principally reside in the PRC and will continue to reside in the PRC; and (iii) the management and operation of our Group have mainly been under supervision of the executive Directors and senior management of our Company, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's business, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

- (a) **Authorized Representatives:** we have appointed Mr. Yang Lei (楊磊) and Dr. Li Qiang (李強) as the authorized representatives of our Company ("**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. The Authorized Representatives possess valid travel documents to visit Hong Kong and are able to renew such travel documents when they expire in order to visit Hong Kong. Our Company will provide contact details of the Authorized Representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any changes in Authorized Representatives. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See "Directors and Senior Management" for further biographical details of our Authorized Representatives;

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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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- (b) **Directors:** to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details of our Directors (i.e. mobile phone number, office phone number, email address and fax number (as applicable)). In the event that any of our Directors expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives, so that the Authorized Representatives would be able to contact all our Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact our Directors. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange; and
  
- (c) **Compliance Advisor:** we have appointed SPDB International Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as our additional channel of communication with the Stock Exchange during the period from the Listing Date to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the Listing. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as an additional channel of communication with the Stock Exchange when the Authorized Representatives are not available.

### WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our Company must appoint an individual, who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
  
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
  
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Dr. Li Qiang (李強) (“**Dr. Li**”) and Ms. Yeung Siu Wai Kitty (楊小慧) (“**Ms. Yeung**”) as the joint company secretaries of our Company. See “Directors and Senior Management — Joint Company Secretaries” for their biographies. Ms. Yeung is a chartered governance professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute, and therefore meets the qualification requirements under Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Accordingly, while Dr. Li does not possess the qualification required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules on the basis of the arrangements below:

- (a) Dr. Li will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Company’s Hong Kong legal advisor on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time;
- (b) Both Dr. Li and Ms. Yeung have confirmed that each of them will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of the company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;
- (c) Ms. Yeung will assist Dr. Li to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company;

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## WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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- (d) Dr. Li will communicate regularly with Ms. Yeung on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Ms. Yeung will work closely with, and provide assistance to, Dr. Li in the discharge of his duties as a company secretary, including organizing our Company's Board meetings and Shareholders' general meetings;
- (e) prior to the expiry of Dr. Li's initial term of appointment as the company secretary of our Company, we will evaluate his experience in order to determine if he has acquired the qualifications required under Rules 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Dr. Li's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules; and
- (f) the Company has appointed SPDB International Capital Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange (for a period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year after the Listing Date, or until the engagement is terminated, whichever is earlier) and provide professional guidance and advice to the Company (including Dr. Li) as to the compliance with the Listing Rules and all other applicable laws and regulations.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when (i) Dr. Li ceases to be assisted by a person with qualifications under Rules 3.28 and 8.17 of the Listing Rules, or (ii) if there are material breaches of the Listing Rules by us. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Dr. Li, having had the benefit of Ms. Yeung's assistance for three years, will have acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **DIRECTORS' RESPONSIBILITY STATEMENT**

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

### **FILING PROCEDURES WITH THE CSRC**

We filed with the CSRC for the application to list our H Shares on the Stock Exchange and the Global Offering on April 18, 2025. The CSRC subsequently confirmed our completion of filing application procedures on September 23, 2025. In completing such filing, the CSRC accepts no responsibility for our financial soundness, nor for the accuracy of any of the statements made or opinions expressed in this prospectus. No other filings are required to be completed before the listing of the H Shares on the Stock Exchange.

### **THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS**

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 1,331,600 H Shares and the International Offering of initially 25,300,400 H Shares (subject to reallocation on the basis referred to in the section headed “Structure and Conditions of the Global Offering”).

For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Joint Sponsors-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around October 24, 2025.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

For details of the structure of the Global Offering, including its conditions, please refer to the section headed “Structure and Conditions of the Global Offering” in this prospectus. For the procedures for applying for our H Shares, please refer to the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

### **INFORMATION ABOUT THIS PROSPECTUS**

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus set out the terms and conditions of the Hong Kong Public Offering.

### **INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES**

Our Company has applied for conversion of Unlisted Shares into H Shares, which involves 300,000,000 Shares held by all our existing Shareholders. See “History, Development and Corporate Structure” and “Share Capital” for details of our existing Shareholders and their respective interests in the Company and relevant procedures for the conversion of Unlisted Shares into H Shares. Such H Shares to be converted from Unlisted Shares (including the

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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Shares held by our Pre-IPO Investors) are restricted from trading for a period of one year after the Listing. The conversion of Unlisted Shares into H Shares has been approved by the CSRC on September 23, 2025 and is still subject to the approval by the Stock Exchange.

### **PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES**

The procedures for applying for the Hong Kong Offer Shares are set forth in the section headed “How to Apply for the Hong Kong Offer Shares”.

### **STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING**

Details of the structure of the Global Offering, including its conditions, are set out in the section headed “Structure and Conditions of the Global Offering”.

### **RESTRICTIONS ON OFFER AND SALE OF THE H SHARES**

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her/its acquisition of Offer Shares to, confirm that he/she/it is aware of the restrictions on offers and sales of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the PRC or the U.S.

Prospective applicants for the Offer Shares should consult their financial advisors and seek legal advice, as appropriate, to inform themselves of, and to observe, all applicable laws, rules and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should also inform themselves as to the relevant legal requirements and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE**

We have applied to the Stock Exchange for the approval for the listing of, and permission to deal in, (i) the H Shares to be issued pursuant to the Global Offering; and (ii) the H Shares to be converted from Unlisted Shares. Our Unlisted Shares may be converted to H Shares after obtaining the approval of the CSRC, details of which are set out in “Share Capital — Conversion of Unlisted Shares into H Shares”.

No part of our Company’s share capital or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future. All Offer Shares will be registered on our H Share Registrar in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the Global Offering, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

### **COMMENCEMENT OF DEALINGS IN THE H SHARES**

Dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. (Hong Kong time) on Tuesday, October 28, 2025. The H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares will be 1384.

### **H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

If the Stock Exchange grants the approval for the listing of, and permission to deal in, the H Shares and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the HKSCC Rules and HKSCC Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

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## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

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### **REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES**

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates (as such term is defined in the Listing Rules) of any of our Directors or any existing Shareholders or a nominee of any of the foregoing.

### **PROFESSIONAL TAX ADVICE RECOMMENDED**

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, and/or dealing in the H Shares or exercising any rights attached thereto. We emphasize that none of us, the Joint Sponsors, the Joint Sponsors-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attached to the H Shares.

### **H SHARE REGISTER OF MEMBERS AND STAMP DUTY**

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offering will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Our principal register of members will be maintained by us at our headquarter in the PRC.

Dealings in the H Shares registered on our H Share register of members will be subject to Hong Kong stamp duty. See “Statutory and General Information – D. Other Information – 11. Taxation of Holders of H Shares” in Appendix VI. For further details of Hong Kong stamp duty, please seek professional tax advice.

### **DIVIDENDS PAYABLE TO HOLDERS OF H SHARES**

Unless determined otherwise by the Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to the Shareholders as recorded on our H Share register of members in Hong Kong and sent by ordinary post, at the Shareholders’ risk, to the registered address of each Shareholder.

According to the Guide to the Program for “Full Circulation” of H shares promulgated by the Shenzhen subsidiary of CSDC on September 23, 2024, cash dividends to domestic investors of H-share “full circulation” shall be distributed through CSDC. An H-share listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen subsidiary of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

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## INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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### EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless otherwise specified, amounts denominated in Hong Kong dollars and Renminbi have been translated, for the purpose of illustration only, into U.S. dollars in this prospectus at the following exchange rates as of the Latest Practicable Date:

HK\$1.00: RMB0.91296

US\$1.00: RMB7.10480

US\$1.00: HK\$7.78216

No representation is made that any amounts in Renminbi, Hong Kong dollars or U.S. dollars can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

### ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have been rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables or charts may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart in this prospectus between totals and sums of amounts listed therein are due to rounding.

### LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this Prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English version of this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

The English names of companies incorporated in the PRC are translations from their Chinese names and included for identification purpose only.

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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*For further information on our Directors, see “Directors and Senior Management” of this prospectus.*

### DIRECTORS

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
<b>Executive Directors</b>		
Mr. Zhao Jiehui (趙杰輝)	Room 404, Building 34, Block 3 Liuxing Garden, Dongxiaokou Town Changping District Beijing, PRC	Chinese
Mr. Yang Lei (楊磊)	No. 16, Unit 1, No. 66 Panjiang South Road Xiaohe District Guiyang, PRC	Chinese
Dr. Li Qiang (李強)	Building 2232, Juyuan Road, Mingduyuan, Konggang Street Shunyi District Beijing, PRC	Chinese
Mr. Cao Lianfei (曹連飛)	Room 2803, Unit 2, Tower 8 No. 996, First Phase Huafu Avenue Tianfu New District Chengdu, PRC	Chinese
Ms. Shi Yi (石宜)	Room 0735, Building 2 South Station Future Area No. 1, Yuhong Street Industrial Avenue Panyu District Guangzhou, PRC	Chinese

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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<b>Name</b>	<b>Address</b>	<b>Nationality</b>
<b>Non-executive Director</b>		
Mr. Wang Zhenghao (王正浩)	Room 1605, Unit 1 Building 3, Block 2 Lianhuahe Hutong, Xicheng District Beijing, PRC	Chinese
<b>Independent non-executive Directors</b>		
Dr. Yang Hongxia (楊紅霞)	Room 701, Unit 1, Building 3 Changji Tingtang Residential Area No. 7 Xicun Team, Nantianju Haitang District Sanya, PRC	Chinese
Dr. Kong Xianguang (孔憲光)	Room 714, Unit 1, Building 57 Residential Compound North Campus Xidian University Xi'an, PRC	Chinese
Mr. Zhang Jielong (張杰龍)	Flat D, 22/F, Blk 27, Park Island 8 Pak Lai Rd, Ma Wan, NT Hong Kong	Chinese

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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### PARTIES INVOLVED IN THE GLOBAL OFFERING

#### Joint Sponsors

**CITIC Securities (Hong Kong) Limited**  
18/F, One Pacific Place  
88 Queensway  
Hong Kong

**CMBC International Capital Limited**  
45/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**Guotai Junan Capital Limited**  
27/F, Low Block  
Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

**SPDB International Capital Limited**  
33/F, SPD Bank Tower  
One Hennessy  
1 Hennessy Road  
Hong Kong

**BOCOM International (Asia) Limited**  
9th Floor, Man Yee Building  
68 Des Voeux Road Central  
Hong Kong

#### Joint Sponsor-Overall Coordinators, Overall Coordinators

**CLSA Limited**  
18/F, One Pacific Place  
88 Queensway  
Hong Kong

**CMBC Securities Company Limited**  
45/F, One Exchange Square  
8 Connaught Place  
Central  
Hong Kong

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**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

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**Guotai Junan Securities (Hong Kong)  
Limited**

27/F, Low Block  
Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

**SPDB International Capital Limited**

33/F, SPD Bank Tower  
One Hennessy  
1 Hennessy Road  
Hong Kong

**BOCOM International Securities Limited**

15th Floor, Man Yee Building  
68 Des Voeux Road Central  
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*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
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*As to PRC law and PRC data compliance  
law:*

**Haiwen & Partners**

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## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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and Underwriters**

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**Industry Consultant**

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**Receiving Bank**

**China CITIC Bank International Limited**  
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## CORPORATE INFORMATION

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<b>Registered Office</b>	Room 1001-1002, 10th Floor, Building 1 No. 62 Courtyard, Xueyuan South Road Haidian District Beijing, PRC
<b>Head Office and Principal Place of Business in the PRC</b>	Room 1001-1002, 10th Floor, Building 1 No. 62 Courtyard, Xueyuan South Road Haidian District Beijing, PRC
<b>Principal Place of Business in Hong Kong</b>	Room 1910, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
<b>Company's Website</b>	<u><a href="http://www.deepexi.com">www.deepexi.com</a></u> <i>(The information on the website does not form part of this prospectus)</i>
<b>Joint Company Secretaries</b>	<b>Dr. Li Qiang (李強)</b> Room 1001-1002, 10th Floor, Building 1 No. 62 Courtyard, Xueyuan South Road Haidian District Beijing, PRC  <b>Ms. Yeung Siu Wai Kitty (楊小慧)</b> <i>(ACG, HKACG)</i> Room 1910, 19/F, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
<b>Authorized Representatives</b>	<b>Mr. Yang Lei (楊磊)</b> Room 1001-1002, 10th Floor, Building 1 No. 62 Courtyard, Xueyuan South Road Haidian District Beijing, PRC  <b>Dr. Li Qiang (李強)</b> Room 1001-1002, 10th Floor, Building 1 No. 62 Courtyard, Xueyuan South Road Haidian District Beijing, PRC

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## CORPORATE INFORMATION

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<b>Audit Committee</b>	Mr. Zhang Jielong (張杰龍) ( <i>Chairman</i> ) Dr. Yang Hongxia (楊紅霞) Dr. Kong Xianguang (孔憲光)
<b>Remuneration and Appraisal Committee</b>	Dr. Kong Xianguang (孔憲光) ( <i>Chairman</i> ) Dr. Yang Hongxia (楊紅霞) Mr. Zhao Jiehui (趙杰輝)
<b>Nomination Committee</b>	Mr. Zhao Jiehui (趙杰輝) ( <i>Chairman</i> ) Mr. Yang Lei (楊磊) Dr. Yang Hongxia (楊紅霞) Dr. Kong Xianguang (孔憲光) Mr. Zhang Jielong (張杰龍)
<b>H Share Registrar</b>	<b>Tricor Investor Services Limited</b> 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
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## INDUSTRY OVERVIEW

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*Certain information and statistics set out in this section and elsewhere in this prospectus are derived from various government and other publicly available sources and from the market research report prepared by Frost & Sullivan. Frost & Sullivan is an independent industry consultant engaged by us, and we commissioned Frost & Sullivan to prepare a market research report. The information from official government sources has not been independently verified by our Company, the Joint Sponsors, the Joint Sponsors-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering, and no representation is given as to its accuracy.*

### OVERVIEW OF ENTERPRISE AI APPLICATION SOLUTION MARKET IN CHINA

#### Development of Enterprise AI Application Solution Market in China

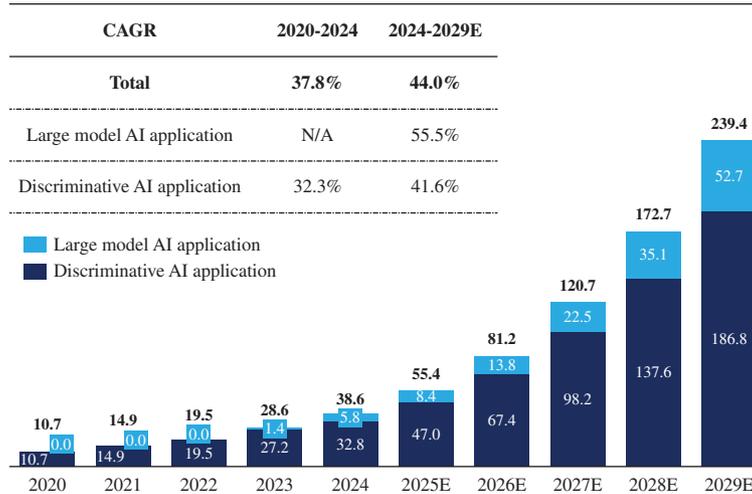
AI has undergone significant evolution since its inception, with continuous advancements expanding its capabilities — ranging from discriminative AI to large model AI, and from artificial narrow intelligence (ANI) to the emerging potential of artificial general intelligence (AGI) and the ultimate goal of artificial superintelligence (ASI). As AI becomes increasingly integrated into the workplace, it is reshaping industries, driving disruptive innovation, and realizing substantial productivity gains. In this context, AI application solutions have become vital tools for organizations of all sizes, helping them tackle unique challenges and achieve strategic objectives. Enterprise AI application solutions refer to a wide range of solutions that integrate AI algorithms into hardware, software and services that are provided to enterprises. Enterprise AI application solutions seamlessly integrate AI into enterprise systems, ensuring scalability and compatibility with existing infrastructure, while delivering tangible value through the resolution of complex, industry-specific problems and supporting long-term business growth.

Taking advantage of the proliferation of AI and the trend of ongoing digital transformation, the market size of enterprise AI application solution market, in terms of revenue, has grown from RMB10.7 billion in 2020 to RMB38.6 billion in 2024, representing a CAGR of 37.8% from 2020 to 2024. Looking forward, driven by wider adoption of enterprise AI application solutions across diverse industries and continual innovations in AI technologies, the market size of enterprise AI application solution market in China, in terms of revenue, is expected to reach RMB239.4 billion in 2029 with a CAGR of 44.0% from 2024 to 2029. The enterprise AI application solutions market in China remains relatively fragmented with over 200 market players in the market. The top five players collectively accounted for over 30% of the market by revenue in 2024, with each generating more than RMB1.0 billion in revenue. Our market share in 2024 in the enterprise AI application solutions market in China was 0.6%.

# INDUSTRY OVERVIEW

## Market size of enterprise AI application solution market in China, in terms of revenue

RMB Billion, 2020-2029E



Source: Desk research, National Bureau of Statistics, Frost & Sullivan

### Key Differences between Large Model AI and Discriminative AI

AI has undergone significant technological evolution over the decades, advancing through distinct phases — from early rule-based systems to discriminative AI powered by machine learning and deep learning, and now to large model AI, which leverages advanced foundation models alongside techniques such as fine-tuning and model distillation. As a result, enterprise AI application solutions can be further categorized into enterprise discriminative AI application solutions and enterprise large model AI application solution. While discriminative AI continues to widely adopted across many applications, large model AI is rapidly emerging as a transformative force with vast potential for enterprises. The key differences between large model AI application solution and traditional discriminative AI application solutions are set out below:

Feature	Large Model AI Application Solution	Traditional Discriminative AI Application Solutions
Key Function . . . . .	<ul style="list-style-type: none"> <li>• <b>Generative AI:</b> Perform a wide range of tasks, including generating original content such as text, images, video, audio, and software code, as well as handling text-based processing tasks like summarization, translation, and sentiment analysis in response to user prompts or requests</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on classifying data into predefined categories or predict numerical values based on input data, and primarily used for image and object detection, speech and audio processing and pattern recognition, among others</li> </ul>

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## INDUSTRY OVERVIEW

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Feature	Large Model AI Application Solution	Traditional Discriminative AI Application Solutions
	<ul style="list-style-type: none"> <li>• <b>Agentic AI:</b> Exhibit a level of autonomy, decision-making capability and adaptability that allows them to take actions and interact with various and changing situations for the given goals</li> </ul>	
Output . . . . .	<ul style="list-style-type: none"> <li>• Contents in different media forms, as well as actions in response to given tasks or external environments</li> </ul>	<ul style="list-style-type: none"> <li>• Often discrete labels (e.g., spam/not spam, cat/dog), numerical predictions (e.g., fraud possibility)</li> </ul>
Underlying algorithms . . . . .	<ul style="list-style-type: none"> <li>• Primarily based on Transformer architecture with billions of parameters, and reinforcement learning where a model make decisions by interacting with an environment to maximize cumulative rewards</li> </ul>	<ul style="list-style-type: none"> <li>• Often utilize various models like logistic regression, support vector machines, decision trees, random forests, and smaller neural networks</li> </ul>
Training data . . . . .	<ul style="list-style-type: none"> <li>• Massive amounts of unlabeled data especially in the pre-trained stage, and labeled data in the SFT stage</li> </ul>	<ul style="list-style-type: none"> <li>• Large amounts of labeled data where the correct output for each input is known</li> </ul>
Examples . . . . .	<ul style="list-style-type: none"> <li>• Text/image/audio/video/code generation tools and AI agents, among others</li> </ul>	<ul style="list-style-type: none"> <li>• Image recognition, audio processing and fraud detection, among others</li> </ul>

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## INDUSTRY OVERVIEW

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Feature	Large Model AI Application Solution	Traditional Discriminative AI Application Solutions
	<ul style="list-style-type: none"><li>Both of FastData enterprise data intelligence solution and FastAGI enterprise AI solution fall under large model AI application solution. FastData enterprise data intelligence solution prepares data for AI, delivering tokenized data output for training and fine-tuning large models and agentic AI applications. FastAGI enterprise AI solution acts as a one-stop solution enabling full processes from knowledge base development and model management to the incubation of AI agents, simplifying the complexities of AI deployment to empower enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity.</li></ul>	

### OVERVIEW OF ENTERPRISE LARGE MODEL AI APPLICATION SOLUTION MARKET IN CHINA

#### Development of Enterprise Large Model AI Application Solution Market in China

The development of large model AI has been one of the most significant advancements in artificial intelligence in recent years, revolutionizing how enterprises operate, innovate, and engage with customers. With the rise of models like GPT, BERT, and other Transformer-based architectures, large model AI application solution has emerged as powerful tools for enterprises of all sizes, driving transformation across enterprise operations and enhancing user experiences in diverse applications. In particular, large model AI application solution not only enables enterprises generate and process various types of content more efficiently, but also more importantly, empowers them to make better-informed and more impactful business decisions. While recognizing the transformative potential of large model AI, enterprises often face several challenges and pain points when considering the development and adoption of these applications:

- Lack of ready-to-use large model AI applications.*** Many enterprises, due to the novelty of large model AI, still lack readily available applications that are seamlessly integrated into their daily workflows. The incompatibility among

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## INDUSTRY OVERVIEW

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enterprise systems, foundation models and public knowledge capabilities creates integration challenges, which hampers their ability to realize the full potential of large model AI, preventing substantial improvements in operational efficiency and productivity.

- ***Challenges in adapting foundation models to meet specific enterprise needs.*** Foundation models lack the capability to comprehend and handle industry-specific, complex tasks. These foundation models can only provide enterprises with basic functions such as office collaboration and intelligent assistants. These functions offer limited added value and fail to address critical business needs, such as decision-making support and productivity tools, which are essential for corporate operations. To make these models relevant for a particular enterprise, it is crucial to integrate the enterprises' unique data and business logic into a cohesive framework, which must then be incorporated into the training process. This approach allows for the development of large model AI applications tailored to the enterprise, enabling them to accurately interpret and make data-driven decisions based on the enterprises' distinctive business logic and analysis. However, many enterprises struggle to fully leverage foundation models due to limitations in internal development resources and a shortage of AI talent specialized in large model AI, making it challenging to adapt these models to meet their specific needs.
- ***Unready data quality for enterprise large model AI application development.*** High-quality data is essential for transforming foundation models into enterprise large model AI applications. However, many enterprises face significant challenges in data governance often dealing with incomplete, non-standardized, and inaccurate data, preventing them from achieving effective, unified management of both structured and unstructured data. The inability to manage structured, semi-structured and unstructured data in a unified, high-quality manner hinders the provision of standardized, high-quality training corpora, creating substantial barriers to deploying agentic AI applications.
- ***Demand for optimized computing power infrastructure to support large model AI applications.*** To support the high computational requirement of large model AI applications, enterprises are driving demand for optimized computing power services that can enhance efficiency and reduce infrastructure costs.

In order to address the aforementioned pain points faced by enterprises during the development and adoption of large model AI technologies, enterprise large model AI application solution is offered. Enterprise large model AI application solution, as a subset of enterprise AI solutions, refer to applications built on large model AI capabilities, along with the supporting services necessary when delivering integrated large model AI solutions including model development services, data platform services, and computing power optimization services to help enterprises to better utilize enterprise large model AI applications to realize cost reduction and efficiency increases.

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## INDUSTRY OVERVIEW

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The benefits of these components of enterprise large model AI application solution are set out below:

- ***Enterprise large model AI applications.*** Large model AI applications are designed to seamlessly integrate into the daily workflows of enterprises, ensuring that enterprises can immediately benefit from AI-driven automation, decision-making, and content generation. By providing turnkey solutions that are pre-configured and easy to deploy, these applications reduce the complexity associated with large model AI adoption. Enterprises can quickly leverage large model AI's capabilities to improve operational efficiency and productivity without having to build everything from scratch.
- ***Model development services.*** Model development services specialize in fine-tuning and customizing foundation models to suit the unique requirements of an enterprise, ensuring that the AI is tailored to handle industry-specific tasks and leverage business logic. By integrating an enterprise's proprietary data and domain expertise into the training process, model development services can help create large model AI models that comprehend and process the complex, context-specific information that is crucial for the enterprise. Supervised Fine-Tuning (SFT) and reinforcement learning are two commonly used techniques in model development services. SFT adapts a pre-trained large model to a specific downstream task using labeled data. While it is a straightforward and effective method for aligning a foundation model with task-specific outputs, it often requires a substantial amount of labeled data and significant computational resources. Reinforcement learning is an interdisciplinary area of machine learning and optimal control concerned with how an intelligent agent should take actions in a dynamic environment in order to maximize a reward signal. It's often used when there is no direct labeling, and the model would explore to discover an optimal strategy.
- ***Data platform services.*** Data platform services provide solutions for data collection, storage, processing, and management, enabling enterprises to govern their data from multiple sources in a unified, high-quality manner. More importantly, data platform services play a crucial role in preparing data for large model AI model training by tokenizing the organized data. Tokenization involves breaking down the raw data into smaller, manageable units — tokens — that can be effectively processed by the AI model. These tokens represent discrete pieces of information, such as words, phrases, or symbols, which the model can comprehend and use to learn patterns, relationships, and context. By converting structured, unstructured and semi-structured data into tokens, data platforms ensure that the data is in a format that can be efficiently fed into the training process of enterprise large model AI applications. This step is essential for enabling the model to learn from vast amounts of diverse data, improving its ability to generate accurate and contextually relevant outputs in real-world applications.

## INDUSTRY OVERVIEW

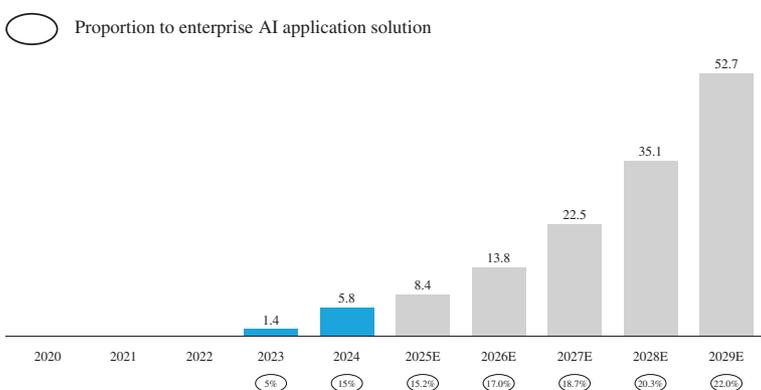
- Computing power optimization services.** Computing power optimization services enhance the efficiency of computing resources across diverse infrastructure, enabling enterprises to deploy large model AI applications more cost-efficient.

In 2024, the market size of enterprise large model AI application solution market in China, in terms of revenue, has reached RMB5.8 billion and is expected to reach RMB52.7 billion in 2029, growing with a CAGR of 55.5% from 2024 to 2029. The enterprise large model AI application market accounted for 15% of the overall enterprise AI application solution market in 2024 and is expected further to increase to 22% in 2029.

Market size of enterprise large model AI application solution market in China, in terms of revenue

RMB Billion, 2020-2029E

CAGR	2020-2024	2024-2029E
Total	N/A	55.5%



Source: Desk research, National Bureau of Statistics, Frost & Sullivan

### The State of Large Model AI and Its Progression from Generative AI to Agentic AI

The state of large model AI has evolved rapidly since its inception, with a clearer understanding emerging of its progression from generative AI to the more advanced concept of agentic AI. While both generative AI and agentic AI are built upon large model AI and represent advancements in the field, they diverge in their focus and application. Generative AI is designed to create content ranging from text and images, to codes, audio and even video by learning from vast amounts of data and applying that knowledge to generate new, original outputs that mimic human creativity. In contrast, agentic AI goes beyond content creation, and it is capable of making decisions, taking actions and adapting to changing environments, focusing on acting autonomously to achieve specific goals with minimal human intervention. Some further differences between generative AI and agentic AI are set out below:

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## INDUSTRY OVERVIEW

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Feature	Agentic AI	Generative AI
Key Function . . . . .	<ul style="list-style-type: none"> <li>Exhibit a level of autonomy, decision-making capability and adaptability that allows them to take actions and interact with various and changing situations for the given goals</li> </ul>	<ul style="list-style-type: none"> <li>Perform a wide range of tasks, including generating original content such as text, images, video, audio, and software code, as well as handling text-based processing tasks like summarization, translation, and sentiment analysis in response to user prompts or requests</li> </ul>
Output . . . . .	<ul style="list-style-type: none"> <li>Actions, decisions, task completion</li> </ul>	<ul style="list-style-type: none"> <li>Content such as text, images, audio, video and codes</li> </ul>
Example . . . . .	<ul style="list-style-type: none"> <li>AI agents</li> </ul>	<ul style="list-style-type: none"> <li>Chatbots, content generation tools and code generation tools, among others</li> </ul>
	<ul style="list-style-type: none"> <li>Both of FastData enterprise data intelligence solution and FastAGI enterprise AI solution fall under large model AI application solution. FastData enterprise data intelligence solution prepares data for AI, delivering tokenized data output for training and fine-tuning large models and agentic AI applications. FastAGI enterprise AI solution acts as a one-stop solution enabling full processes from knowledge base development and model management to the incubation of AI agents, simplifying the complexities of AI deployment to empower enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity.</li> </ul>	

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## INDUSTRY OVERVIEW

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Although still in its early stages, agentic AI represents a paradigm shift in the way artificial intelligence is conceptualized and applied. Unlike generative AI, which primarily produces content based on user prompts, agentic AI is capable of acting autonomously to achieve specific objectives within dynamic and evolving environments. As agentic AI continues to advance, it paves the way for the broader potential of artificial general intelligence (AGI), with the long-term vision of achieving artificial superintelligence (ASI), where AI could surpass human cognitive capabilities and operate with a level of intelligence that exceeds that of human beings. Solutions provided by leading market participants extends far beyond basic generative AI capabilities such as simple data retrieval, office collaboration and simple chatbots. They directly tackle core business challenges by providing decision-making support and productivity enhancement tools. By arming individual employees with an extensive knowledge pool that spans both enterprise-wide and industry-specific data, they aims to empower businesses to make better-informed, more impactful business decisions.

### **Drivers of Enterprise Large Model AI Application Solution Market in China**

- ***Open-source foundation models promote accessibility and cost efficiency.*** The widespread adoption of open-source foundation large models is accelerating the enterprise adoption of large model AI application solution by lowering technical barriers and costs. Open-source foundation models eliminate the need for enterprises to build models from scratch, allowing them to achieve rapid knowledge transfer and domain adaptation, which significantly shortens development cycles and enhances efficiency. Additionally, the collaborative nature of the open-source ecosystem fosters faster algorithmic iteration and continuous technological advancement, making large model AI solutions more accessible, particularly for small and medium-sized enterprises.
- ***Demand for intelligent solutions in industry-specific scenarios.*** As digital transformation accelerates, enterprises are progressively adopting intelligent solutions that are specifically tailored to the unique challenges of their industries. Large model AI application solution is seen as key to driving breakthroughs that streamline workflows and enhance overall efficiency within vertical markets, through, for example, replacing traditional office tools with more intelligent agents capable of advanced content generation and decision making, thereby positioning enterprises for greater agility and competitiveness.

### **Future Trends of Enterprise Large Model AI Application Solution Market in China**

- ***Development of agentic AI.*** Leveraging the advancements in large model technology, agentic AI envisions autonomous agents that can perform tasks with unparalleled consistency and reliability. These agents will function as adaptive, independent entities, making real-time decisions and employing context-sensitive strategies. Furthermore, agentic AI agents are anticipated to work in seamless collaboration with other AI systems, coordinating efforts to tackle increasingly complex tasks and drive broader objectives, thereby unlocking the full potential of enterprise large model AI application solution.

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## INDUSTRY OVERVIEW

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- **Expansion of application scenarios of large model AI.** As large-model AI technologies continue to mature and commercialize, enterprises are expected to increasingly adopt large model AI application solution to address a wide range of needs across various industries — from marketing and sales to areas such as R&D, finance, supply chain management, and beyond, which further drive the demand for enterprise large model AI application solution.
- **Global expansion.** Leveraging a mature domestic sales and service system, along with extensive technical implementation experience, Chinese enterprise large model AI application solution providers are accelerating their expansion into international markets. Chinese providers, with their expertise in complex scenarios and rapid iteration capabilities, are well-positioned to meet the growing need for scalable and efficient solutions in the global market. By integrating localized service networks with partner ecosystems, they can swiftly adapt to regional market demands, transforming proven domestic best practices into globally scalable deployment strategies and driving sustained overseas growth.

### Competitive Landscape of Enterprise Large Model AI Application Solution Market in China

The competitive landscape of the enterprise large model AI application solution market in China is relatively concentrated, with the top five providers accounting for 39.1% of the total market share in terms of revenue in 2024. There were approximately 100 market players in the enterprise large model AI application market in China.

We ranked fifth in China’s enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2% and is expected to reach 4.4% in 2025. Market share and ranking for China’s enterprise large model AI application solution market is based on revenue attributable to the enterprise large model AI application solution segment only.

Ranking of Top Enterprise Large Model AI Application Solution Providers in China			
Ranking	Company	Revenue (RMB Million, 2024)	Market Share (%, 2024)
1	Company A	640	11.0%
2	Company B	560	9.7%
3	Company C	420	7.3%
4	Company D	400	6.9%
5	The Company	243	4.2%

Source: Desk research, Expert interview, Frost & Sullivan

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## INDUSTRY OVERVIEW

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*Notes:*

- (1) Company A, founded in 2000 in Beijing, is a public company listed on both Hong Kong Stock Exchange and NASDAQ. Company A is an AI company that offers a wide range of products and services including mobile internet services, cloud services, intelligent driving and among others to both enterprise-grade customers and individual customers based on various monetization method such as project-based method or subscription-base method. Company A has less than 40 thousand employee as of December 31, 2024.
- (2) Company B, founded in 1999 in Hefei, is a public company listed on Shenzhen Stock Exchange. Company B is an AI company primarily adopting intelligent audio technology, which provides a wide range of services including intelligent education services, consumer services, smart city business, enterprise AI solutions and among others to both enterprise-grade customers and individual customers based on various monetization method such as project-based method or sales of products. Company B has approximately 5,000 employee as of December 31, 2024.
- (3) Company C, founded in 1999 in Hangzhou, is a public company listed on both the Hong Kong Stock Exchange and the New York Stock Exchange. Company C provides a wide range of services across cloud and AI services, logistics services, local lifestyle services, entertainment services, and e-commerce services to both enterprise-grade customers and individual customers based on a variety of monetization method such as project-based method or take rate-based method. Company C has less than 200 thousand employees as of December 31, 2024.
- (4) Company D, founded in 2014 in Hong Kong, is a public company listed on the Hong Kong Stock Exchange. Company D is an AI company primarily adopting computer vision technology, which primarily provides computer vision AI solutions, automobile solutions, computing infrastructure solutions and among others to enterprise-grade customers based on project-based monetization method. Company D has less than 5,000 employees as of December 31, 2024.

Labor expenses represent the Group's major cost component in China's enterprise large model AI application solutions market. Fluctuation of such expense is considered relatively stable, although salary growth has been slowing down in recent years due to a sluggish job market, it is expected to resume moderate growth in the future in line with the market recovery. The average annual urban salary for employees in private companies within China's information transmission, software, and IT services industry increased from RMB101.3 thousand in 2020 to RMB123.2 thousand in 2024, reflecting a CAGR of 5.0% from 2020 to 2024, and is expected to reach RMB144.5 thousand in 2029 with a CAGR of 4.1% from 2024 to 2029.

### **Entry Barriers of Enterprise Large Model AI Application Solution Market in China**

- ***Data capability.*** The data capability of large model AI application solution providers is fundamental to the development of large model AI application solution as these large model and applications rely heavily on vast amounts of diverse, high-quality data for training. Providers with advanced data capabilities — particularly in the integration of data with AI technologies — are able to handle complex tasks across various industries with greater accuracy, scalability, and relevance. Such capabilities not only enable more efficient data processing and model training but also ensure that the resulting solutions are adaptable to the unique needs of different sectors.

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## INDUSTRY OVERVIEW

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- **Engineering capability.** Engineering capability is a key success factor in the enterprise large model AI application market. It involves developing and deploying large model AI solutions within enterprise applications, including building strong technical frameworks, integrating complex systems, and ensuring continuous operation and maintenance tailored to industry-specific needs. Leading market players with strong engineering capabilities are better positioned to deliver customized, industry-specific solutions that meet enterprise requirements. In contrast, new entrants often lack mature technology frameworks and adaptive toolchains, making it difficult to meet the high standards of stability, security, and response speed demanded by enterprise customers. This results in longer product delivery cycles and higher failure rates, hindering newcomers from matching the technological maturity of established players in the short term.
- **Product capability.** Leading enterprise large model AI application solution providers continuously refine solution performance and expand functionalities by leveraging extensive customer feedback. Through ongoing updates and iterations, they develop more advanced large model AI application solution tailored to diverse industry-specific scenarios. In contrast, new entrants, lacking deep industry expertise, long-term technological accumulation, and real-world scenario validation, often struggle to support the complex business logic required by enterprises.
- **Industry know-how.** Leading enterprise large model AI application solution providers possess deep expertise in embedding business processes, understanding industry-specific logic, and adhering to compliance regulations. Through long-term collaboration with top industry clients, they build extensive knowledge bases that capture business rules and scenario constraints, refining them into optimization targets for large model AI application solution. In contrast, new entrants lacking industry know-how face prolonged development cycles from pilot to scale, struggling with both low customer trust and limited market presence.

### Threats and Challenges of Enterprise Large Model AI Application Solution Market in China

- **High computational costs.** Deploying large models require significant computational resources, including advanced GPUs and substantial energy consumption. Enterprises must carefully evaluate the costs of deploying large model AI application solution and be prepared for the high ongoing operational expenses involved. While leading solution providers can help improve computing efficiency through dedicated computing power platforms and optimized large model development solution, the significant computational demands may still pose a barrier to adoption for many organizations.

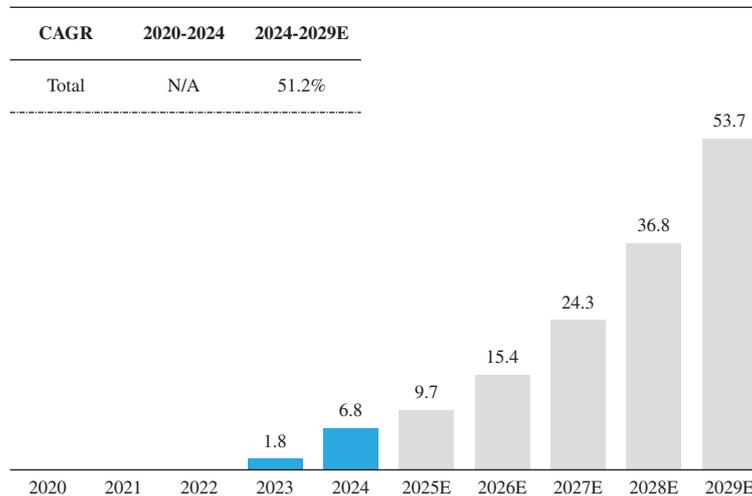
## INDUSTRY OVERVIEW

- Talent shortage.** The growing demand for specialized talent is becoming a key challenge in China’s enterprise large model AI solutions market, as effective development and deployment increasingly depend on cross-disciplinary professionals who combine deep expertise in large models with strong domain-specific knowledge. New entrants may find it difficult to compete with established players in attracting and retaining this highly sought-after talent.

### OVERVIEW OF OVERSEAS ENTERPRISE LARGE MODEL AI APPLICATION SOLUTION MARKET

The development of enterprise large model AI application solution market has been rapidly evolving on a global scale. Collaborations and knowledge exchanges between enterprises globally contribute to the flourishing overseas enterprise large model AI application solution market, addressing the need for global development and collaboration in the field of large model AI. The market size of the overseas enterprise large model AI application solution market excluding China, in terms of revenue, is expected to increase from USD6.8 billion in 2024 to USD53.7 billion in 2029 with a CAGR of 51.2% from 2024 to 2029.

Market size of overseas enterprise large model AI application solution market, in terms of revenue  
USD Billion, 2024-2029E



Source: Desk research, Frost & Sullivan

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## INDUSTRY OVERVIEW

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### SOURCE OF INFORMATION

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the markets in which we operate. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries. We have agreed to a total of RMB800 thousand in fees and expenses for the preparation and use of the Frost & Sullivan Report. The payment of such an amount was not contingent upon our successful Listing or on the results of the Frost & Sullivan Report. Apart from the Frost & Sullivan Report, we have not commissioned any other industry report in connection with the Global Offering.

We have extracted certain information from the Frost & Sullivan Report in this section, as well as in the sections headed “Summary,” “Risk Factors,” “Business,” “Financial Information” and elsewhere in this prospectus to provide our potential investors with a more comprehensive presentation of the industries in which we operate. Unless otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report, various official government publications and other publications. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan’s research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

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## REGULATORY OVERVIEW

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This section sets out an overview of the current laws and regulations applicable to the Group in the PRC that may materially affect the Group and its operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to the Group.

This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential investors.

### REGULATIONS AND POLICIES ON INFORMATION INDUSTRY

#### Policies on Artificial Intelligence

The Development Plan of New Generation Artificial Intelligence (《新一代人工智能發展規劃》) which was promulgated by the State Council on July 8, 2017 and came into effect on the same date, according to which, the State accelerates the cultivation of an artificial intelligence industry with a major leading role, promote the in-depth integration of artificial intelligence and various industrial fields, and form a data-driven, human-machine collaboration, cross border integration, and co-creation and sharing of intelligent economic forms. Data and knowledge have become the first element of economic growth, human-machine collaboration has become the mainstream mode of production and service, cross-border integration has become an important economic model, co-creation and sharing has become a basic feature of economic ecology, personalized demand and customization have become a new trend in consumption. Develop key basic software such as artificial intelligence-oriented operating systems, databases, middleware, and development tools, break through core hardware such as graphics processors, and study image recognition, speech recognition, machine translation, intelligent interaction, knowledge processing, control decision-making and other intelligent system solutions and cultivate and expand the basic software and hardware industries for artificial intelligence applications.

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

The Guidelines for the Construction of the National New Generation Artificial Intelligence Innovation and Development Pilot Zone (《國家新一代人工智能創新發展試驗區建設工作指引》), promulgated by Ministry of Science and Technology of the PRC on August 29, 2019, amended on September 29, 2020 and came into effect on the same date, underlines that an

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## REGULATORY OVERVIEW

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environment conducive to the innovation and development of artificial intelligence shall be created, as well as to promote the construction of artificial intelligence infrastructure and strengthen the conditional support for the innovation and development of artificial intelligence.

### **National Catalog for Guidance on Industrial Restructuring**

In accordance with the National Catalog for Guidance on Industrial Restructuring (2024 Version) (《產業結構調整指導目錄(2024年版)》) which was promulgated by the National Development and Reform Commission on December 27, 2023 and came into effect on February 1, 2024, big data, cloud computing, software and information technology service and blockchain information services within the extent permitted by PRC are under the encouraged category.

### **Outline of the 14th Five-Year Plan for National Economic and Social Development**

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and Outlines of Objectives in Perspective of the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), promulgated by the National People's Congress on March 11, 2021 and came into effect on the same date, points out the focus of key areas include high-end chips, operating systems, key artificial intelligence algorithms, sensors, and PRC shall speed up technology R&D, and make breakthroughs in basic theories, basic algorithms, and equipment materials.

### **Policies on the Software Industry**

The Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries (《進一步鼓勵軟件產業和集成電路產業發展若干政策》) which was promulgated by the State Council on January 28, 2011 and came into effect on the same date, specifies a series of policies on tax preference, promotion of investment and scientific research and talent support for the software industry.

## **REGULATIONS RELATING TO FOREIGN INVESTMENT**

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People's Congress of the PRC (全國人民代表大會常務委員會) (the "SCNPC") on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign investment in the PRC is subject to the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "Catalog"), amended on October 26, 2022 and effective since January 1, 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "Negative List"), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the National

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## REGULATORY OVERVIEW

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Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the “NDRC”) and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the “MOFCOM”). The Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged”, “restricted”, and “prohibited”. Industries not listed in the Catalog or the Negative List are generally deemed as falling into a fourth category, “permitted”, unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “FIL”), promulgated by the National People’s Congress (全國人民代表大會) on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “Implementation Regulations for FIL”), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

On December 30, 2019, the MOFCOM and State Administration for Market Regulation (國家市場監督管理總局) (the “SAMR”) promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the “Reporting Measures”), which came into effect on January 1, 2020. The Reporting Measures regulate information reporting relating to foreign investment in the PRC. Pursuant to the Reporting Measures, foreign investors and foreign-invested enterprises who directly or indirectly carry out investment activities in the PRC shall report investment information to the competent departments of commerce by submitting initial reports, change reports, cancellation reports and annual reports.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

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## REGULATORY OVERVIEW

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### REGULATIONS RELATING TO OVERSEAS LISTING

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) and five relevant guidelines, which became effective on March 31, 2023. Meanwhile, the Special Provisions of the State Council for the Share Offerings and Listings Overseas of Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Circular of the State Council Concerning Further Strengthening the Administration of Share Issuance and Listing Overseas (《國務院關於進一步加強在境外發行股票和上市管理的通知》), which were previously the main institutional basis for overseas offering and listing by domestic enterprises, were repealed on March 31, 2023.

According to the Overseas Listing Trial Measures, PRC domestic enterprises which seek to issue and list securities in overseas markets by direct or indirect means are required to complete the filing procedures with and submit relevant materials to the CSRC. The Overseas Listing Trial Measures provides that an overseas offering and listing is prohibited if there is one of the following circumstances: (i) the listing is specifically prohibited for financing purposes by laws, administrative regulations, or applicable requirements imposed by the State; (ii) the overseas offering and listing might endanger national security as reviewed and determined by competent authorities under the State Council in accordance with relevant laws; (iii) the domestic enterprise or its controlling shareholder(s) and de facto controller(s) have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy in recent three years; (iv) the domestic enterprise is currently under judicial investigations for suspicion of criminal offenses or materially breaching laws or regulations, where no definitive conclusions have been reached; or (v) there are material ownership disputes with respect to equity interests held by controlling shareholder(s) or equity interests held by other shareholders controlled by controlling shareholder(s) and/or de facto controller(s).

The Overseas Listing Trial Measures also provides that if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as an indirect overseas offering and listing by PRC domestic enterprises: (i) the amount of any of the operating revenue, total profit, total assets or net assets of the domestic enterprise represents over 50% of that of the relevant item in the issuer’s audited consolidated financial statements for the most recent fiscal year; and (ii) the main parts of the issuer’s business activities are conducted in mainland China, or its principal place of business is located in mainland China, or the majority of senior management in charge of its business operations and management are PRC citizens or have their usual place of residence located in mainland China. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as a change of control or voluntary or forced delisting of the issuer who has completed an overseas offering and listing.

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## REGULATORY OVERVIEW

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To enhance confidentiality and archive management for domestic enterprises' overseas offerings and listings, CSRC, the Ministry of Finance of the PRC (財政部), National Administration of State Secrets Protection (國家保密局), and National Archives Administration (國家檔案局) promulgated the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》(證監會公告[2023]44號)) on February 24, 2023, which came into effect on March 31, 2023, and at the same time, replaced the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (CSRC Announcement [2009] No. 29) (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》(證監會公告[2009]29號)). These provisions now cover domestic joint stock companies directly listing overseas and entities indirectly listing abroad. They outline procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration, in alignment with the Overseas Listing Trial Measures.

### **Regulations Relating to Foreign Investment in Value-Added Telecommunications Services**

Foreign direct investment in telecommunications companies in the PRC is regulated by the Regulations for Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "FITE Regulations"), which were promulgated by the State Council on December 11, 2001 and amended on September 10, 2008, February 6, 2016 and March 29, 2022. The FITE Regulations require foreign-invested telecommunications enterprises in the PRC to be established as sino-foreign joint ventures. Unless otherwise stipulated by the State, the equity interest acquired by the foreign investors in such enterprises shall not exceed 50%. In addition, the foreign investors of the enterprises engaged in value-added telecommunications services must satisfy a number of stringent performance and operational experience requirements, including demonstrating a track record and experience in operating such business. The enterprises that meet these requirements shall obtain approvals from the MIIT and the MOFCOM or their authorized local branches, before launching the value-added telecommunications business in the PRC. Moreover, pursuant to the Negative List, foreign equity in enterprises providing value-added telecommunications business shall not exceed 50%, but such stipulation is not applied to e-commerce, domestic multi-party communications, store-and-forward and call centers services.

However, the State Council promulgated the Decision of the State Council on Revising and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》) on March 29, 2022, according to which the FITE Regulations was amended and such amendment has come into effect on May 1, 2022 (the "New FITE Regulations"). The New FITE Regulations, except as otherwise provided, no longer require stringent performance and operational experience of the foreign investors in the enterprises providing value-added telecommunications services. The foreign-invested telecommunications enterprises shall obtain approvals from the MIIT or its authorized local branches prior to the commencement of the value-added telecommunications business in the PRC. In addition, the New FITE Regulations simplify the application process for telecommunication business operation licenses and shorten the review period.

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## REGULATORY OVERVIEW

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The Notice of the Ministry of Information Industry of the PRC (which is the predecessor of the “MIIT”) on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (《信息產業部關於加強外商投資經營增值電信業務管理的通知》) issued on July 13, 2006 requires foreign investors investing in and operating value-added telecommunications services in the PRC to set up foreign-invested enterprises and obtain licenses for such services. It prohibits domestic companies holding value-added telecommunications services licenses from leasing, transferring or selling their licenses in any form, or providing any resource, sites or facilities, to any foreign investors for their illegal operation of any telecommunications business in the PRC. In addition to restricting dealings with foreign investors, it contains a number of detailed requirements applicable to the operators of value-added telecommunications services, including that operators or their shareholders shall legally own the domain names and trademarks used in their daily operations and each operator must possess the necessary facilities for its approved business operations and maintain its facilities in the regions covered by its license.

According to the Notice of the MIIT regarding the Strengthening of Ongoing and Post Administration of Foreign-Invested Telecommunications Enterprises (《工業和信息化部關於加強外商投資電信企業事中事後監管的通知》) issued on October 15, 2020, the MIIT will no longer issue Examination Letter for Foreign Investment and Operation in Telecommunications Business (《外商投資經營電信業務審定意見書》). Foreign-invested enterprises would need to submit relevant foreign investment materials to the MIIT for obtainment or change of the licenses for operation of telecommunications business.

### **REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION**

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), which was adopted by the SCNPC on September 2, 1993, came into effect as of December 1, 1993, and last amended on April 23, 2019, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the PRC Anti-Unfair Competition Law in the production and operating activities. Pursuant to the PRC Anti-Unfair Competition Law, operators must abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the PRC Anti-Unfair Competition Law should bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

On February 7, 2021, the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) were promulgated by the Anti-Monopoly Commission of the State Council. These guidelines outline certain practices that may, if without justifiable reasons, constitute abuse of dominant position. The guidelines also expressly state that concentration involving variable interest entities will also be subject to antitrust filing requirements.

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## REGULATORY OVERVIEW

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On May 6, 2024, the SAMR issued Interim Provisions Against Unfair Competition in Cyberspace (《網絡反不正當競爭暫行規定》), which took effect on September 1, 2024. It provides a regulatory basis for preventing and curbing unfair competition acts in cyberspace, maintaining the market order of fair competition, encouraging innovation, protecting the legitimate rights and interests of business operators and consumers, and promoting the standardized, sustainable and sound development of the digital economy.

On June 24, 2022, the SCNPC adopted an amendment to the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》), which introduced a “safe harbor” for vertical monopoly agreements entered into by operators whose market share falls below a specific threshold to be set by the SAMR, granted the SAMR the power to suspend the review period in merger investigations under specified circumstances, allowed public prosecutors to bring a civil public interest lawsuit based on monopolistic behaviors, and significantly increased the penalties for violation of PRC Anti-Monopoly Law, among others. This amendment emphasized the enforcement of PRC Anti-Monopoly Law in the internet and other key industries.

The Provisions on the Review of Concentrations of Undertakings (《關於經營者集中申報標準的規定》) issued by the State Council on January 22, 2024 further clarified the factors that should be considered to determine whether an undertaking acquires control over, or may exercise decisive influence on, other undertakings.

### REGULATIONS RELATING TO CONSUMER PROTECTION

The Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》) (the “Consumer Protection Law”) was first promulgated by the SCNPC on October 31, 1993 and was last amended on October 25, 2013, effective on March 15, 2014. The Consumer Protection Law sets out the obligations of business operators and the rights and interests of consumers. Business operators must guarantee the quality, function, usage and term of validity of the goods or services they sell or provide, if these goods and services are consumed under normal standards. The consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online platforms may claim damages from the sellers or service providers. Online platform operators may be subject to liabilities if the lawful rights and interests of consumers are infringed in connection with consumers’ purchase of goods or acceptance of services on online platforms if the platform operators fail to provide consumers with authentic contact information of the sellers or service providers. The Implementation Rules of the Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法實施條例》) was promulgated by the State Council on March 15, 2024 and came into effect on July 1, 2024, according to which, if the business operators adopt automatic extension, automatic renewal, or other similar mechanisms in connection with the provisions of their services, the business operators must prominently draw the attention of the consumers before they accept the service and before the dates of automatic extension, automatic renewal, or effectiveness of other mechanisms. The business operators cannot send commercial information to consumers or make commercial telephone calls without the consent of the consumers. In the event that a consumer consents to receive commercial information and/or commercial telephone calls, the business operators must provide clear and convenient means of cancelation and must immediately stop these behaviors if the consumer chooses to cancel.

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## REGULATORY OVERVIEW

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### REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

On June 22, 2007, the MPS, National Administration of State Secrets Protection (國家保密局), State Council Information Office (abolished) and State Cryptography Administration (國家密碼管理局) issued the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》), which regulate that the security protection of an information system may be graded into five level. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures at the local public security organ at the level of city divided into districts or above. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures at the local public security organ at the level of municipality divided into districts or above.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》, the “**Cybersecurity Law**”), which became effective on June 1, 2017, pursuant to which, the state shall implement rules for graded protection of cybersecurity and the network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Network operators of critical information infrastructure shall store within the territory of the PRC all the personal information and important data collected and produced within the territory of PRC. Where such information and data need to be provided abroad for business purpose, security assessment shall be conducted pursuant to the measures developed by the national cyberspace administration together with competent departments of the State Council, unless otherwise provided for in laws and administrative regulations. The purchase of network products and services by the network operators of critical information infrastructure that may affect national security shall be subject to national security review.

On December 28, 2021, the Cyberspace Administration Of China (the “CAC”) together with 12 other authorities, jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “CAC Measures”), which took effect on February 15, 2022 and replaced its previous version promulgated on April 13, 2020. The CAC Measures provide that: (i) network platform operators that are engaged in data processing activities which have or may have an implication on national security shall undergo a cybersecurity review; (ii) network platform operators that master personal information of more than one million users and seek to list abroad (國外上市) shall file for a cybersecurity review with the Cybersecurity Review Office; (iii) critical information infrastructure operators purchasing network products and services, which affect or may affect national security, shall conduct a cybersecurity review as well. On March 26, 2025, we and our PRC Legal Advisor have conducted a real-name telephone consultation and communication with the competent regulatory authority, the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心, the “CCRC”), and CCRC has confirmed that a listing in Hong Kong does not fall within

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## REGULATORY OVERVIEW

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the scope of the term of “listing abroad (國外上市)” under the CAC Measures. Given that (i) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad (國外上市); (ii) as of the Latest Practicable Date, we had not been notified by any competent governmental authorities as a critical information infrastructure operator; and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, and the interpretation of activities that “affect or may affect national security” under the current PRC laws and regulations requires further clarification from the competent authorities, therefore, as advised by our PRC Legal Advisor, we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed Listing. However, as further advised by our PRC Legal Advisor, the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations, and we are suggested by our PRC Legal Advisor that we should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), the “**Data Security Law**”), which took effect in September 2021. The Data Security Law introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data activities which may affect national security. In addition, the Data Security Law provides that important data processors shall appoint a data security officer and establish a management department to take charge of data security, and such processors shall evaluate the risk of their data activities periodically and file assessment reports with the relevant regulatory authorities.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) which took effect on September 1, 2022. The Measures for the Security Assessment of Data Cross-border Transfer require that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》), or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the Measures for the Security Assessment of Data Cross-border Transfer, the New Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions set out scenarios under which certain obligations for the cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or obtaining the personal information protection certification. During the Track Record Period and up to the Latest Practicable Date, our daily business operations have not involved any transfer of important data or personal information to any overseas recipients.

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## REGULATORY OVERVIEW

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On September 24, 2024, the Cyber Data Security Regulations (《網絡數據安全管理條例》) was promulgated by the State Council and has come into effect on January 1, 2025. The Cyber Data Security Regulations is to implement general requirements on data security management from the Cybersecurity Law, the Data Security Law, as well as the Personal Information Protection Law, reiterating the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers' obligations.

On December 8, 2022, the MIIT promulgated the Measures for the Administration of Data Security in the Field of Industry and Information Technology (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. Data processors in the field of industry and information technology shall take the main responsibility for the security of data processing activities, implement hierarchical protection for various types of data, and where different levels of data are being processed at the same time and it is difficult to take separate protection measures, the protection shall be implemented in accordance with the requirements of the highest levels, to ensure that the data continues to be effectively protected and legally utilized.

### REGULATIONS ON PRIVACY PROTECTION

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), which was promulgated by the National People's Congress on May 28, 2020, and became effective on January 1, 2021, the personal information of a natural person shall be protected by law. Any organization or individual that needs to collect, use, process, transmit, offer, disclose the personal information of others shall do so in accordance with the law and ensure information security, and may neither illegally collect, use, process or transmit the personal information of others, nor illegally trade, provide or disclose the personal information of others. Anyone whose civil rights and civil interests, including personal information, are infringed upon shall have the right to seek tort liability against the infringer.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》, the "Personal Information Protection Law"), which took effect on November 1, 2021. The Personal Information Protection Law requires, among others, that (i) the processing (including the collection, storage, use, processing, transmission, provision, disclosure and deletion) of personal information shall be processed following the principles of lawfulness, legitimacy, necessity and good faith, and shall not be processed through misleading, fraudulent, coercive and other means, (ii) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Entities processing personal information bear responsibilities for their activities of processing personal information, and shall adopt necessary measures to safeguard the security of the personal information that they process.

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## REGULATORY OVERVIEW

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On November 3, 2022, the CAC, the MIIT, and the Ministry of Public Security issued Administrative Provisions on Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》), which took effect on January 10, 2023, impose obligations on providers, technology supporters and users of deep synthesis technology, including verification of user identity, implementing measures to protect data security and personal information, content moderation, labeling content generated using deep synthesis technology, and conducting security assessment and completing filings for provision of certain services.

On July 10, 2023, the CAC together with other relevant authorities, released the Interim Measures on the Administration of Generative AI Services (《生成式人工智能服務管理暫行辦法》), which came into effect on August 15, 2023 and mainly impose compliance requirements on providers of generative AI services. According to the Interim Measures on the Administration of Generative AI Services, individuals or organizations that provide generative AI services of text, image, audio, videos and other content shall be responsible as the producers of such network information content and as the personal information processors to protect any personal information involved. Providers of generative AI services shall enter into service agreements with users registering for their generative AI services and shall adopt effective measures to prevent minor users from over-relying or becoming addicted to generative AI services. In the event that illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including stopping the generation of such illegal content and suspending or terminating the provision of services, undergo rectifications, keep relevant records and report to the competent authority. Any provider of generative AI services with attribute of public opinions or capable of social mobilization shall conduct security assessment and complete certain filings procedures in accordance with the Administrative Provisions on Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》). Providers of generative AI services may be subject to penalties for non-compliance, including warning, public denouncement, rectification orders and suspension of the provision of relevant services.

On March 7, 2025, the CAC together with other relevant authorities issued Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成內容標識辦法》), which takes effect on September 1, 2025. According to the regulation, service providers are required to add explicit or implicit labels to generated synthetic content and take legal measures to regulate the dissemination of such content. When fulfilling procedures such as algorithm filing and security assessments, service providers shall provide materials related to the labeling of generated synthetic content in accordance with these regulations.

Our business includes FastData enterprise data intelligence solution and FastAGI enterprise AI solution, in particular, (i) the core capability of FastData enterprise data intelligence solution is to identify, parse, align and uniformly integrate and govern multi-modal data such as enterprise documents, images, spreadsheets, technical drawings and complex formulas, and output high-precision corpus format data, thereby supporting enterprise AI-specific model training and fine-tuning and multiple generative AI applications based on

## REGULATORY OVERVIEW

model reasoning. As advised by our PRC Legal Advisor, generative AI-related regulations do not apply to the solution. (ii) We are further advised by our PRC Legal Advisor that AI-related regulations are applicable to the FastAGI enterprise AI solution as follows:

Regulation name	Main requirements	Reasons for application to our business	Our compliance with regulatory requirements
<p>Interim Measures on the Administration of Generative AI Services (《生成式人工智能服務管理暫行辦法》) . . . . .</p>	<p>If a provider of generative AI services identify illegal content or users utilizing the services for illegal activities, it shall take measures such as stopping the generation, suspending or terminating the provision of services to such users, carry out rectification, keep relevant records, and report to the relevant competent authorities.</p> <p>Providers offering generative AI services with public opinion attributes or social mobilization capabilities shall carry out security assessments in accordance with the Administrative Provisions on Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》) and complete the corresponding filing procedures.</p> <p>Providers shall formulate clear, specific and operable labeling rules, carry out data labeling quality assessments and sampling to verify the accuracy of labeled content, provide necessary training to labeling personnel to enhance their awareness of law compliance, and supervise and guide labeling personnel in carrying out labeling work in accordance with regulations and rules.</p>	<p>The Interim Measures on the Administration of Generative AI Services applies to services that use generative AI technology to provide content such as text, images, audio and video to the public in the People’s Republic of China. The FastAGI enterprise AI solution provides operational agent, productivity agent and workflow execution agent, supporting intelligent operational decision-making based on data analysis, inference of complex business knowledge and logic, and flexible and autonomous integration with enterprise operations. Such solution provides services for generating content such as text, images, audio and video to the public, therefore the Measures is applicable.</p>	<p>We have been conducting content vetting, including manual and machine review of the input data and generated or synthesized results of users and timely dispose the illegal and harmful information in these data and results. Besides, we have formulated a corresponding reward and punishment system and have included the relevant content in the user agreement.</p> <p>We have carried out security assessments for our products and solutions and completed the filing for generative AI.</p> <p>We have formulated corresponding labeling rules and acceptance criteria, carried out data labeling quality assessments and sampling, specified the qualification requirements for the labeling personnel, and provided necessary training to its labeling personnel.</p>

## REGULATORY OVERVIEW

Regulation name	Main requirements	Reasons for application to our business	Our compliance with regulatory requirements
Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成內容標識辦法》) . . . . .	<p>Service providers shall add the explicit or implicit identifications in the generated and synthesized content.</p> <p>Service providers shall clearly explain the methods and styles of identifying generated and synthesized content in their user service agreements and remind users to carefully read and understand the relevant identification management requirements.</p> <p>If a user requests a service provider to provide generated and synthesized content without adding an explicit identification, the service provider may, after clearly defining the user’s identification obligations and usage responsibilities through the user agreement, provide generated and synthesized content without explicit identification and keep relevant logs such as the information of the provided object for no less than six months according to law.</p> <p>When performing procedures such as algorithm filing and security assessment, service providers shall label relevant materials in accordance with the generated and synthesized content they provide.</p>	<p>The Measures for the Identification of AI-Generated and Synthesized Content applies to the identification activities of AI-generated and synthesized content conducted by network information service providers, and we carry out identification activities through FastAGI enterprise AI solution, therefore the Measures is applicable.</p>	<p>We have added explicit or implicit identifications in the generated and synthesized content.</p> <p>We have reflected the relevant requirements in the user agreement.</p> <p>For generated and synthesized content with explicit identifications, we will keep relevant logs such as the information of the provided objects for no less than six months.</p> <p>We have provided the corresponding materials as required.</p>

## REGULATORY OVERVIEW

Regulation name	Main requirements	Reasons for application to our business	Our compliance with regulatory requirements
Administrative Provisions on Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》) . . . . .	Providers of deep synthesis services shall, in accordance with the law, verify the real identity information of users of deep synthesis services based on mobile phone numbers, ID card numbers, unified social credit codes or national network identity authentication public services, and shall not provide information release services to users of deep synthesis services who have not undergone real identity information verification.  Providers shall label content generated using deep synthesis technology.  Providers of deep synthesis services with public opinion attributes or social mobilization capabilities shall go through the filing procedures.	The Administrative Provisions on Deep Synthesis of Internet-based Information Services applies to the provision of Internet information services by applying deep synthesis technology, and our business falls under the category of providing Internet-based information services by applying deep synthesis technology, therefore the Provisions is applicable.	We have conducted real identity verification as required and have not provided information release services to users of deep synthesis services who have not undergone identity information verification.  We have labeled content generated using deep synthesis technology.  We have completed the filing of the Internet-based information algorithm.

We are advised by our PRC Legal Advisor that (i) we have completed the required filing under the Administrative Provisions on Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》), the “Administrative Provisions”) and have complied with the Administrative Provisions in all material aspects, and (ii) we have complied with all applicable AI-related regulations in all material aspects.

### REGULATIONS RELATING TO INTELLECTUAL PROPERTY

#### Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern trademark registration, protection, and usage in China. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the “first-to-file” principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the China National Intellectual Property Administration (國家知識產權局) (the “NIPA”).

Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension. The Trademark Office announces trademarks eligible for renewal. Trademark

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## REGULATORY OVERVIEW

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registrants can authorize others via licensing contracts, but licensing details must be filed with the Trademark Office. Failure to file won't affect bona fide third parties. Quality supervision is the licensor's responsibility, and licensees must maintain product quality when using the registered trademark.

### Patent

The Patent Law of the PRC (《中華人民共和國專利法》) and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions.

The Patent Law and its Implementation Rules recognize three patent types: “invention,” “utility model” and “design.” Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new aesthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

China follows the “first to file” principle, granting patents to the earliest applicant for the same invention. Patentable inventions or utility models must be novel, inventive, and practical. Patent holders' rights are legally protected, allowing others to use the patent only with proper authorization. Unauthorized use constitutes patent infringement unless specified by law.

### Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and effective on March 1, 2013, works of PRC citizens, legal entities or unincorporated organizations, whether published or not, shall enjoy copyright. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, including written works, oral works, photographic works, video and audio works, and computer software. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

In accordance with the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, with the latest revision effective on March 1, 2013, Chinese citizen, legal person or other organization is entitled under the copyright of the software he/it has developed, including

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## REGULATORY OVERVIEW

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the right of publication, right of acknowledgment, right of alteration, right of reproduction, right of distribution, right of leasing, right of dissemination, right of translation and other rights that software copyright owners shall have, regardless of whether such software has been published.

In accordance with the Measures for Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on April 6, 1992 and last amended on February 20, 2002, with the latest revision effective on the same date, software copyrights, exclusive software copyright licensing contracts and transfer contracts shall be registered, and the National Copyright Administration shall be the competent authority for the administration of software copyright registration and has certified the China Copyright Protection Center as the institution responsible for software registration. Applications that comply with the rules shall be granted registration, and a corresponding registration certificate shall be issued by the China Copyright Protection Center.

### **Domain Name**

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 (effective from November 1, 2017), and the Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》) released by the China Internet Network Information Center on June 18, 2019 (effective on the same day), domain name owners must register their domain names. The MIIT oversees China's Internet domain names, while provincial, autonomous region, and municipal telecommunications management bureaus are responsible for domain name services within their respective regions. Registration operates on a "first come, first file" basis. Applicants must provide accurate information and enter registration agreements with domain name registration service providers. Upon completing the registration process, applicants become the domain name holders.

### **REGULATIONS RELATING TO PROPERTY LEASING**

Pursuant to the PRC Civil Code, a lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract. Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or

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## REGULATORY OVERVIEW

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county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

### REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

#### Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and conduct employees training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe workplace and sanitation conditions which are in compliance with applicable laws and regulations of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

#### Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity

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## REGULATORY OVERVIEW

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Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發<生育保險和職工基本醫療保險合併實施試點方案>的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the competent administrative department.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund payment and deposit registration in the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period. Those enterprises failing to process registration of provident fund accounts for their employees within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center will order such enterprises to pay up the amount within a prescribed period; if those enterprises still fail to comply with the regulations upon the expiration of the above-mentioned time limit, further application will be made to the People's Court for mandatory enforcement.

According to the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which was promulgated on July 31, 2025 and came into effect on September 1, 2025, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims.

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## REGULATORY OVERVIEW

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### REGULATIONS RELATING TO THE PRC TAX

#### Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective from January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

#### Income Tax Relating to Dividend Distribution

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and relevant protocols, which were promulgated by the SAT on August 21, 2006, came into effect on December 8, 2006, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in a PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, non-resident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

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## REGULATORY OVERVIEW

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### Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017 effective from the same date, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax (VAT). Unless otherwise provided, taxpayers engaged in provision of services and sales of intangible assets are subject to a tax rate of 6%.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]36號)) promulgated by the MOF and the SAT promulgated on March 23, 2016 and effective from May 1, 2016, and amended on July 11, 2017, December 25, 2017 and March 20, 2019, with the approval of the State Council, as of May 1, 2016, the pilot program of replacing business tax with VAT shall be implemented across the State, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT. According to the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (Cai Shui [2017] No. 37) (《關於簡併增值稅稅率有關政策的通知》(財稅[2017]37號)), announced by the MOF and the SAT on April 28, 2017, and effective from July 1, 2017, the structure of value-added tax rates will be simplified from July 1, 2017, and the 13% VAT rate will be canceled. The scope of goods with 11% tax rate and the provisions for deducting input tax are specified.

According to the Circular on Adjusting Value-added Tax Rates of Ministry of Finance and the State Administration of Taxation (Cai Shui [2018] No. 32) (《財政部、國家稅務總局關於調整增值稅稅率的通知》(財稅[2018]32號)) announced by the MOF and the SAT on April 4, 2018 and effective on May 1, 2018, from May 1, 2018, where a taxpayer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (Announcement of the Ministry of Finance of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39) (《關於深化增值稅改革有關政策的公告》(財政部、稅務總局、海關總署公告2019年第39號)) announced by the Ministry of Finance, the SAT, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.

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## REGULATORY OVERVIEW

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### REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on January 29, 1996 and was last amended on August 5, 2008. Pursuant to this regulation and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment insecurities outside China unless prior approval of the State Administration of Foreign Exchange (國家外匯管理局) (the “SAFE”) or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders’ meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

The Notice on Simplifying Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by SAFE on February 13, 2015 and was amended on December 30, 2019, allowing entities and individuals to apply for foreign exchange registrations through qualified banks. Under SAFE’s supervision, these banks can directly review applications. On March 30, 2015, SAFE released the Circular on Reforming Settlement Management of Foreign Capital in Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》). This circular mandates Discretionary Foreign Exchange Settlement for foreign-invested enterprises, enabling them to settle foreign exchange capital based on operational needs, subject to document verification. The circular emphasizes authentic and self-use principles within the enterprise’s scope, barring use for payments beyond business scope, securities investment (unless specified), Renminbi entrust loans, inter-enterprise borrowings, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

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## REGULATORY OVERVIEW

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The Circular of Further Improving and Adjusting the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步改進和調整直接投資外匯管理政策的通知》) (the “SAFE Circular 13”), which was promulgated on November 19, 2012 by the SAFE, became effective on December 17, 2012 and last amended on May 4, 2015, October 10, 2018 and December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the “SAFE Circular 16”), was promulgated by SAFE on June 9, 2016 and was amended on December 4, 2023. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years’ losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

The Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) was promulgated by the SAFE on October 23, 2019, and was amended on December 4, 2023. Among others, it allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated with effect from April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### OVERVIEW

We were founded by Mr. Zhao and Mr. Yang, our executive Directors, with our predecessor incorporated as a limited liability company in the PRC in 2018 under the name of Beijing Deepexi Technology Co., Ltd. (北京滴普科技有限公司) (“**Deepexi Limited**”), primarily engaged in delivering enterprise AI solutions, empowering enterprises to integrate their data, decisions and operations efficiently at scale. For biographical details of Mr. Zhao and Mr. Yang, see “Directors and Senior Management” in this prospectus. After years of development, despite the substantial scale of China’s enterprise AI application solution market, where we held a 0.6% market share in 2024, within the enterprise large model AI application segment which accounted for 15% of the overall enterprise AI application solution market in 2024, we ranked fifth in terms of revenue, with a market share of 4.2%. Our proprietary large model is the industry’s first general-purpose enterprise operational decision-making large model to complete dual regulatory filings for both deep synthesis algorithm and generative AI services, according to Frost & Sullivan.

From January 2019 to February 2025, we have completed several rounds of Pre-IPO Investments. On April 8, 2025, in anticipation of the proposed Listing, Deepexi Limited was converted from a limited liability company into a joint stock company with limited liabilities, and was renamed Deepexi Technology Co., Ltd. (滴普科技股份有限公司) (the “**Conversion**”).

### OUR KEY MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Milestone
2018 . . . . .	Deepexi Limited was incorporated under the laws of the PRC as a limited liability company.
2019 . . . . .	We launched our first commercialized products focusing on enterprise management and introduced FastData enterprise data intelligence solution.  We were accredited as “High-tech Enterprise” (高新技術企業) by Beijing Municipal Science & Technology Commission (北京市科學技術委員會), Beijing Municipal Finance Bureau (北京市財政局) and Beijing Municipal Tax Bureau of State Taxation Administration (國家稅務總局北京市稅務局).
2020 . . . . .	We were accredited as “Specialized and Innovative Small and Medium Sized Enterprise of Beijing Municipality” (北京市“專精特新”中小企業) by Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局).

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Year	Milestone
2021 . . . . .	We continually upgraded our FastData enterprise data intelligence solution, achieving broad commercialization.
2022 . . . . .	We have partnered with Chinese Software Developer Network (CSDN), a leading IT community in China, to create the <i>Deepnova</i> knowledge platform.
2023 . . . . .	We introduced the FastAGI enterprise AI solution.  Our Company was accredited as one of the unicorn enterprises by the Global Future Unicorn Index 2023 of Hurun Institute.
2024 . . . . .	We achieved broad commercialization of our FastAGI enterprise AI solution across multiple verticals.  We were awarded as one of the Forbes Top 50 AI Enterprises of China.  We were accredited as a National Specialized and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業) by Ministry of Industry and Information Technology (工業和信息化部).
2025 . . . . .	We were converted from a limited liability company into a joint stock company with limited liabilities, and was renamed Deepexi Technology Co., Ltd. (滴普科技股份有限公司).  Our proprietary large model is the industry’s first general-purpose enterprise operational decision-making large model to complete dual regulatory filings for both deep synthesis algorithm and generative AI services, according to Frost & Sullivan.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### OUR MAJOR SUBSIDIARY

As of the Latest Practicable Date, the following subsidiary made a material contribution to our results of operation during the Track Record Period:

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Date of incorporation</u>	<u>Shareholding</u>	<u>Principal business activities</u>
Guangzhou Deepexi . . . . .	PRC	June 11, 2019	100%	Provision of solution delivery services

### MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

#### 1. Establishment of our predecessor and early capital increase and transfer

Deepexi Limited was incorporated as a limited liability company under the laws of the PRC in 2018. As of November 9, 2018, the registered capital of Deepexi Limited was RMB20,000,000 and its shareholding structure was as follows:

<u>Name of Shareholder</u>	<u>Registered capital subscribed for</u>	<u>Approximate equity interest</u>
	<i>(RMB)</i>	<i>(%)</i>
Mr. Zhao . . . . .	7,750,000	38.75
Mr. Yang . . . . .	3,000,000	15.00
Deepexi Huachuang <sup>1</sup> . . . . .	6,850,000	34.25
Deepexi Huiying <sup>1</sup> . . . . .	2,400,000	12.00
<b>Total</b> . . . . .	<b><u>20,000,000</u></b>	<b><u>100.00</u></b>

*Note:*

1. Deepexi Huachuang and Deepexi Huiying are our current and former employee shareholding platforms controlled by Mr. Zhao.

#### 2. Pre-IPO Investments

From January 2019 to February 2025, we have completed several rounds of Pre-IPO Investments. See “— Pre-IPO Investments” in this section for subsequent shareholding changes resulting from the Pre-IPO Investments.

### 3. 2019 Restructuring and 2020 Restructuring

In September 2019, for the purpose of exploring possible financing and listing on overseas markets, as discussed among our then shareholders including our overseas investors, we decided to conduct a series of restructurings (the “**2019 Restructuring**”) to establish an offshore holding company structure, pursuant to which Deepexi Global Inc. (“**Deepexi Cayman**”) was incorporated to issue shares or equity-related instruments to our then Pre-IPO Investors to mirror their investments in Deepexi Limited as well as to engage in Series A Investments and Series A+ Investments. See “— Pre-IPO Investments” for details. We also adopted a VIE structure (the “**2019 Contractual Arrangements**”), pursuant to which we were able to, through Deepexi Cayman (through its wholly-owned subsidiaries Deepexi Global Limited (“**Deepexi HK**”) and Beijing Kuntao Technology Co., Ltd. (北京坤濤科技有限公司) (“**Beijing Kuntao**”)), exercise control over and enjoy all the economic benefits to be derived from the operations of our business in the PRC.

After the adoption of the 2019 Contractual Arrangements, we had not made decisions to expand our business scope and did not engage in any foreign investment restricted or prohibited business. As advised by our PRC Legal Advisor, our businesses are not subject to foreign investments restrictions under the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the NDRC and the MOFCOM. In 2020, as discussed among our then shareholders and us, in anticipation of potential domestic financings and the proposed Listing, we decided to conduct a series of recapitalization to re-integrate our businesses into Deepexi Limited and terminate the 2019 Contractual Arrangements (the “**2020 Restructuring**”). After completion of the 2020 Restructuring, including termination of the 2019 Contractual Arrangements, our Company became the holding company of all operating entities of our Group, and the investments from our then Pre-IPO Investors in Deepexi Cayman have been reflected in our Company. Subsequently, Deepexi Cayman, Deepexi HK and Beijing Kuntao were deregistered.

Each of the 2019 Restructuring and 2020 Restructuring is merely recapitalization of Deepexi Limited and Deepexi Cayman without change in the ownership of our Group’s business before and after the 2019 Restructuring and the 2020 Restructuring. No listing application was made by us to any other stock exchange prior to our proposed Listing on the Stock Exchange. Our PRC Legal Advisor has confirmed that the aforesaid 2019 Restructuring and 2020 Restructuring have been legally completed and we obtained the requisite legal approvals from the PRC competent authorities or made all necessary registration or filings with the relevant local branch of the State Administration for Market Regulation (國家市場監督管理總局) in all material respects. The 2019 Contractual Arrangements has been effectively unwound as of December 23, 2020.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### 4. The Conversion

In anticipation of the proposed Listing, pursuant to shareholders' resolutions and a promoters' agreement dated March 14, 2025 entered into by all our existing Shareholders, on April 8, 2025, our Company was converted from a limited liability company to a joint stock company with limited liability and was renamed Deepexi Technology Co., Ltd. (滴普科技股份有限公司). Upon completion of the Conversion, the total issued share capital of our Company was 300,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all our existing Shareholders in proportion to their respective interests in Deepexi Limited before the Conversion. For details of our shareholding structure, see "Capitalization of our Company" in this section.

### TERMINATION OF EXISTING WVR STRUCTURE UPON LISTING

Pursuant to the Existing WVR Structure adopted by our Company on November 7, 2020, each of the Shares held by Mr. Zhao and Mr. Yang was entitled to five votes, while each of the remaining Shares held by other Shareholders was entitled to one vote.

In anticipation of the proposed Global Offering and in order to comply with relevant requirements of the Listing Rules, on April 9, 2025, the Shareholders of our Company entered into a supplemental agreement to the shareholders' agreement to, among others, terminate the Existing WVR Structure on the day immediately preceding the date of the Listing. In addition, the Articles of Association which do not contain weighted voting rights structure was adopted and will become effective upon the Listing Date. Therefore, our Company will not have any weighted voting right arrangements or structure as defined under Rule 8A.02 of the Listing Rules upon Listing.

### OUR EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Deepexi Huachuang and Deepexi Huaying were established as our employee shareholding platforms in the PRC, and our Company has adopted two employee incentive schemes (the "**Employee Incentive Schemes**") with similar terms and conditions. The Employee Incentive Scheme in relation to Deepexi Huachuang was adopted on July 8, 2021 and amended on December 7, 2023, by a resolution of our Shareholders, respectively. The Employee Incentive Scheme in relation to Deepexi Huaying was adopted on December 7, 2023 by a resolution of our Shareholders.

In accordance with the terms of the Employee Incentive Schemes and the grant agreements, eligible participants and grantees (the "**Participants**"), including the founders of the Company, senior management, core technological and business employees and other employees of the Group as the Board deems appropriate, shall subscribe for limited partnership interests in the Company's employee shareholding platforms (or in their limited partners), and make corresponding contribution according to the amount and grant approved by the Board, thereby holding indirect interest in the Shares. Except as approved by the Board or otherwise

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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stipulated by the terms of the Employee Incentive Schemes, the Participants could not transfer their direct or indirect interests in the Employee Shareholding Platforms before the Listing. In addition, the underlying Shares held by the Participants who are not certain members of the founders group as specified in the Employee Incentive Schemes are subject to a lock-up period starting from the grant date till 3 years after the Listing Date to dispose of their limited partnership interests. The Participants shall be required to withdraw from the Employee Incentive Schemes due to death or termination of employment pursuant to the terms of the Employee Incentive Scheme.

As of the Latest Practicable Date, all of the awards underlying an aggregate of 43,663,800 Shares of the Company under the Employee Incentive Schemes have been granted and vested, and, as a result, the grantees held the limited partnership interests in our employee shareholding platforms.

Pursuant to the relevant partnership agreements, the general partners are responsible for the management and administration of the partnerships. The limited partners are not allowed to transfer their partnership interests to parties other than the existing partners unless otherwise agreed. The general partner of Deepexi Huachuang and Deepexi Huaying is Deepexi Huichuang, which is held as to 99% by Mr. Zhao and 1% by Mr. Cao Lianfei, our Director. Deepexi Huichuang held 1.03% and 0.39% partnership interests in Deepexi Huachuang and Deepexi Huaying, respectively.

The limited partners of Deepexi Huachuang are Mr. Zhao, who holds 18.30% of its partnership interest, Zhuhai Deepexi No. 1 Enterprise Management Consultancy Partnership (Limited Partnership) (珠海滴普壹企業管理諮詢合夥企業(有限合夥)) (“**Zhuhai Deepexi No. 1**”), which holds 77.59% of its partnership interests, Zhuhai Deepexi No. 2 Enterprise Management Consultancy Partnership (Limited Partnership) (珠海滴普貳企業管理諮詢合夥企業(有限合夥)) (“**Zhuhai Deepexi No. 2**”), which holds 2.09% of its partnership interests, and Zhuhai Deepexi No. 3 Enterprise Management Consultancy Partnership (Limited Partnership) (珠海滴普參企業管理諮詢合夥企業(有限合夥)) (“**Zhuhai Deepexi No. 3**”), which holds 0.99% of its partnership interests.

The general partner of Zhuhai Deepexi No. 1 is Mr. Zhao, who holds 3.11% of its partnership interests. The limited partners of Zhuhai Deepexi No. 1 are 40 employees of our Company, among whom, Mr. Yang, Dr. Li Qiang, Mr. Cao Lianfei and Ms. Shi Yi, our Directors, and Ms. Hong Le, a member of our senior management, hold 4.14%, 11.82%, 12.29%, 4.61%, 0.16% of its limited partnership interests, respectively, and the remaining 63.86% limited partnership interests are held by 35 employees who are not Directors or senior management of our Company. The general partner of Zhuhai Deepexi No. 2 is Mr. Zhao who holds 9.98% of its partnership interests, and the remaining 90.02% limited partnership interests are held by 41 employees who are not Directors or senior management of our Company. The general partner of Zhuhai Deepexi No. 3 is Mr. Zhao who holds 36.86% of its partnership interests, and the remaining 63.14% limited partnership interests are held by 35 employees who are not Directors or senior management of our Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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The limited partners of Deepexi Huaying are Zhuhai Deepexi No. 1, Zhuhai Deepexi No. 2 and Zhuhai Deepexi No. 3, and each of them holds 89.57%, 9.14% and 0.90% limited partnership interests of Deepexi Huaying, respectively.

### MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Save as disclosed above, since our establishment and up to the Latest Practicable Date, we had no major acquisitions, disposals or mergers.

### PRE-IPO INVESTMENTS

#### 1. Pre-IPO Investments before the 2019 Restructuring

##### (1) Series Angel Financing

In January 2019, Tianjin Dehui and Chuzhe Zhixin completed the subscription for the registered capital of our Company of RMB2,352,941 and RMB1,176,471 at the consideration of RMB10 million and RMB5 million, respectively. Upon completion of the subscription, the registered share capital of our Company increased from RMB20,000,000 to RMB23,529,412.

##### (2) Series Pre-A Financing

In March 2019, four investors completed the subscription for registered capital of our Company as set out below. Upon completion of the subscription, the registered share capital of our Company increased from RMB23,529,412 to RMB32,258,065.

<u>Name of Series Pre-A Investor</u>	<u>Registered capital subscribed for</u>	<u>Consideration</u>
	<i>(RMB)</i>	<i>(RMB million)</i>
Zhuhai Zhike . . . . .	4,838,710	30.0
Tianjin Dehui . . . . .	2,485,769	15.4
Chuzhe Zhixin . . . . .	436,432	2.7
Nanjing Suning Shunying Equity Investment Partnership (Limited Partnership) (南京蘇寧順 盈股權投資合夥企業(有限合夥)) (“Suning Shunying”) . . . . .	967,742	6.0
<b>Total . . . . .</b>	<b>8,728,653</b>	<b>54.1</b>

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### 2. Pre-IPO Investments in Deepexi Cayman

Following the 2019 Restructuring and prior to the 2020 Restructuring, several Pre-IPO Investors invested in Deepexi Cayman from September 2019 to May 2020, details of which are as follows:

#### (1) Series A Financing

On September 24, 2019, Deepexi Cayman and Deepexi Limited entered into certain agreements with the Series A Investors as set out below, pursuant to which the Series A Investors subscribed for Series A preferred shares, Series A warrants<sup>(1)</sup> and Series A convertible promissory note of Deepexi Cayman.

Name of Series A Investor	Nature of Interests	Number of Shares subscribed for/may be subscribed for	Consideration  (USD million)
Evolution Fund I, L.P. ("Evolution Fund") . . . . .	Series A Preferred Shares	7,231,767	8.7
Evolution Fund I Co-investment, L.P. ("Evolution Co-investment") . . . . .	Series A Preferred Shares	1,084,765	1.3
IDG CHINA Venture Capital Fund V L.P. ("IDG CHINA V") . . . . .	Series A Preferred Shares	6,294,617	7.57
IDG CHINA V INVESTORS L.P. ("IDG CHINA V INVESTORS") . . . . .	Series A Preferred Shares	358,609	0.43
BAI . . . . .	Series A Preferred Shares	1,663,306	2.0
Lighthouse . . . . .	Series A Preferred Shares	831,653	1.0
Beijing Gaoling Zhikun Enterprise Management Consultancy Center (Limited Partnership) (北京高瓴智坤企業管理 諮詢中心(有限合夥)) ("Beijing Zhikun") . . . . .	Series A Warrants	6,653,226	8.0

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Series A Investor	Nature of Interests	Number of Shares subscribed for/may be subscribed for	Consideration  (USD million)
Suning Shunying . . . . .	Series A Warrants	831,653	1.0
DDZ Investment, L.P. ("DDZ Investment") . . .	Series A Convertible Promissory Note <sup>(2)</sup>	1,663,306	2.0
<b>Total . . . . .</b>		<b>26,612,902</b>	<b>32.0</b>

*Notes:*

- (1) The Series A Warrants were terminated on December 16, 2020 in the 2020 Restructuring.
- (2) On April 17, 2020, DDZ Investment and DDZ Holdings issued a notice of conversion to Deepexi Cayman, pursuant to which (i) DDZ Investment transferred the Series A convertible promissory note it held in Deepexi Cayman to DDZ Holdings, and (ii) DDZ Holdings exercised its conversion rights to convert such convertible promissory note into 1,663,306 Series A Preferred Shares. On even date, DDZ Holdings entered into a joinder agreement with Deepexi Cayman, pursuant to which all the rights and obligations of DDZ Investment under the Series A Preferred Share Purchase Agreement dated September 24, 2019 was assumed by DDZ Holdings.

### (2) *Series A+ Financing*

On April 17, 2020, Deepexi Cayman and Deepexi Limited entered into a Series A+ Preferred Share Purchase Agreement with the Series A+ investors as set out below, pursuant to which the Series A+ Investors subscribed for Series A+ Preferred Shares of Deepexi Cayman.

Name of Series A+ Investor	Number of Shares subscribed for	Consideration  (USD million)
HH AUT-XV Holdings Limited . . . . .	6,336,406	10.0
CHH AUT-XV Holdings Limited . . . . .	3,168,203	5.0
BAI . . . . .	5,069,124	8.0
Evolution Fund . . . . .	2,986,375	4.71
Evolution Co-investment . . . . .	447,956	0.71
Lighthouse . . . . .	1,900,922	3.0
DDZ Holdings . . . . .	1,267,281	2.0
CMVC Fund . . . . .	1,900,922	3.0
IDG CHINA V . . . . .	1,498,718	2.37
IDG CHINA V INVESTORS . . . . .	85,383	0.13
Chuxin LLC . . . . .	950,461	1.5
<b>Total . . . . .</b>	<b>25,611,751</b>	<b>40.42</b>

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### 3. Changes in registered capital of Deepexi Limited

In March 2020, as part of the 2019 Restructuring, pursuant to the shareholders' resolutions dated January 1, 2020, Deepexi Limited reduced its registered capital from RMB32,258,065 to RMB20,000,000. Upon completion of such registered capital reduction, Zhuhai Zhike, Tianjin Dehui, Chuzhe Zhixin and Suning Shunying ceased to be shareholders of Deepexi Limited, while their investment interests in our Group were reflected in the shareholding of Deepexi Cayman instead. After several capital changes among Mr. Zhao, Mr. Yang and our employee shareholding platforms from June 2020 to November 2020 for the purpose of administrative management and business needs, the shareholding of Deepexi Limited was changed as follows:

Name of Shareholder	Registered capital subscribed for	Approximate equity interest
	(RMB)	(%)
Mr. Zhao . . . . .	9,000,000	38.75
Mr. Yang . . . . .	3,483,871	15.0
Deepexi Huachuang . . . . .	7,954,839	34.25
Deepexi Huiying . . . . .	2,787,097	12.0
<b>Total . . . . .</b>	<b>23,225,807</b>	<b>100.0</b>

### 4. Subscription of Shares in our Company during the 2020 Restructuring

As part of the 2020 Restructuring, from December 2020 to March 2021, Series Angel Investors, Series Pre-A Investors, Series A Investors (reclassified as Series A1 Investors) and Series A+ Investors (reclassified as Series A2 Investors), through their investment entities, completed the subscription for the registered capital of Deepexi Limited reflecting their respective investment in Deepexi Cayman before the 2020 Restructuring. In addition, as part of the 2020 Restructuring, all agreements and arrangements at Deepexi Cayman level with then Pre-IPO Investors had been terminated.

Upon completion of the above subscriptions, the registered capital of our Company increased from RMB23,225,807 to RMB54,414,636, and the shareholding of our Company was as follows:

Name of Shareholder	Registered capital subscribed for	Approximate equity interest
	(RMB)	(%)
Mr. Zhao <sup>(1)</sup> . . . . .	11,117,742	20.43
Mr. Yang <sup>(1)</sup> . . . . .	3,000,000	5.51
Deepexi Huachuang <sup>(1)</sup> . . . . .	9,108,065	16.74
Tianjin Dehui . . . . .	4,838,710	8.89

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholder	Registered capital subscribed for	Approximate equity interest
	(RMB)	(%)
Beijing Gaoling Zhipu Enterprise Management Consultancy Center (Limited Partnership) (北京高瓴智普企業管理諮詢中心(有限合夥)) (“ <b>Beijing Zhipu</b> ”) . . . . .	4,838,710	8.89
5Y Evolution Holding II . . . . .	3,916,955	7.20
Pleasure Focus . . . . .	2,745,776	5.05
BAI . . . . .	2,244,143	4.12
Beijing Zhikun . . . . .	2,217,742	4.08
HH AUT . . . . .	2,112,135	3.88
Ruihui Haina <sup>(2)</sup> . . . . .	1,522,545	2.80
Chuzhe Zhixin . . . . .	1,296,083	2.38
Suning Shunying . . . . .	1,244,960	2.29
CHH AUT . . . . .	1,056,068	1.94
DDZ Holdings . . . . .	976,862	1.80
Lighthouse . . . . .	910,859	1.67
CMVC Fund . . . . .	633,641	1.16
Chuxin LLC . . . . .	316,820	0.58
Chuxin Limited . . . . .	316,820	0.58
<b>Total</b> . . . . .	<b><u>54,414,636</u></b>	<b><u>100.0</u></b>

### 5. Series A3 Financing and Equity Transfer in March 2021

In March 2021, each of Zhizhao No. 2 and Shanghai AI subscribed for the registered capital of our Company of RMB938,183 at a consideration of approximately RMB34.3 million, respectively. Upon completion of the subscription, the registered capital of our Company increased from RMB54,414,636 to RMB56,291,002.

*Notes:*

- (1) On November 7, 2020, Mr. Yang and Deepexi Huiying agreed to transfer RMB483,871 and RMB669,355 of our Company’s registered capital held by them to Deepexi Huachuang. Deepexi Huiying also agreed to transfer RMB2,117,742 of the Company’s registered capital to Mr. Zhao. The above equity transfers were at nil consideration as the underlying registered capital they originally subscribed for had not yet been paid up.
- (2) On May 18, 2020, Deepexi Cayman and Deepexi Limited entered into a deposit agreement (the “**Ruihui Deposit Agreement**”) with Ruihui Haina, pursuant to which Ruihui Haina paid RMB50 million to Deepexi Limited to guarantee the subscription of Series A+ Preferred Shares of Deepexi Cayman by Ruihui Haina and/or its associates in the amount of RMB50 million. Such deposit would be refunded to Ruihui Haina upon subscription of Series A+ Preferred Shares in Deepexi Cayman by Ruihui Haina. On December 29, 2020, the deposit under the Ruihui Deposit Agreement was converted into investment in Deepexi Limited, and the Ruihui Deposit Agreement was terminated on the same date.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

In March 2021, (i) Beijing Zhipu transferred the registered capital of our Company of RMB4,838,710 to Zhuhai Zhike at the consideration of RMB30 million. Beijing Zhipu and Zhuhai Zhike are under common control; and (ii) Beijing Zhikun transferred the registered capital of our Company of RMB2,217,742 to Zhuhai Songheng at the consideration of approximately RMB56.6 million. Beijing Zhikun and Zhuhai Songheng are under common control.

### 6. Series A4 Financing

In April 2021, 11 investors as set out below subscribed for registered capital of our Company. Upon completion of the subscription, the registered capital of our Company increased from RMB56,291,002 to RMB62,165,411.

Name of Pre-IPO Investor	Registered capital subscribed for	Consideration
	(RMB)	
SPDBI Waltz <sup>Note</sup> . . . . .	2,814,550	USD20 million
Pleasure Focus. . . . .	791,501	USD5.6 million
Chuxin LLC . . . . .	201,382	USD1.4 million
HH AUT . . . . .	711,349	USD5.1 million
CHH AUT . . . . .	355,674	USD2.5 million
5Y Evolution Holding II . . . . .	408,765	USD2.9 million
BAI . . . . .	234,194	USD1.7 million
Axilight . . . . .	95,055	USD0.7 million
CM Innovation Fund . . . . .	66,125	RMB3.1 million
Zhizhao No. 2 . . . . .	97,907	RMB4.6 million
Shanghai AI. . . . .	97,907	RMB4.6 million
		<b>RMB12.27 million and</b>
<b>Total . . . . .</b>	<b>5,874,409</b>	<b>USD39.88 million</b>

*Note:* On December 4, 2020, SPDBI Waltz entered into convertible promissory note subscription agreement with, among others, the Company and Deepexi Cayman, pursuant to which SPDBI Waltz provided a loan of USD20 million to Deepexi Cayman, and the Company granted SPDBI Waltz the right to subscribe for corresponding amount of Shares in its Series A4 Financing upon completion of the 2020 Restructuring.

### 7. Equity Transfer in July 2021

In July 2021, Suning Shunying transferred the registered capital of our Company of RMB1,244,960 to Chuxin Growth at the consideration of RMB70 million. The consideration of such equity transfer was determined based on arm's length negotiation between the parties and the equity transfer was approved by our then shareholders. To the best knowledge of our Company, the consideration of such equity transfer had been settled by September 2, 2021.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### 8. Series B1 Financing

In February 2022, Mr. Zhao, Deepexi Huaying and eight investors subscribed for our Company's increased registered capital as set out below. Upon completion of the subscription, the registered capital of our Company was increased from RMB62,165,411 to RMB71,902,418.

Name of Shareholder	Registered capital subscribed for	Consideration
	<i>(RMB)</i>	
Mr. Zhao . . . . .	1,554,136	RMB1.55 million
Deepexi Huaying . . . . .	1,554,136	RMB1.55 million
Jiequan Fund . . . . .	1,444,364	RMB100 million
Xinyuan Fund . . . . .	1,444,364	RMB100 million
Youxuan Fund . . . . .	1,444,364	RMB100 million
Yinxu Youxuan No. 1 . . . . .	279,744	RMB19.4 million
Angel Prosperity . . . . .	932,481	USD10 million
SPDBI Star . . . . .	466,241	USD5 million
BOCOM AM . . . . .	466,241	USD5 million
Qingdao Ruidi . . . . .	150,936	RMB10.5 million
<b>Total . . . . .</b>	<b>9,737,007</b>	<b>RMB332.93 million and USD20 million</b>

### 9. Series B2 Financing

In September 2022, Gongqingcheng Hangjian and Tianjin Ruidi subscribed for the registered capital of our Company of RMB1,230,929 at a consideration of RMB100 million and the registered capital of our Company of RMB123,093 at a consideration of RMB10 million, respectively. Upon completion of the subscription, the registered share capital of our Company increased from RMB71,902,418 to RMB73,256,440.

### 10. Equity Transfer in February 2025

According to the relevant PRC laws and regulations, the shareholders of the Company need to pay up its total issued share capital before it could be incorporated as a joint stock company. In order to raise funds to subscribe for the Company's issued share capital to facilitate the Conversion, in February 2025, (i) Mr. Zhao transferred the registered capital of our Company in the amount of RMB592,333 to CMBC Financial Investment at a consideration of approximately RMB24.3 million, and (ii) Mr. Yang transferred the registered capital of our Company in the amount of RMB140,232 to CMBC Financial Investment at a consideration of approximately RMB5.7 million. The consideration of such equity transfer was determined based on arm's length negotiation between the parties and the equity transfer was approved by our then shareholders.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As of the Latest Practicable Date, we have received several rounds of Pre-IPO Investments since our establishment. The following table summarizes the key terms of the Pre-IPO Investments to our Company made by the Pre-IPO Investors through share subscription:

Pre-IPO Investment	Series Angel Financing	Series Pre-A Financing	Series A Financing (reclassified as Series A1 Financing)	Series A+ Financing (reclassified as Series A2 Financing)	Series A3 Financing	Series A4 Financing	Share Transfer in July 2021	Series B1 Financing	Series B2 Financing	Share Transfer in February 2025
Date of first investment . . . . .	November 9, 2018	March 7, 2019	September 24, 2019	April 17, 2020	March 8, 2021	December 4, 2020	July 16, 2021	August 3, 2021	May 30, 2022	January 13, 2025
Settlement Date <sup>(1)</sup> . . . . .	November 16, 2018	April 16, 2019	October 4, 2019	January 14, 2021	March 8, 2021	June 24, 2021	September 2, 2021	October 25, 2021	August 3, 2022	January 13, 2025
Total amount of registered capital subscribed for/transferred . . . . .	RMB3,529,412	RMB8,728,653	RMB8,870,967	RMB10,059,797	RMB1,876,366	RMB5,874,409	RMB1,244,960	RMB6,628,735 <sup>(2)</sup>	RMB1,354,022	RMB732,565
Cost per Share <sup>(3)</sup> . . . . .	RMB1.04	RMB1.51	RMB6.23	RMB8.15	RMB8.93	RMB11.25	RMB13.73	RMB16.92	RMB19.84	RMB10.0
Discount to the Offer Price <sup>(3)</sup> . . . . .	95.73%	93.80%	74.41%	66.52%	63.32%	53.78%	43.60%	30.49%	18.49%	58.91%
Total funds received by the Company . . . . .	RMB15 million	RMB54.1 million	USD23 million and RMB63.69 million	USD40.42 million and RMB50 million	RMB68.6 million	USD39.88 million and RMB12.27 million	N/A	USD20 million and RMB329.83 million	RMB110 million	N/A
Implied pre-money valuations <sup>(4)</sup> . . . . .	RMB98.7 million	RMB165.9 million	USD128.0 million	USD210.0 million	USD290.0 million	USD400.0 million	N/A	USD700.0 million	USD918.1 million	N/A
Implied post-money valuation <sup>(5)</sup> . . . . .	RMB113.7 million	RMB220.0 million	USD160.0 million	USD257.6 million	USD300.0 million	USD441.7 million	N/A	USD771.1 million	USD935.4 million	N/A
Use of proceeds from the Pre-IPO Investments . . . . .	As of the Latest Practicable Date, all of the funds raised from the Pre-IPO Investments had been utilized. All of such proceeds were utilized for the R&D, capital expenditures and general working capital needs of our Group.									
Strategic benefits brought to our Company . . . . .	At the time of the Pre-IPO Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors' investments in our Company and their knowledge and experience.									
Basis of determining the consideration paid . . . . .	The consideration for the Pre-IPO Investments was determined based on arm's length negotiations between the Company and the Pre-IPO Investors after taking into consideration various factors including but not limited to, (i) status of milestones and prospects of commercialization of our specialist technology products; (ii) strategic layout, execution efficiency and other factors of our Company; and (iii) the timing of the investments, the market value, and the prospects of our business.									
Lock-up period . . . . .	Pursuant to the applicable PRC laws, each of the existing Shareholders of the Company (including the Pre-IPO Investors) are not permitted to dispose of any of the Shares held by them within the 12 months immediately following the Listing Date.									

# HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Series A Financing (reclassified as Series A1 Financing)	Series A+ Financing (reclassified as Series A2 Financing)	Series A3 Financing	Series A4 Financing	Share Transfer in July 2021	Series B1 Financing	Series B2 Financing	Share Transfer in February 2025
Pre-IPO Investment	Series Angel Financing	Series Pre-A Financing						

Reasons for fluctuations in valuation as compared to Series B2 Financing, being the immediate previous round of pre-IPO Investment to our Company . . . . .

The fluctuations in valuation were due to the general business status of our Group, and in particular, the launch and commercialization of our specialist technology products, the advancement of our R&D, and the prevailing market sentiment amongst the venture capital markets at the time when the investments were made as detailed below:

1. In 2019, we launched our first commercialized products focusing on enterprise management and introduced FastData enterprise data intelligence solution;
2. In 2021, we continually upgraded our FastData enterprise data intelligence solution, achieving broad commercialization and becoming one of our current major business segments; and
3. In 2022, our revenue exceeded RMB100 million. We have also partnered with CSDN, a leading IT community in China, to create the Deepnova knowledge platform.

Reasons for fluctuations in valuation as compared between the valuation in the Global Offering and the valuation in Series B2 Financing, being the latest round of Pre-IPO Investment to our Company . . . . .

We continued to development our products and achieved various business milestones after our Series B2 Financing in September 2022. In 2023, we launched our FastAGI solution. In 2024, our FastData solution continued to expand, and we realized broad commercialization of our FastAGI enterprise AI solution across multiple verticals, with our total revenue exceeding RMB200 million.

*Notes:*

- (1) Refers to the settlement date of the first investment in Deepexi Cayman or Deepexi Limited by relevant Pre-IPO Investors.
- (2) Calculated (i) with reference to the averaged central parity exchange rate published by the PBOC on the respective settlement date, and (ii) based on the number of shares of the Company after the Conversion.
- (3) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$26.66 per Offer Share.
- (4) The implied pre-money valuation is calculated based on (i) the cost per share paid to the Company for the corresponding round of Pre-IPO Investment and (ii) the issued share capital of the Company immediately prior to the corresponding round of Pre-IPO Investment.
- (5) The implied post-money valuation is the sum of (i) the pre-money valuation for the corresponding round of Pre-IPO Investment and (ii) the total funds received by the Company from the corresponding round of Pre-IPO Investment.
- (6) For details of equity transfers between Pre-IPO Investors, see “— 5. Series A3 Financing and Equity Transfer in March 2021”, “— 7. Equity Transfer in July 2021” and “— 10. Equity Transfer in February 2025” in this section.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### *Special rights of the Pre-IPO Investors*

Pursuant to the shareholders' agreement entered in connection with the Pre-IPO Investments among the Company and the Pre-IPO Investors, the Pre-IPO Investors had been granted certain special rights in relation to the Company. In anticipation of the proposed Global Offering and in order to comply with relevant requirements of the Listing Rules, on April 9, 2025, the Shareholders entered into a supplemental agreement to the shareholders' agreement, pursuant to which, among others, the redemption rights granted to the Pre-IPO Investors under the shareholders' agreement have been terminated on the date preceding the first submission of the Listing application to the Stock Exchange for the purpose of the Global Offering. All other special rights under the Pre-IPO Investments shall cease to be effective and be terminated on the date preceding the Listing Date in accordance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange, which include, among others, rights of first refusal, co-sale rights, pre-emptive rights, information rights, liquidation preferences and director appointment rights. At the earlier of (i) 18 months after the termination of the redemption rights or such longer period as agreed by the Pre-IPO Investors, or (ii) the date when the Listing application is rejected, returned or terminated or is otherwise withdrawn by us, the above special rights so terminated shall be automatically reinstated and restated.

### *Compliance with the Guide for New Listing Applicants*

On the basis that (i) the consideration for the last Pre-IPO Investment was irrevocably settled on a date, which is more than 28 days before the date of the first submission of the first listing application form, and (ii) the special rights granted to the Pre-IPO Investors will be suspended upon filing of a listing application and/or shall cease to be effective and be discontinued prior to the proposed Listing Date, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

### *PRC Legal Advisor's confirmation*

Our PRC Legal Advisor has confirmed that we have legally completed, settled, and obtained the requisite legal approvals from the PRC competent authorities or made all necessary registration or filings with the relevant local branch of the State Administration for Market Regulation (國家市場監督管理總局) with respect to all the aforesaid Pre-IPO Investments, capital reduction and increases and equity transfers in all material respects.

### *Information relating to our key Pre-IPO Investors*

Set out below is a description of our Sophisticated Independent Investors (as defined in Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange, "SIIs"). We have five SIIs, all of which respectively holds more than 3% of the total issued shares of the Company as of the Latest Practicable Date. Save for being a Shareholder of our Company and as disclosed otherwise, each of our SII is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, its subsidiaries or any of

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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their respective associates (within the meaning of the Listing Rules). Save as disclosed herein, each of the Pre-IPO Investors is independent from each other. Each of the Pre-IPO Investors and their respective ultimate beneficial owners is an Independent Third Party of our Company.

### *Our Pathfinder SII*s

(a) **Hillhouse SII**s (being **HH AUT** and **CHH AUT**):

HH AUT and CHH AUT are limited liability companies incorporated under the laws of Hong Kong. Both HH AUT and CHH AUT are ultimately managed and controlled by Hillhouse Investment Management, Ltd. (“**Hillhouse**”), an exempted company incorporated under the laws of the Cayman Islands. As at the Latest Practicable Date, HH AUT and CHH AUT holds approximately 3.85% and 1.93% of the total issued shares of the Company, respectively.

Founded in 2005, Hillhouse is a global private equity firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse’s investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on innovation and growth. Hillhouse invests in the fields of healthcare, business services, broad consumption and industrials. Hillhouse manages assets on behalf of institutional clients from across the globe. We became acquainted with Hillhouse through their own industry research during our Series A2 Financing. As of April 17, 2020<sup>1</sup> and June 30, 2025<sup>2</sup>, Hillhouse’s assets under management (the “**AUM**”) was over HK\$15 billion. In compliance with Rule 18C.05 of the Listing Rules, Hillhouse SII

s held approximately 5.78% and 5.78% of the total issued share capital of our Company, as of October 15, 2025 (being the date of submission of the Company’s listing application) and October 15, 2024 (being the commencement date of the pre-application 12-month period), respectively.

(b) **5Y Capital SII** (being **5Y Evolution Holding II**):

5Y Evolution Holding II is a limited company incorporated under the laws of Hong Kong. 5Y Evolution Holding II is owned by Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P. which are exempted limited partnerships established under the laws of the Cayman Islands.

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1 Being the date on which the Hillhouse SII

s signed the first relevant definitive agreement for their investment in the Company.

2 Being a date not more than six months prior to the date of the Company’s first Listing application.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Each of Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P. is controlled by 5Y Capital GP Limited, as their general partner. Liu Qin is entitled to exercise 100% of the voting power of all issued shares in 5Y Capital GP Limited at its general meeting. Each of Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P. has 73 and 26 limited partners. None of the limited partner has contributed an amount exceeding 30% of the total commitment of Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P., and none of the limited partner has held a cumulative limited partner interest exceeding 30% across Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P..

Evolution Fund I, L.P. and Evolution Fund I Co-investment, L.P. are private funds of 5Y Capital, whose primary purpose is to make equity investments in private companies. 5Y Capital is a venture capital firm which specializes in fostering the growth of outstanding companies in the technology, life sciences, and consumer innovation sectors. The unwavering commitment of 5Y Capital is to serve as the premier, enduring, and most impactful investor for top-tier entrepreneurs. In addition to our Company, 5Y Capital has invested in other technology companies such as Xiaomi Corporation (stock code: 1810), Kuaishou Technology (stock code: 1024), XPeng Inc. (stock code: 9868), Kingsoft Office (Shanghai Stock Exchange, stock code: 688111), Horizon Robotics (stock code: 9660), Pony AI Inc. (NASDAQ ticker: PONY) and XtalPi Holdings Limited (stock code: 2228) etc. As of the Latest Practicable Date, 5Y Evolution Holding II holds approximately 5.90% of the total issued shares of the Company.

Our Group became acquainted with 5Y Capital during our Series A1 Financing. As of June 30, 2019<sup>3</sup> and June 30, 2025<sup>2</sup>, the aggregate fund size of USD-denominated funds managed by 5Y Capital was approximately US\$2.7 billion and US\$5 billion, respectively. In compliance with Rule 18C.05 of the Listing Rules, 5Y Capital SII held approximately 5.90% and 5.90% of the total issued share capital of our Company, as of October 15, 2025 (being the date of submission of the Company's listing application) and October 15, 2024 (being the commencement date of the pre-application 12-month period), respectively.

(c) **Tianjin Dehui:**

Tianjin Dehui is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, its limited partners are (i) Suzhou Hexie Chaoyue Phase II Investment Center (Limited Partnership) (蘇州和諧超越二期投資中心(有限合夥)) (“**Suzhou Hexie**”), which holds approximately 60.39% interests of Tianjin Dehui. Suzhou Hexie has 21 limited partners and none of them hold more than 30% of the interests of Suzhou Hexie. The general partner of Suzhou Hexie is Shenzhen Yueqi Enterprise Management Partnership (Limited Partnership) (深圳越奇企業管理合夥企業(有限合夥)) (“**Shenzhen Yueqi**”), holding approximately 2.0% of its interests; and (ii) Shenzhen Hexie Chaoyue Phase II Equity Investment Fund Partnership (Limited Partnership) (深圳和諧超越二期股權投資基金合夥企業(有限合夥)) (“**Shenzhen Hexie**”), which holds

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<sup>3</sup> Being a date not more than six months prior to September 24, 2019, the date on which the 5Y Capital SII signed the first relevant definitive agreement for their investment in the Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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approximately 39.61% interests in Tianjin Dehui. Shenzhen Hexie has 11 limited partners and none of them hold more than 30% of the interests of Shenzhen Hexie. The general partner of Shenzhen Hexie is Shenzhen Yueqi, holding approximately 2.0% of its interests. The general partner of Tianjin Dehui is Shenzhen Yueqi, which holds approximately 0.0004% interests in Tianjin Dehui. Shenzhen Yueqi is held as to 50.0% by each of Xizang Hexie Enterprise Management Co., Ltd. (西藏和諧企業管理有限公司) (“**Xizang Hexie**”), and Xizang Yueqi Enterprise Management Co., Ltd. (西藏越奇企業管理有限公司) (“**Xizang Yueqi**”). The general partner of Shenzhen Yueqi is Xizang Yueqi, which is wholly owned by Hexie Aiqi Investment Management (Beijing) Co., Ltd. (和諧愛奇投資管理(北京)有限公司) (“**Hexie Aiqi**”). The ultimate beneficial owners of Hexie Aiqi are Niu Kuiguang, Li Jianguang and Wang Jingbo. Each of Tianjin Dehui and its ultimate beneficial owners is an Independent Third Party. As of the Latest Practicable Date, Tianjin Dehui holds approximately 6.61% of the total issued shares of our Company.

Our Group became acquainted with Tianjin Dehui by way of personal acquaintance with its partner. Tianjin Dehui is a special purpose vehicle under Hexie Aiqi with a primary purpose of holding investments, mainly in PRC venture stage companies in most vibrant industries with strong potential: consumer technology, advanced manufacturing/new energy, consumer and healthcare.

As of the Latest Practicable Date, Tianjin Dehui hold approximately 6.61% of the total issued shares of our Company. The AUM of the fund manager of Hexie Aiqi and its affiliates was approximately HK\$23.6 billion as of June 30, 2018<sup>4</sup>, and approximately HK\$53.7 billion as of June 30, 2025<sup>2</sup>, respectively. In compliance with Rule 18C.05 of the Listing Rules, Tianjin Dehui held approximately 6.61% and 6.61% of the total issued share capital of our Company, as of October 15, 2025 (being the date of submission of the Company’s listing application) and October 15, 2024 (being the commencement date of the pre-application 12-month period), respectively.

(d) **CIIT AM SIIIs (being Youxuan Fund, Xinyuan Fund and Jiequan Fund):**

Each of Youxuan Fund, Xinyuan Fund and Jiequan Fund is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Youxuan Fund, Xinyuan Fund and Jiequan Fund collectively hold approximately 5.92% of the total issued shares of the Company. The general partner of each of Youxuan Fund and Xinyuan Fund is Xingtou (Beijing) Capital Management Co., Ltd. (興投(北京)資本管理有限公司), which is wholly owned by China Industrial International Trust Asset Management Company Limited (興業國信資產管理有限公司) (“**CIIT AM**”). The general partner of Jiequan Fund is Xingtou (Pingtan) Capital Management Co., Ltd. (興投(平潭)資本管理有限公司), which is wholly owned by CIIT AM. CIIT AM serves as a professional platform for Industrial Bank Co., Ltd. (“**CIB**”, a company listed on the Shanghai Stock Exchange

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<sup>4</sup> Being a date not more than six months prior to November 9, 2018, the date on which Tianjin Dehui signed the first relevant definitive agreement for their investment in the Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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(stock code: 601166)) to carry out private equity investment and related asset management business. CIIT AM is wholly owned by China Industrial International Trust Limited (興業國際信託有限公司), which is in turn owned as to 73% by CIB.

The limited partners of Youxuan Fund include (i) CIB Wealth Assets Management Co., Ltd. (興業財富資產管理有限公司), which holds approximately 75.3% interests in Youxuan Fund and is ultimately owned by CIB, and (ii) two other entities, neither of whom hold more than 30% interests in Youxuan Fund. The limited partners of Xinyuan Fund include (i) Fuzhou Economic and Technological Development Zone Xingrui Hesheng Equity Investment Partnership (Limited Partnership) (福州經濟技術開發區興睿和盛股權投資合夥企業(有限合夥)), which holds approximately 39.0% interests in Xinyuan Fund and is ultimately owned by CIB, (ii) Danyang Investment Group Company Limited (丹陽投資集團有限公司), which holds approximately 36.0% interests in Xinyuan Fund and is ultimately owned by the Danyang Municipality State-owned Assets Operation Service Center (丹陽市國有資產運行服務中心), and (iii) two other entities, neither of whom individually hold more than 30% interests in Xinyuan Fund. The limited partners of Jiequan Fund include (i) CIIT AM, which holds approximately 39.0% interests in Jiequan Fund, and (ii) four other entities, none of whom individually hold more than 30% interests in Jiequan Fund.

Our Group became acquainted with CIIT AM SIIs through the research conducted by them during our Series B1 Financing. The AUM of CIIT AM (being the parent company of the general partners of CIIT AM SIIs) and its controlled entities amounted to RMB97.2 billion as of March 31, 2021<sup>5</sup> and RMB93.2 billion as of June 30, 2025<sup>2</sup>. In compliance with Rule 18C.05 of the Listing Rules, CIIT AM SIIs collectively held approximately 5.92% of the total issued share capital of our Company, as of October 15, 2025 (being the date of submission of the Company's listing application) and October 15, 2024 (being the commencement date of the pre-application 12-month period), respectively.

Our Pathfinder SIIs, in aggregate, held approximately 24.21% and 24.21% of the total issued share capital of our Company, as of October 15, 2025 (being the date of submission of the Company's listing application) and October 15, 2024 (being the commencement date of the pre-application 12-month period), respectively.

### *Our Other SIIs*

#### **(e) SPDBI SIIs (being SPDBI Waltz and SPDBI Star):**

Each of SPDBI Waltz and SPDBI Star is an exempted company incorporated under the laws of the Cayman Islands, which is primarily engaged in investment business. SPDBI Waltz and SPDBI Star are wholly owned by SPDBI New Economy I LPF, whose general partner is SPDBI Deep Management Limited. SPDBI Deep Management Limited is

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<sup>5</sup> Being a date not more than six months prior to August 3, 2021, the date on which the CIIT AM SIIs signed the first relevant definitive agreement for their investment in the Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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wholly owned by SPDB International (Hong Kong) Limited (“**SPDBI HK**”), which is in turn ultimately wholly-owned by SPDB International Holdings Limited (“**SPDBI**”), which is wholly-owned by Shanghai Pudong Development Bank Co., Ltd.. The only limited partner holding more than 30% of interests in SPDBI New Economy I LPF is SPDBI HK. SPDB International Investment Management Limited (“**SPDBI IM**”) is wholly-owned by SPDBI and is affiliated with SPDBI HK. SPDB International Capital Limited, which is controlled by SPDBI, is also one of the Joint Sponsors.

Our Group became acquainted with SPDBI SIIs through the research conducted by them during our Series A4 Financing. As at the Latest Practicable Date, SPDBI Waltz and SPDBI Star in aggregate hold approximately 4.48% of the total issued shares of the Company. The AUM of SPDBI IM was over RMB80 billion as of June 30, 2020<sup>6</sup> and over RMB50 billion as of June 30, 2025<sup>2</sup>.

### *Other Key Pre-IPO Investors*

We set out below descriptions of our other Pre-IPO Investors which, together with Mr. Zhao, Mr. Yang, Deepexi Huachuang, Deepexi Huaying and the SIIs, held more than 90% of our total issued share capital as of the date of this prospectus:

- (a) **Pleasure Focus:** Pleasure Focus is an investment holding company incorporated under the laws of Hong Kong and is owned as to 94.61% by IDG China Venture Capital Fund V L.P. and 5.39% by IDG China V Investors L.P.. IDG China Venture Capital Fund V L.P. and IDG China V Investors L.P., both Cayman exempted limited partnership, are venture capital funds with a primary purpose of making equity investments, mainly in seed and growth stage companies in China, focusing on companies in the information technology, media, healthcare, energy, clean technology and non-technology consumer businesses and services related industries, including, but not limited to, companies engaged in software, internet, telecom, media and managed healthcare business. As of the Latest Practicable Date, Pleasure Focus holds approximately 4.83% of the total issued shares of the Company.
- (b) **Zhuhai Zhike:** Zhuhai Zhike is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Zhuhai Zhike is Gaoling Zhicheng Changjiang (Hubei) Equity Investment Management Center (Limited Partnership) (高瓴智成長江(湖北)股權投資管理中心(有限合伙)) (“**Zhicheng Changjiang**”), which holds approximately 0.03% interests in Zhuhai Zhike. The general partner of Zhicheng Changjiang is Zhuhai Gaoling Zhicheng Private Equity Fund Management Co., Ltd. (珠海高瓴智成私募基金管理有限公司) (“**Gaoling Zhicheng**”), a private fund management company established under the laws of the PRC ultimately controlled by Ms. Zhu Xiuhua (朱秀花). The limited partners holding more than 30% partnership interests of Zhicheng Changjiang

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<sup>6</sup> Being a date not more than six months prior to December 4, 2020, the date on which the SPDBI SIIs signed the first relevant definitive agreement for their investment in the Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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include Kunshan Xinghua Investment Consulting Center (Limited Partnership) (昆山興華投資諮詢中心(有限合夥)) (“**Kunshan Xinghua**”) (as to approximately 58.08% limited partnership interests) and Zhuhai Zhifeng Chuangcheng Investment Partnership (Limited Partnership) (珠海智豐創誠投資合夥企業(有限合夥)) (“**Zhuhai Zhifeng**”) (as to approximately 38.77% limited partnership interests). Kunshan Xinghua is ultimately controlled by Gaoling Zhicheng and ultimately beneficially owned by Zhang Haiyan. Zhuhai Zhifeng is owned as to approximately 54.55% by Dong Ran and approximately 45.45% by Yin Cong. The limited partner of Zhuhai Zhike is a private equity fund managed by Gaoling Zhicheng, and no limited partner of such private equity fund holds more than one-third of its partnership interest. As of the Latest Practicable Date, Zhuhai Zhike holds approximately 6.61% of the total issued shares of the Company.

- (c) **Zhuhai Songheng:** Zhuhai Songheng is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Zhuhai Songheng is Zhicheng Changjiang, which holds approximately 0.01% interests in Zhuhai Songheng. The limited partner of Zhuhai Songheng is Wuhan Gaoling Zhicheng Phase II AI Equity Investment Fund Partnership (Limited Partnership) (武漢高瓴智成二期人工智能股權投資基金合夥企業(有限合夥)) (“**Wuhan Zhicheng**”), which holds approximately 99.99% interests in Zhuhai Songheng. Wuhan Zhicheng is a private equity fund managed by Gaoling Zhicheng as its general partner, and no limited partner of Wuhan Zhicheng holds more than one-third of its partnership interest. As at the Latest Practicable Date, Zhuhai Songheng holds approximately 3.03% of the total issued shares of the Company.
- (d) **Chuxin Entities (being Chuzhe Zhixin, Chuxin Growth, Chuxin LLC and Chuxin Limited):** Chuzhe Zhixin is a limited partnership established under the laws of the PRC with its general partner being Heqin Chuzhe Zhixin Equity Investment Management Center (Limited Partnership) (橫琴初者之心股權投資管理中心(有限合夥)), which holds approximately 2.65% of the interests of Chuzhe Zhixin. Chuzhe Zhixin has 12 limited partners and none of them hold more than 30% of the interests of Chuzhe Zhixin. Chuzhe Zhixin is ultimately controlled by Tian Jiangchuan (田江川).

Chuxin Growth is an exempted company incorporated under the laws of the Cayman Islands. Chuxin Growth is wholly-owned by Chuxin Capital Growth SPC for and on behalf of Chuxin Capital Growth SP I. The class A shareholder and management shareholder of Chuxin Capital Growth SP I is Chuxin Investment Management Limited, which is ultimately controlled by Tian Jiangchuan (田江川). Chuxin Capital Growth SP I has five class B shareholders; among them, Pacific Creation Limited and FY Capital Master Fund L.P. holds 41.67% and 33.33% of interests of Chuxin Capital Growth SP I, respectively. None of the remaining class B shareholders holds more than 30% of the interests of Chuxin Capital Growth SP I. Pacific Creation Limited is ultimately controlled by Ren Jun (任軍), and FY Capital Master Fund L.P. is ultimately controlled by Sino Ventures Group Limited, which is wholly owned by Zhang Wangjin.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Chuxin LLC is limited liability company incorporated under the laws of the Cayman Islands. The membership interests of Chuxin LLC is wholly owned by Fung Shing Investments Ltd, which is in turn wholly-owned by Liao Xingan (廖幸安). The power and authority of daily operation and management of Chuxin LLC are vested in Tian Jiangchuan (田江川) and Mu Tong (穆瞳) as managers of Chuxin LLC.

Chuxin Limited is a company incorporated under the laws of the British Virgin Islands. Chuxin Limited is owned as to 66.67% by Team Title Limited, which is ultimately controlled by Li Shuwei (李淑偉), and as to 33.33% by Zto Msm Holding Limited, which is ultimately controlled by Tiger Hill Trust, which is ultimately controlled by Ma Shumin.

As at the Latest Practicable Date, each of Chuzhe Zhixin, Chuxin Growth, Chuxin LLC and Chuxin Limited holds approximately 1.77%, 1.70%, 0.71% and 0.43% of the total issued shares of the Company.

- (e) **Zhizhao No. 2:** Zhizhao No. 2 is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Zhizhao No. 2 is Shanghai Lingang Kechuang Investment Co., Ltd. (上海臨港科創投資管理有限公司) (“**Lingang Kechuang**”), a company incorporated under the laws of the PRC engaged in private equity fund and venture capital investment and asset management in science and technology sectors and ultimately controlled by Wu Wei. The largest limited partner of Zhizhao No. 2 is Shanghai Lingang Zhizhao Phase II Equity Investment Fund Partnership (Limited Partnership) (上海臨港智兆二期股權投資基金合夥企業(有限合夥)) (“**Zhizao Phase II**”), which holds approximately 99.60% interests in Zhizhao No. 2. Zhizhao Phase II is a private equity fund managed by Lingang Kechuang as its general partner. The largest limited partners of Zhizhao Phase II are Shanghai Lingang Economic Development Group Technology Investment Co., Ltd. (上海臨港經濟發展集團科技投資有限公司) (holding approximately 36.98% limited partnership interest), a company ultimately controlled by Shanghai Municipal State-owned Assets Supervision and Administration Commission, and Shanghai Lingang Special Area Private Fund Management Co., Ltd. (上海臨港新片區私募基金管理有限公司) (holding approximately 36.98% limited partnership interest), a company ultimately controlled by the Financial Settlement and State-owned Asset Affairs Center of China (Shanghai) Pilot Free Trade Zone Lingang Special Area Management Committee (中國(上海)自由貿易試驗區臨港新片區管理委員會財務結算和國有資產事務中心). No other limited partners of Zhizhao Phase II hold more than one-third of its partnership interest. As at the Latest Practicable Date, Zhizhao No. 2 holds approximately 1.41% of the total issued shares of the Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (f) **Shanghai AI:** Shanghai AI is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Shanghai AI is Shanghai AI Industrial Investment Management Center (Limited Partnership) (上海人工智能產業投資管理中心(有限合夥)), an investment fund vehicle which holds approximately 0.50% partnership interests of Shanghai AI and is ultimately controlled by Wu Wei. Shanghai AI has eight limited partners and none of them hold more than 30% of the interests of Shanghai AI. As at the Latest Practicable Date, Shanghai AI holds approximately 1.41% of the total issued shares of the Company.
- (g) **BAI:** BAI is a company incorporated under the laws of Germany, which is wholly owned by Reinhard Mohn GmbH. Reinhard Mohn GmbH is wholly owned by Bertelsmann SE & Co. KGaA, which is controlled by Bertelsmann Verwaltungsgesellschaft. Bertelsmann Verwaltungsgesellschaft is controlled by Mr. Christoph Mohn. BAI is a leading venture capital fund focusing on Chinese companies and entrepreneurs that can leverage the multiplier effect of China's technology, talent, and supply chain advantages and to expand globally in consumer retail and services, fintech, media and content innovation, and other areas. As at the Latest Practicable Date, BAI holds approximately 3.38% of the total issued shares of the Company.
- (h) **Ruihui Haina:** Ruihui Haina is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Ruihui Haina is River Gorges Xintai (Beijing) Private Equity Fund Management Co., Ltd. (江峽鑫泰(北京)私募基金管理有限公司), a company established under the laws of the PRC ultimately owned as to 40% and 40% equity interest by the State-owned Assets Supervision and Administration Commission of the State Council and the State-owned Assets Supervision and Administration Commission of Beijing Haidian People's Government, respectively. Ruihui Haina has seven limited partners and its largest limited partners are Three Gorges Capital Holdings Co., Ltd. (三峽資本控股有限責任公司) (which is ultimately controlled by SASAC) and Beijing Haidian District State-owned Properties Investment & Management Co., Ltd. (北京市海澱區國有資產投資經營有限公司), hold 42.54% and 37.41% of the interests in Ruihui Haina, respectively. As at the Latest Practicable Date, Ruihui Haina holds approximately 2.08% of the total issued shares of the Company.
- (i) **Lighthouse:** Lighthouse is an exempted limited partnership incorporated under the laws of the Cayman Islands. Its general partner is Lighthousecap International Inc., which is controlled by Zheng Xuanle. The limited partners of Lighthouse include: (i) Axiom Asia V, L.P., which holds approximately 38.46% interest of Lighthouse and is ultimately controlled by Lau Zhi Yuan, Loh Siew Kee, Lee Sao Wei and Ng Chi Man Edmond; (ii) other independent third entities and none of them hold more than 30% of the interests of Lighthouse. As at the Latest Practicable Date, Lighthouse holds approximately 1.24% of the total issued shares of the Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (j) **Axilight:** Axilight is an exempted limited partnership incorporated under the laws of the Cayman Islands. Its general partner is Lighthousecap International Inc., which is controlled by Zheng Xuanle. The limited partners of Axilight include: (i) Axiom Asia 6, L.P., which holds approximately 56.91% interest of Axilight and is ultimately controlled by Loh Siew Kee, Lau Zhi Yuan, Lee Sao Wei and Ng Chi Man Edmond; (ii) Axiom Asia 6-A SCSp, SICAV-RAIF, which holds approximately 36.76% interest of Axilight and is ultimately controlled by Loh Siew Kee, Lau Zhi Yuan, Lee Sao Wei and Ng Chi Man Edmond. Axiom Asia 6-A SCSp, SICAV-RAIF has one shareholder that holds more than 30% of the shares, which is BAYVK P4-Fonds, a public pension fund; and (iii) an independent third party which holds approximately 6.33% the interests of Axilight. As at the Latest Practicable Date, Axilight holds approximately 0.13% of the total issued shares of the Company.
- (k) **Qingdao Ruidi:** Qingdao Ruidi is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Qingdao Ruidi is Ningbo Meishan Bonded Port Ruiyuan Investment Management Co., Ltd. (寧波梅山保稅港區睿緣投資管理有限公司), which is ultimately controlled by Zheng Xuanle. The limited partner of Qingdao Ruidi is Zhao Su (趙速), which holds approximately 99.91% interest of Qingdao Ruidi. As at the Latest Practicable Date, Qingdao Ruidi holds approximately 0.21% of the total issued shares of the Company.
- (l) **Tianjin Ruidi:** Tianjin Ruidi is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Tianjin Ruidi is Ningbo Meishan Bonded Port Ruiyuan Investment Management Co., Ltd. (寧波梅山保稅港區睿緣投資管理有限公司), which is ultimately controlled by Zheng Xuanle. The limited partners of Tianjian Ruidi include: (i) Liang Min (梁敏), which holds approximately 49.95% interest of Tianjin Ruidi; and (ii) three individuals and none of them hold more than 30% of the interests of Tianjin Ruidi. As at the Latest Practicable Date, Tianjin Ruidi holds approximately 0.17% of the total issued shares of the Company.
- (m) **Angel Prosperity:** Angel Prosperity is a limited company incorporated under the laws of Hong Kong, and it is ultimately wholly owned by Guotai Junan International Holdings Limited (“**GTJA Holdings**”), a company listed on the Stock Exchange (stock code: 1788). Guotai Junan Capital Limited, one of our Joint Sponsors, is indirectly wholly owned by GTJA Holdings. As at the Latest Practicable Date, Angel Prosperity holds approximately 1.27% of the total issued shares of the Company.
- (n) **DDZ Holdings:** DDZ HK Investment Holdings Limited (“**DDZ Holdings**”) is a company incorporated under the laws of Hong Kong. DDZ Holdings is owned by DDZ Investment Holdings Limited and is ultimately controlled by Jeffrey Jian ZHOU. As at the Latest Practicable Date, DDZ Holdings holds approximately 1.33% of the total issued shares of the Company.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (o) **CMBC Financial Investment:** CMBC Financial Investment is a company incorporated under the laws of the PRC. It is indirectly wholly owned by CMBC International Holdings Limited, which is in turn wholly-owned by China Minsheng Bank Corp., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600016) and the Stock Exchange (stock code: 1988). CMBC Financial Investment and CMBC International Capital Limited, one of our Joint Sponsors, are members of a “sponsor group” as defined under the Listing Rules. As at the Latest Practicable Date, CMBC Financial Investment holds approximately 1.00% of the total issued shares of the Company.
  
- (p) **CM Innovation Fund:** CM Innovation Fund is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, its general partner is China Merchants Venture Capital Management Co., Ltd. (招商局創新投資管理有限責任公司), which holds 0.1% of its interests and is ultimately controlled by China Merchants Group (招商局集團有限公司), a company wholly owned by the State Council. The limited partner of CM Innovation Fund is Shenzhen Zhaokong Investment Co., Ltd. (深圳市招控投資有限責任公司), which holds approximately 99.9% interests of CM Innovation Fund and is ultimately controlled by China Merchants Group. As at the Latest Practicable Date, CM Innovation Fund holds approximately 0.09% of the total issued shares of the Company.
  
- (q) **CMVC Fund:** CMVC Fund is an exempted limited partnership incorporated under the laws of the Cayman Islands. The general partner of CMVC Fund is China Merchants Venture Capital GP (International) Limited and the only limited partner of CMVC Fund is Corilla Investment Limited, both of which are ultimately controlled by China Merchants Group, which is in turn ultimately controlled by the State Council of the PRC. As at the Latest Practicable Date, CMVC Fund holds approximately 0.87% of the total issued shares of the Company.
  
- (r) **BOCOM AM:** BOCOM AM is a limited company incorporated in Hong Kong and is wholly owned by BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 3329). BOCOM AM is a licensed corporation under the Hong Kong Securities and Futures Ordinance with Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. BOCOM AM and BOCOM International (Asia) Limited, one of our Joint Sponsors, are members of a “sponsor group” as defined under the Listing Rules. As at the Latest Practicable Date, BOCOM AM holds approximately 0.64% of the total issued shares of the Company.
  
- (s) **Gongqingcheng Hangjian:** Gongqingcheng Hangjian is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Gongqingcheng Hangjian is Shenzhen Putai Investment Development Co., Ltd. (深圳市普泰投資發展有限公司), which holds approximately 0.01% interests of Gongqingcheng Hangjian and is ultimately controlled by AVIC Industry

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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— Finance Holdings Co., Ltd. (中航工業產融控股股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600705). The limited partner of Gongqingcheng Hangjian is Beihai Hangjin Ruiying Investment Development Co., Ltd. (北海航錦睿盈投資發展有限公司), which holds 99.99% of the interests of Gongqingcheng Hangjian and is held as to 50% by each of Yan Zhigang (閔志剛) and Dong Jinglei (董晶磊). As at the Latest Practicable Date, Gongqingcheng Hangjian holds approximately 1.68% of the total issued shares of the Company.

- (t) **Yinxu Youxuan No. 1:** Yinxu Youxuan No. 1 is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, the general partner of Yinxu Youxuan No. 1 is Qingdao Zhirui Enterprise Management Consultancy Partnership (Limited Partnership) (青島智銳企業管理諮詢合夥企業(有限合夥)), which is ultimately controlled by Able Great Development Limited, a company incorporated under the laws of Hong Kong and wholly-owned by YST1 Trust. The settlor of YST1 Trust is Mr. Ren Jun (任軍), director of Rencent International Holdings Limited. The limited partners of Yinxu Youxuan No. 1 include: (i) Yancheng Zhirui Enterprise Management Consultancy Co., Ltd. (鹽城市智銳企業管理諮詢有限公司), which holds approximately 55.97% of Yinxu Youxuan No. 1 and is ultimately controlled by Guan Yanyi (管衍義) and Guan Yujie (管玉潔); and (ii) 11 entities and none of them hold more than 30% of the interests of Yinxu Youxuan No. 1. As at the Latest Practicable Date, Yinxu Youxuan No. 1 holds approximately 0.38% of the total issued shares of the Company.

### *Meaningful investment from SIIs*

We have received investments from our Pathfinder SIIs as identified above, each having invested in the Group for at least 12 months prior to the first submission of our listing application to the Stock Exchange for the purpose of the Global Offering. In accordance with Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange, each of Hillhouse SIIs, 5Y Capital SII, Tianjin Dehui and CIIT AM SIIs holds more than 3%, and in aggregate more than 10%, of the issued share capital of the Company as of the date of our listing application and throughout the pre-application 12-month period. For details of the ownership percentage of shareholding in our Company's share capital of each of the SIIs, see “— Capitalization of Our Company.”

As of the Latest Practicable Date, our SIIs held, in aggregate, approximately 28.68% in the total issued share capital of our Company. At Listing, such SIIs will hold, in aggregate, 26.35% in the total issued share capital of our Company, assuming that our expected market capitalization at the time of Listing will exceed HK\$4 billion but less than HK\$15 billion.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure (a) as of the Latest Practicable Date and (b) immediately upon the completion of the Global Offering (assuming that the Conversion of Unlisted Shares into H Shares is completed).

No.	Name of Shareholder	As of the Latest Practicable Date		Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares	
		Number of Unlisted Shares Held	Approximate Shareholding Percentage	Number of H Shares Held	Approximate Shareholding Percentage
1.	Mr. Zhao	49,468,200	16.49%	49,468,200	15.14%
2.	Mr. Yang	11,711,400	3.90%	11,711,400	3.59%
3.	Deepexi Huachuang	37,299,300	12.43%	37,299,300	11.42%
4.	Deepexi Huaying	6,364,500	2.12%	6,364,500	1.95%
5.	HH AUT <sup>(1)</sup>	11,562,600	3.85%	11,562,600	3.54%
6.	CHH AUT <sup>(2)</sup>	5,781,300	1.93%	5,781,300	1.77%
7.	5Y Evolution Holding II <sup>(3)</sup>	17,714,700	5.90%	17,714,700	5.42%
8.	Tianjin Dehui <sup>(4)</sup>	19,815,600	6.61%	19,815,600	6.07%
9.	Youxuan Fund <sup>(5)</sup>	5,915,100	1.97%	5,915,100	1.81%
10.	Xinyuan Fund <sup>(6)</sup>	5,915,100	1.97%	5,915,100	1.81%
11.	Jiequan Fund <sup>(7)</sup>	5,915,100	1.97%	5,915,100	1.81%
12.	SPDBI Waltz <sup>(8)</sup>	11,526,000	3.84%	11,526,000	3.53%
13.	SPDBI Star <sup>(9)</sup>	1,909,200	0.64%	1,909,200	0.58%
14.	Zhuhai Zhike <sup>(10)</sup>	19,815,600	6.61%	19,815,600	6.07%
15.	Zhuhai Songheng <sup>(11)</sup>	9,082,200	3.03%	9,082,200	2.78%
16.	Pleasure Focus <sup>(12)</sup>	14,485,800	4.83%	14,485,800	4.43%
17.	Chuzhe Zhixin <sup>(13)</sup>	5,307,600	1.77%	5,307,600	1.62%
18.	Chuxin Growth <sup>(14)</sup>	5,098,200	1.70%	5,098,200	1.56%
19.	Chuxin LLC <sup>(15)</sup>	2,122,200	0.71%	2,122,200	0.65%
20.	Chuxin Limited <sup>(16)</sup>	1,297,500	0.43%	1,297,500	0.40%
21.	Lighthouse <sup>(17)</sup>	3,730,200	1.24%	3,730,200	1.14%
22.	Qingdao Ruidi <sup>(18)</sup>	618,000	0.21%	618,000	0.19%
23.	Tianjin Ruidi <sup>(19)</sup>	504,000	0.17%	504,000	0.15%
24.	Axilight <sup>(20)</sup>	389,100	0.13%	389,100	0.12%
25.	Zhizhao No. 2 <sup>(21)</sup>	4,243,200	1.41%	4,243,200	1.30%
26.	Shanghai AI <sup>(22)</sup>	4,243,200	1.41%	4,243,200	1.30%
27.	CMVC Fund <sup>(23)</sup>	2,595,000	0.87%	2,595,000	0.79%
28.	CM Innovation Fund <sup>(24)</sup>	270,900	0.09%	270,900	0.08%
29.	BAI <sup>(25)</sup>	10,149,300	3.38%	10,149,300	3.11%
30.	Ruihui Haina <sup>(26)</sup>	6,235,200	2.08%	6,235,200	1.91%
31.	Gongqingcheng Hangjian <sup>(27)</sup>	5,040,900	1.68%	5,040,900	1.54%
32.	Angel Prosperity <sup>(28)</sup>	3,818,700	1.27%	3,818,700	1.17%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

No.	Name of Shareholder	As of the Latest Practicable Date		Immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares	
		Number of Unlisted Shares Held	Approximate Shareholding Percentage	Number of H Shares Held	Approximate Shareholding Percentage
33.	DDZ Holdings <sup>(29)</sup>	4,000,200	1.33%	4,000,200	1.22%
34.	CMBC Financial Investment <sup>(30)</sup>	3,000,000	1.00%	3,000,000	0.92%
35.	BOCOM AM <sup>(31)</sup>	1,909,200	0.64%	1,909,200	0.58%
36.	Yinxu Youxuan No. 1 <sup>(32)</sup>	1,145,700	0.38%	1,145,700	0.35%
<i>Subtotal</i>		<i>300,000,000</i>	<i>100.0%</i>	<i>300,000,000</i>	<i>91.85%</i>
	Other H Shareholders	–	–	26,632,000	8.15%
<b>Total</b>		<b>300,000,000</b>	<b>100.0%</b>	<b>326,632,000</b>	<b>100.0%</b>

*Notes:*

- (1) Represents HH AUT-XV HK Holdings Limited (“**HH AUT**”).
- (2) Represents CHH AUT-XV HK Holdings Limited (“**CHH AUT**”).
- (3) Represents Evolution Holding II Limited (“**5Y Evolution Holding II**”).
- (4) Represents Tianjin Dehui Investment Management Partnership (Limited Partnership) (天津德輝投資管理合夥企業(有限合夥)) (“**Tianjin Dehui**”).
- (5) Represents Beijing Xingtou Youxuan Entrepreneurship Investment Fund (Limited Partnership) (北京興投優選創業投資基金(有限合夥)) (“**Youxuan Fund**”).
- (6) Represents Jiangsu Xingtou Xinyuan Equity Investment Fund (Limited Partnership) (江蘇興投新股權投資基金(有限合夥)) (“**Xinyuan Fund**”).
- (7) Represents Jiangsu Jiequan Green Industry Equity Investment Fund (Limited Partnership) (江蘇韋泉綠色產業股權投資基金(有限合夥)) (“**Jiequan Fund**”).
- (8) Represents SPDBI Waltz Limited (“**SPDBI Waltz**”).
- (9) Represents SPDBI Star Limited (“**SPDBI Star**”).
- (10) Represents Zhuhai Gaoling Zhike Equity Investment Partnership (Limited Partnership) (珠海高瓴智科股權投資合夥企業(有限合夥)) (“**Zhuhai Zhike**”).
- (11) Represents Zhuhai Songheng Enterprise Management Partnership (Limited Partnership) (珠海崧恒企業管理合夥企業(有限合夥)) (“**Zhuhai Songheng**”).
- (12) Represents Pleasure Focus Limited (“**Pleasure Focus**”).
- (13) Represents Guangzhou Chuzhe Zhixin Equity Investment Partnership (Limited Partnership) (廣州初者之心股權投資合夥企業(有限合夥)) (“**Chuzhe Zhixin**”).
- (14) Represents Chuxin Growth Management Fund I Limited (“**Chuxin Growth**”).
- (15) Represents Chuxin Investment Capital I LLC (“**Chuxin LLC**”).

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (16) Represents Chuxin Investment Capital I Limited (“**Chuxin Limited**”).
- (17) Represents Lighthouse International Growth Fund L.P. (“**Lighthouse**”).
- (18) Represents Qingdao Ruidi Private Equity Investment Fund Partnership (Limited Partnership) (青島睿迪私募股權投資基金合夥企業(有限合夥)) (“**Qingdao Ruidi**”).
- (19) Represents Tianjin Ruidi Equity Investment Fund Partnership (Limited Partnership) (天津市睿迪股權投資基金合夥企業(有限合夥)) (“**Tianjin Ruidi**”).
- (20) Represents Axilight AA6\_LH1 International L.P. (“**Axilight**”).
- (21) Represents Nanjing Zhizhao No. 2 Equity Investment Partnership (Limited Partnership) (南京智兆貳號股權投資合夥企業(有限合夥)) (“**Zhizhao No. 2**”).
- (22) Represents Shanghai AI Industrial Equity Investment Fund Partnership (Limited Partnership) (上海人工智能產業股權投資基金合夥企業(有限合夥)) (“**Shanghai AI**”).
- (23) Represents China Merchants Venture Capital Fund, L.P. (招商局創新投資基金有限合夥) (“**CMVC Fund**”).
- (24) Represents Shenzhen China Merchant Innovation Investment Fund Center (Limited Partnership) (深圳市招商局創新投資基金中心(有限合夥)) (“**CM Innovation Fund**”).
- (25) Represents BAI GmbH (“**BAI**”).
- (26) Represents Beijing Ruihui Haina Technology Industrial Fund (Limited Partnership) (北京睿匯海納科技產業基金(有限合夥)) (“**Ruihui Haina**”).
- (27) Represents Gongqingcheng Hangjian Equity Investment Fund Partnership (Limited Partnership) (共青城航建股權投資合夥企業(有限合夥)) (“**Gongqingcheng Hangjian**”).
- (28) Represents Angel Prosperity Investment HK II Limited (“**Angel Prosperity**”).
- (29) Represents DDZ HK Investment Holdings Limited (“**DDZ Holdings**”).
- (30) Represents CMBC Financial Investment Capital Management (Beijing) Co., Ltd. (民銀金投資本管理(北京)有限公司) (“**CMBC Financial Investment**”).
- (31) Represents BOCOM International Asset Management Limited (交銀國際資產管理有限公司) (“**BOCOM AM**”).
- (32) Represents Qingdao Yinxu Youxuan No. 1 Private Equity Investment Fund Partnership (Limited Partnership) (青島銀旭優選壹號私募股權投資基金合夥企業(有限合夥)) (“**Yinxu Youxuan No. 1**”).

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### PUBLIC FLOAT AND FREE FLOAT

#### Satisfaction of the Public Float Requirement

Based on HK\$26.66 per Offer Share, the expected market capitalization of the H Shares of our Company would be HK\$8,708.0 million, therefore the minimum prescribed percentage of H Shares held by public at the time of Listing pursuant to Rule 19A.13A(1) of the Listing Rules would be the higher of (i) the percentage that would result in the expected market value of H Shares held by the public to be HK\$1,500,000,000 at the time of Listing; and (ii) 15%.

Immediately upon completion of the Global Offering (assuming the Conversion of Unlisted Shares into H Shares is completed), the Company will have 326,632,000 H Shares, among which:

- (i) among the 300,000,000 H Shares,
  - a. the 104,843,400 H Shares held by Mr. Zhao, Mr. Yang, Deepexi Huachuang and Deepexi Huaying to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares of the Company and Listing on the Stock Exchange (representing approximately 32.10% of our total issued Shares upon Listing) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the Listing as such Shares are held by our Controlling Shareholders Group and therefore constitute Shares held by core connected persons of our Company;
  - b. the 195,156,600 H Shares to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares of the Company and Listing on the Stock Exchange (representing approximately 59.75% of our total issued Shares upon Listing). These H Shares are held by our Pre-IPO Investors, and will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the Listing as these entities will not be core connected persons of our Company upon Listing nor are they accustomed to take instructions from the Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by the Company's core connected persons; and
- (ii) 26,632,000 H Shares will be issued pursuant to the Listing.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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In light of above, immediately following the completion of the Global Offering, the total number of the H Shares expected to be held by the public represents approximately 67.90% of the total issued share capital of our Company, thereby satisfying the public float requirement under Rule 19A.13A(1) of the Listing Rules.

### **Satisfaction of the Free Float Requirement**

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including the Pre-IPO Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this prospectus shall not be counted towards the free float of the H Shares of the Company at the time of Listing. Based on an Offer Price of HK\$26.66 per Offer Share, the Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### LOCK-UP PERIODS

Pursuant to the PRC Company Law, each of the existing Shareholders of the Company as of the Latest Practicable Date are not permitted to dispose of any of the Shares held by them within the 12 months immediately following the Listing Date. In addition, our Controlling Shareholders Group are subject to relevant lock-up requirements under Rule 10.07 of the Listing Rules.

The table below sets out the list of persons who are, together with their respective close associates, subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules:

Name	Position/Capacity	Aggregate number of Shares held immediately following the completion of the Global Offering <sup>(1)</sup>	Approximate shareholding percentage immediately following completion of the Global Offering <sup>(1)</sup>	Lock-up period for a Commercial Company
<b>Key persons and their close associates</b>				
Mr. Zhao . . . . .	Founder, executive Director, chairman of the Board and chief executive officer	49,468,200	15.14%	The period commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date, i.e. October 27, 2026, subject to other arrangements among the Shareholders. <sup>(3)</sup>
Mr. Yang . . . . .	Co-Founder, executive Director and president of our product and solution staff team (PSST)	11,711,400	3.59%	
Deepexi Huachuang . . . . .	Employee shareholding platforms controlled by Mr. Zhao and where the Company's founders, executive Directors, senior management and core R&D team members held partnership interests	37,299,300	11.42%	The period commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date, i.e. October 27, 2026.
Deepexi Huaying . . . . .		6,364,500	1.95%	

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Position/Capacity	Aggregate number of Shares held immediately following the completion of the Global Offering <sup>(1)</sup>	Approximate shareholding percentage immediately following completion of the Global Offering <sup>(1)</sup>	Lock-up period for a Commercial Company
<b>Pathfinder SII</b>				
CHH AUT and HH AUT	Pathfinder SII	17,343,900	5.31%	The period commencing on the date of this prospectus and ending on the date which is 6 months from the Listing Date, i.e. October 27, 2026 <sup>(2)</sup> .
5Y Evolution Holding II	Pathfinder SII	17,714,700	5.42%	
Tianjin Dehui	Pathfinder SII	19,815,600	6.07%	
Youxuan Fund, Xinyuan Fund and Jiequan Fund	Pathfinder SII	17,745,300	5.43%	

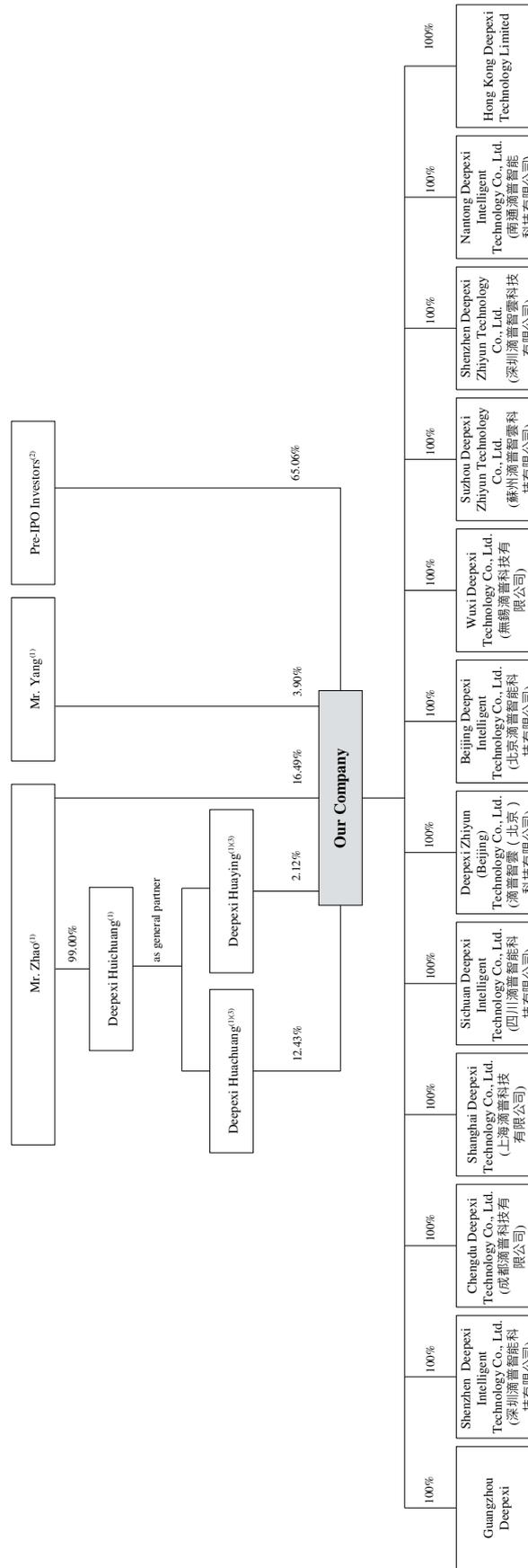
*Notes:*

- (1) Assuming that the Conversion of Unlisted Shares into H Shares is completed.
- (2) Pursuant to Rule 18C.14 of the Listing Rules, the Shares held by the Pathfinder SII are subject to a 6-month lock-up period; pursuant to relevant PRC laws, the Shares held by the Pathfinder SII are subject to a 12-month lock-up period.
- (3) In addition to the lock-up requirements under PRC Company law and Rule 18C.14 of the Listing Rules, pursuant to the shareholders agreement dated February 6, 2025, as long as any of Tianjin Dehui, Pleasure focus, HH AUT, CHH AUT, Zhuhai Songheng, Zhuhai Zhike, 5Y Evolution Holding II, Jiequan Fund, Xinyuan Fund and Youxuan Fund holds the Shares of the Company, neither Mr. Zhao nor Mr. Yang shall dispose of more than 15% of the Shares they held as at the Listing Date without the written consent of such investors. Such lock-up requirement will be released upon the date on which such investors received 100% or more of their respective investment return.

**CORPORATE STRUCTURE**

**Corporate Structure immediately prior to the completion of the Global Offering**

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately prior to the completion of the Global Offering:

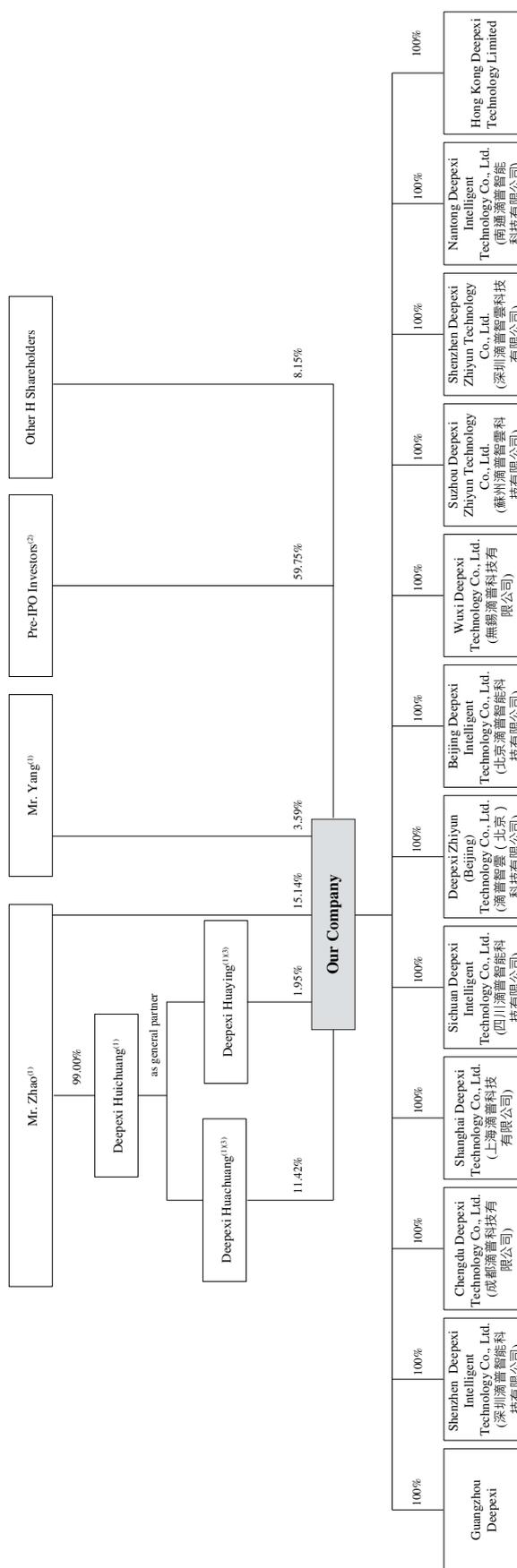


**Notes:**

- (1) As of the Latest Practicable Date and under the Existing WVR Structure and the Concert Party Agreement, Mr. Zhao is entitled to exercise 64.17% voting rights attached to the 34.95% of the Shares in our Company, and Mr. Yang is entitled to exercise 10.75% voting rights attached to the 3.9% of the Shares in our Company. See “Relationship with Our Controlling Shareholders Group” for details.
- (2) See “— Pre-IPO Investments” and “— Capitalization of Our Company” above for details of the Pre-IPO Shareholders and their respective shareholding in our Company.
- (3) As of the Latest Practicable Date, each of Deepexi Huachuang and Deepexi Huaying held 12.43% and 2.12% of the total issued share capital of our Company. See “Our Employee Shareholding Platforms” in this section for further details.

**Corporate Structure immediately following the Global Offering**

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately following the completion of the Global Offering (assuming that the Conversion of Unlisted Shares into H Shares is completed):



Note: See the respective notes under “Corporate Structure immediately prior to the Completion of the Global Offering.”

**OVERVIEW**

We specialize in delivering enterprise large model AI application solutions, empowering enterprises to integrate their data, decisions and operations efficiently at scale. We offer enterprise customers our FastData enterprise data intelligence solution (or FastData solution) and FastAGI enterprise AI solution (or FastAGI solution) underpinned by our FastData Foil Data Fusion Platform and the Deepexi enterprise large model platform, which serve as the foundational infrastructure for deploying and implementing agentic AI applications. We ranked fifth in China's enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2%.

Our solutions empower customers across industries to optimize decision-making, enhance operational efficiency and boost productivity. We have achieved large-scale commercialization across industries such as consumer goods, manufacturing, healthcare and transportation. As of June 30, 2025, we served 283 enterprise customers, including 94 customers with multiple engagements, representing 33.2% of our customer base, reflecting our strong customer loyalty and satisfaction.

We have demonstrated rapid revenue growth during the Track Record Period. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023. Our revenue further grew by 88.3% to RMB242.9 million in 2024, achieving a CAGR of 55.5% from 2022 to 2024. Our revenue increased by 118.4% from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the six months ended June 30, 2025. This sustained growth underscores the effectiveness of our strategic initiatives and our ability to consistently meet the evolving needs of enterprise customers.

**Market Opportunities**

The market size of enterprise AI application solution in China, in terms of revenue, reached RMB38.6 billion in 2024, and it is expected to reach RMB239.4 billion in 2029 with a CAGR of 44.0% from 2024 to 2029. Given the substantial scale of China's enterprise AI application solution market, we held a 0.6% market share in 2024.

The enterprise large model AI application market accounted for 15% of the overall enterprise AI application solution market in 2024. The market size of enterprise large model AI application in China, in terms of revenue, reached RMB5.8 billion in 2024 and is expected to reach RMB52.7 billion in 2029 with a CAGR of 55.5% from 2024 to 2029. We ranked fifth in China's enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2%.

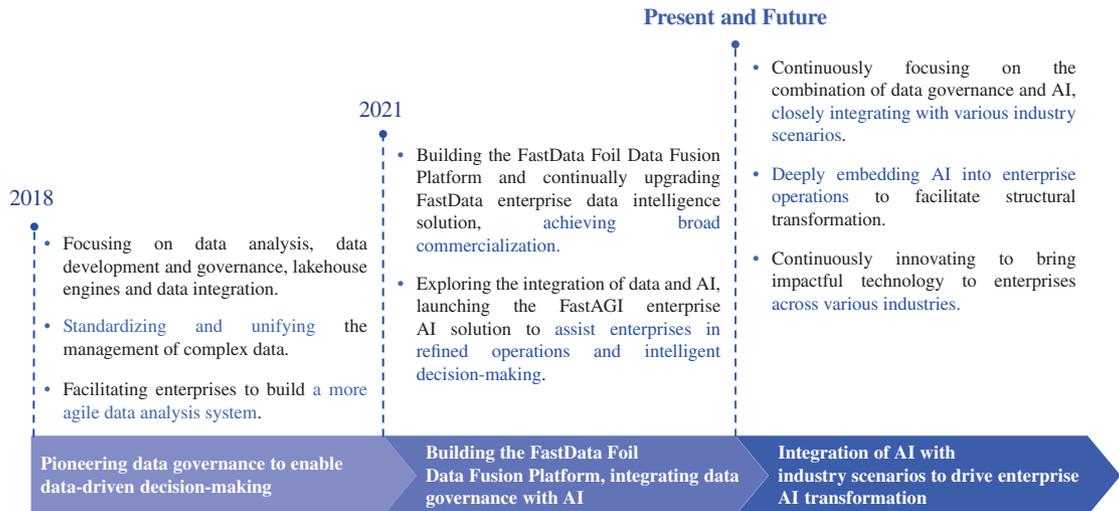
The emergence of large models is driving the development of enterprise large model AI applications, especially agentic AI applications. The use of open-source foundation models has emerged as a dominant industry trend, significantly narrowing the efficiency gaps between AI applications caused by differences in foundation models. This shift has reshaped the AI application competitive landscape, with data quality, model training capabilities and computing power becoming critical factors influencing market competitiveness. However, these factors also pose significant challenges to the deployment and implementation of agentic AI applications across industries which our solutions aim to tackle. Specifically:

- **Inconsistent Data Quality:** High-quality data is essential for fine-tuning open-source foundation models into enterprise-specific models. However, enterprises often face issues such as incomplete, non-standardized and inaccurate data governance. The inability to govern structured and semi-structured, unstructured data in a unified, high-quality manner hinders the provision of standardized, high-quality training corpora, creating substantial barriers to deploying agentic AI applications.
- **Challenges in Training Enterprise-Specific Models:** Open-source foundation models lack industry-specific capabilities and can only provide enterprises with basic functions such as data retrieval, office collaboration and simple chatbots, which fail to provide enterprises with operational decision-making support or enhance productivity. These models must be adapted using company-specific business rules and analysis, before they are ready for agentic AI applications. Such adaptation, however, require players to have insights and understanding of industry insights and the necessary capabilities to understand enterprise needs and train models effectively, making it difficult to develop applicable enterprise-specific models.
- **Low Compatibility with Enterprise Systems:** Deploying agentic AI applications also involves coupling open-source foundation models with existing public knowledge capabilities (often represented by smaller models or other forms). However, the incompatibility among enterprise systems, open-source foundation models and public knowledge capabilities creates integration challenges. Additionally, enterprises often operate multiple fragmented systems, further complicating data flow and information sharing, which exacerbates the difficulties in deploying agentic AI applications.
- **High Costs of Computing Power Deployment:** While the emergence of open-source foundation models has significantly reduced the costs associated with model training, deploying agentic AI applications still requires substantial computing power. For many enterprises, this presents a significant financial challenge.

Designed to tackle the above industry pain points, our solutions are poised for success.

## Our Development Journey

Since our inception in 2018, we have been committed to driving AI transformation for enterprises in China through continuous business development, optimization and innovation. The following outlines the key milestones in our evolution:



### *Phase 1: Pioneering Data Governance to Enable Data-Driven Decision-Making*

In the initial phase of our development, we focused on mastering data processing, leveraging our self-developed lakehouse architecture to specialize in data storage, integration, governance, development and analysis, cultivating our core capabilities. We introduced the FastData enterprise data intelligence solution, offering full-stack data fabric capabilities from data storage to analysis, transforming complex data into actionable business insights, standardizing management and bridging the gap between data and business. This facilitates enterprises' real-time data analytical capabilities and agile decision-making processes, driving cost reduction and operational efficiency. We began collaboration with leading enterprises in industry verticals during this phase.

### *Phase 2: Building the FastData Foil Data Fusion Platform — Integrating Data Governance with AI*

In 2021, we entered the second phase of our development, focusing on the integration of data governance and AI. Data capabilities form the core barrier for enterprise AI deployment. During this phase, we built the FastData Foil Data Fusion Platform, encompassing lakehouse capabilities, real-time and offline data processing and unified governance. This platform seamlessly integrates the entire data value chain, from data storage and analysis to value realization. Based on this platform, we continually upgraded our FastData enterprise data intelligence solution, which empowers enterprises to achieve real-time governance, analysis and full-process data value chain tracking of multi-modal, multi-dimensional and multi-indicator data.

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## BUSINESS

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Specifically, our FastData Foil Data Fusion Platform is capable of tokenizing raw data, converting it into a format that large models can comprehend and process, laying the ground for large model training. Leveraging this capability, we introduced the FastAGI enterprise AI solution in late 2023.

During this phase, we began to achieve scalable commercialization. The cumulative number of customers we served grew from 129 as of December 31, 2022 to 245 as of December 31, 2024, and further increased to 283 as of June 30, 2025. Our revenue increased from RMB100.5 million in 2022 to RMB242.9 million in 2024, achieving a CAGR of 55.5%. Market validation is evident through strong customer adoption and our growing industry reputation.

### ***Present and Future: Integration of AI with Industry Scenarios to Drive Enterprise AI Transformation***

Today, leveraging the coupling of open-source foundation models with public knowledge capabilities, as well as extensive data from different industries and experience from collaborations with industry leaders, we developed the Deepexi enterprise large model platform. This platform incorporates foundational capabilities across various verticals and can be trained and fine-tuned into to enterprise-specific large models through supervised fine-tuning (SFT), where a pre-trained large model is adapted to a specific downstream task using labeled dataset, and reinforcement learning, an interdisciplinary area combining machine learning and optimal control that focuses on how an intelligent agent should take actions in a dynamic environment in order to maximize a reward signal. These models power our FastAGI enterprise AI solution with embedded agentic AI applications, which are capable of processing industry-specific data and performing multi-step reasoning to assist enterprises in completing complex tasks and enhancing operational efficiency.

Looking ahead, we believe all industries will undergo AI-driven transformation. We plan to focus on data engineering, model engineering and application engineering as the core of our AI development, while exploring diverse hybrid technology stacks to enhance our solutions. By deeply integrating with industry scenarios, we aim to continuously build and operationalize scenario-specific AI applications, providing full-cycle services for enterprise AI deployment.

### **Our Technology Infrastructure**

Through sustained R&D investment, we have built a technology infrastructure to support the scalable commercialization of our AI applications. Key components include the following.

#### ***FastData Foil Data Fusion Platform***

Our FastData Foil Data Fusion Platform combines the scalability of data lakes (massive storage systems that hold raw, unprocessed business data) with the reliability of data warehouses (governed datasets), creating a hybrid “lakehouse” architecture. Coupled with the ability to integrate real-time and off-line data processing in one engine, it eliminates data silos (isolated departmental data stores that hinder efficiency) and manages diverse data types of

enterprises including structured, unstructured and semi-structured data under a unified governance framework, enabling high-speed processing of massive, real-time, multi-modal data, providing the critical basis for training and fine-tuning large models into enterprise-specific models.

### ***Deepexi Enterprise Large Model Platform***

Our Deepexi platform combines public knowledge and industry-specific data with mainstream open-source foundation models. We train and fine-tune these foundation models using supervised fine-tuning (“SFT,” which adapts a pre-trained large model to a specific task using labeled data) and reinforcement learning (which guides an intelligent agent to take optimal actions in a dynamic environment to maximize rewards). Combined with accumulated industry data, these above methods power the development of the Deepexi enterprise large model platform: a general-purpose model for operational decision-making that integrates cross-domain knowledge retrieval, reasoning, and decision-making capabilities. It also offers foundational deployment capabilities such as data interaction, multi-system integration and information security to support efficient enterprise-level deployment for customers.

Together, these platforms form the core of our technology infrastructure, enabling us to deliver scalable, industry-specific AI solutions that drive enterprise AI transformation.

### **Our Solutions**

Our FastData enterprise data intelligence solution and FastAGI enterprise AI solution empower enterprises to integrate their data, decisions and operations efficiently at scale. Our solution extends far beyond basic AI capabilities such as simple data retrieval, office collaboration and simple chatbots. It directly tackles core business challenges by providing operational decision-making support and productivity enhancement tools.

### ***FastData Enterprise Data Intelligence Solution***

Leveraging our proprietary FastData Foil Data Fusion Platform, our FastData solution tackles this challenge by enabling enterprises to efficiently govern structured, unstructured and semi-structured multi-modal data, building high-quality knowledge bases. By standardizing and unifying the governance of multi-modal data (e.g., knowledge, documents, drawings, formulas), it aims to bridge the gap between raw information and real-world business needs for faster, more accurate data access, reduced development costs, and sharper decision-making.

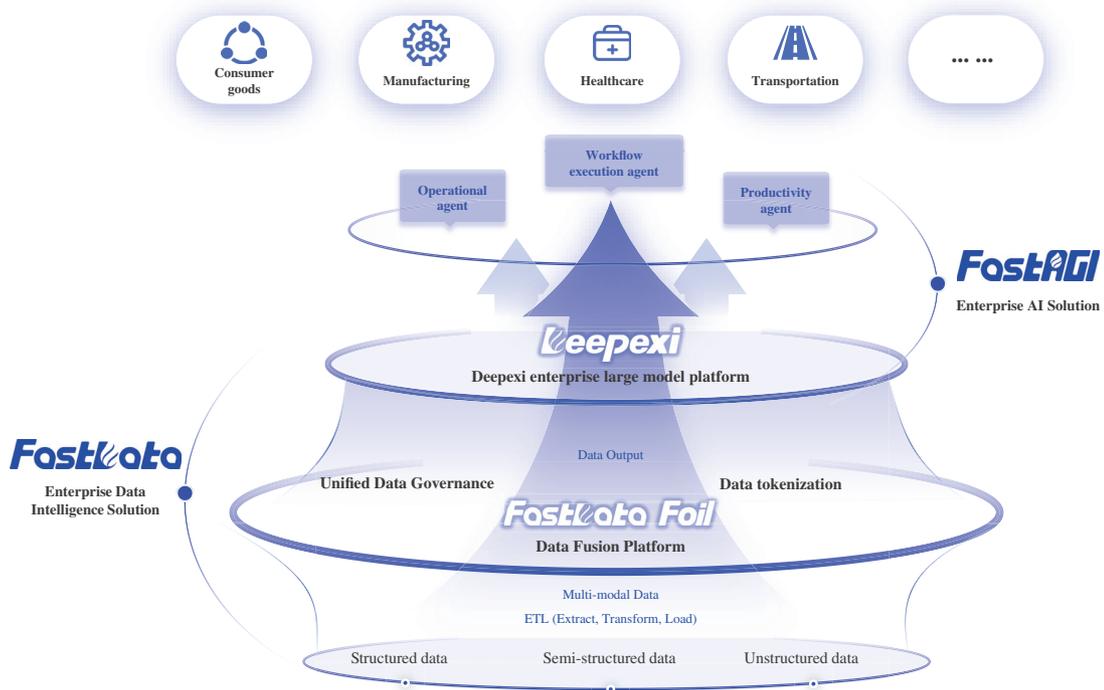
FastData solution also prepares data for AI, delivering tokenized data output for training and fine-tuning large models and agentic AI applications. Its data output also powers business intelligence and analytics, ensuring enterprises derive maximum value from their information assets.

***FastAGI Enterprise AI Solution***

Based on our Deepexi enterprise large model platform, our FastAGI solution, launched and commercialized in late 2023, delivers multi-scenario agentic AI applications tailored to various industries, including consumer goods, manufacturing, healthcare and transportation.

FastAGI solution acts as a one-stop solution enabling full processes from knowledge base development and model management to the incubation of AI agents, simplifying the complexities of AI deployment to empower enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity.

The following diagram illustrates our solutions and technology infrastructure:



**Our Commercialization Strategy**

Guided by our mission, we focus on serving industry leaders in verticals with customer-centric solutions. For example, in the consumer goods sector, we provided FastData and FastAGI solutions to a leading fashion footwear company in China based in Shenzhen, and are replicating our success to industry leaders in other subsectors such as the sportswear sector, enhancing their operational analysis and decision-making capabilities across various scenarios. By serving industry leaders, we gain deeper insights into sector-specific challenges, making our solutions more attractive to new customers, which allow us to quickly replicate to other enterprises in the vertical. This enables efficient scaling, creating a self-enforcing mechanism that drives customer acquisition.

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## BUSINESS

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During the Track Record Period, the number of enterprises using our FastAGI enterprise AI solutions increased from two in 2023 to 20 in 2024, respectively. The number of enterprises using our FastAGI enterprise AI solutions was 27 in the six months ended June 30, 2025. The total revenue generated from our FastAGI enterprise AI solution was RMB6.5 million, RMB90.4 million and RMB73.1 million in 2023, 2024 and six months ended June 30, 2025, respectively. The average revenue per user rose from RMB3.3 million in 2023 to RMB4.5 million in 2024. This growth demonstrates the success of our commercialization strategy and the strong market recognition of our solutions.

### **Our AI Network**

We have formed collaborations with well-known universities, AI hardware developers and software providers to build a AI network. This network enhances our R&D capabilities, diversifies our technology stack and enriches our product portfolio. Insights gained from serving industrial customers further drive product innovation, ensuring our solutions meet evolving market demands and customer expectations.

In 2024, we partnered with a renowned Chinese university to build the “Data+AI” data intelligence R&D laboratory, focusing on model security, AI agent optimization and addressing challenges in training and fine-tuning domain-specific models and ensuring large model controllability. Through research initiatives, technical community building and practical applications, we aim to validate the business value of large models and accelerate the transformation of technological innovations into real-world solutions. These efforts strengthen our collaboration with academic institutions, bolster our R&D capabilities and solidify our industry position.

Additionally, we have partnered with CSDN, a leading IT community in China, to create the *Deepnova* knowledge platform. This platform allows developers worldwide to share challenges and collaborate on AI application development, contributing our expertise and fostering knowledge exchange within the developer community.

Together, these initiatives reinforce our market position, driving innovation and delivering value to our customers and partners.

### **OUR STRENGTHS**

#### **A Fast-Growing Contributor to China’s Enterprise AI Transformation**

Since our founding in 2018, we have been committed to driving AI transformation for enterprises through continuous innovation and optimization. Today, we have built a technology system that integrates data intelligence with AI, delivering high-quality AI solutions to businesses.

Our proprietary large model is the industry's first general-purpose enterprise operational decision-making large model to complete dual regulatory filings for both deep synthesis algorithm and generative AI services, according to Frost & Sullivan.

We pioneered enterprise large model AI application in commercial solutions and led numerous technological advancements. For example, in 2023, we launched and continually iterated our data fusion platform, which is capable of tokenizing raw data, providing critical data for training and fine-tuning open-source foundation models through SFT and reinforcement learning into enterprise-specific models. Our accumulated expertise in data significantly enhances the logical reasoning and problem-solving capabilities of our agentic AI solutions, solidifying our competitive edge.

### **Commercialization-Oriented Proprietary Technological Capabilities**

Our commercialization-oriented technological capabilities are a core competitive advantage driving our future growth. As the use of open-source foundation model becomes a prominent trend, our strengths in data engineering, model engineering and application engineering solidify our competitive advantage in enterprise large model AI application market. Our ability to train and fine-tune open-source foundation models through SFT and reinforcement learning for the development of AI agents that goes beyond conventional AI capabilities delivers real business impact and enables scalable commercialization.

- **Data Engineering:** Leveraging years of accumulated expertise in data lakehouse architecture and data fusion capabilities, we are capable of unified governance of structured, unstructured and semi-structured multi-modal data. Our multi-modal data governance framework extracts semantic insights, identifying, parsing and synthesizing data to achieve data fusion through generation of high-quality, industry-specific data. This high-quality data not only supports enterprise data governance and analytics but also serves as the groundwork for training and fine-tuning enterprise-specific models from open-source foundation models, critical for enhancing logical reasoning and problem-solving capabilities.
- **Model Engineering:** We have developed a suite of reinforcement learning and model distillation techniques to efficiently build up our Deepexi enterprise large model platform. This platform integrates knowledge models (fast-thinking models for retrieval tasks) and reasoning models (slow-thinking models for decision-making tasks). The reasoning models, trained through SFT and reinforcement learning, deliver high-accuracy learning and inference capabilities. Our proprietary model task planning mechanism optimizes the coordination of knowledge and reasoning models, enabling flexible and efficient utilization of tools such as data processing, computation, statistics and coding to support diverse enterprise AI scenarios. We also innovate at the computing layer to improve deployment cost-efficiency and performance. For instance, our proprietary task-driven dynamic batch data processing increases memory data throughput by three times compared to one-time batch data processing. Our optimized KV Cache management capability reduces

first-token latency by six to eight times compared to traditional solutions, significantly improving inference performance. These advancements enable heterogeneous computing acceleration, significantly reducing the deployment cost of our Fast5000E solution compared with that of market-standard computing solutions for comparable models.

- **Application Engineering:** Our agentic AI applications center around three types of AI agents, operational agent, productivity agent and workflow execution agent. Our operational agent is designed to optimize operational decision-making by integrating enterprise-specific data and industry knowledge. Our productivity agent is designed to process complex industry knowledge and customer's unstructured data, such as involving complicated engineering drawings and designs, to provide intelligent assistance to enhance productivity. Our workflow execution agent is designed to execute complex, multi-step actions autonomously based on results and decisions made by our operational and productivity agent. The deployment of these agents empower enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity.

### **Strategic Industry Entry Cultivating Loyal, High-Value Customer Base**

Strategically partnering with industry leaders drives our success. As of December 31, 2024, we served 117 key account (KA) customers, each contributing over RMB1.5 million in revenue in a single year, including leading enterprise customers across consumer goods, manufacturing, healthcare and transportation sectors. From 2022 to 2024, revenue from KA customers grew from RMB83.5 million to RMB217.1 million, while the average annual revenue per KA customer increased from RMB3.8 million to RMB4.8 million. Serving these industry leaders has enabled us to accumulate industry-specific insights, enhance data processing capabilities and strengthen brand influence.

Our efficient capability within verticals further creates a self-reinforcing mechanism that drives customer acquisition. By leveraging our growing influence, product and technological strength, we efficiently scale solutions across customers in the same industry. For instance, we quickly acquired 32 new customers in the consumer goods sector within four years after entering into collaboration with our lighthouse customer, a leading fashion footwear company in China based in Shenzhen in 2021; we quickly acquired 26 new customers in the manufacturing sector within two years after entering into collaboration with our lighthouse customer, China Haisum Engineering Co., Ltd. in 2023, demonstrating our efficient replication capabilities. We also began to penetrate the medical and transportation industry by entering into collaboration with a prominent overseas public healthcare operator and a provincial transportation leader and expect to quickly replicate within these industries.

### **Backing from Top-Tier Global Investors**

Our strategic shareholder structure provides a solid foundation for long-term growth. We are supported by prominent independent investors, including Hillhouse, 5Y Capital and BAI. Additionally, we have attracted industry-focused investors such as Shanghai AI. These partnerships enhance our industry reputation, drive technological innovation and strengthen our market competitiveness. Leveraging the strategic insights and industry expertise of our investors, we are well-positioned to seize market opportunities and accelerate growth. We believe this strong investor backing will further fuel our expansion, solidify our market position, and drive sustained success.

### **Strategic Leadership Driving Rapid Growth**

Our founding team combines strategic foresight, deep industry expertise and strong AI research and management capabilities. With an average of 10 years of industry experience, our leaders are proactive and results-driven, consistently pushing the boundaries of innovation. Under their guidance, we have achieved strong financial performance and established a proven commercialization track record.

Our CEO and founder, Mr. Zhao, pioneered the development of a multi-modal real-time lakehouse architecture to create an data fusion platform and its corresponding enterprise large model. Prior to founding the Company, he held key technical roles at several Chinese technology and internet conglomerates, where he led teams to achieve significant technological and commercial milestones and gained extensive management experience.

Our success is also driven by a dedicated team of 147 R&D professionals as of June 30, 2025, representing approximately 40.5% of our workforce. With extensive expertise in AI, big data and software engineering, they continuously innovate and refine our technological infrastructure and solutions, ensuring we remain at the industry forefront.

## **OUR STRATEGIES**

With our aspiration to drive long-term impact through inclusive and advanced technology, we have developed the following key strategies:

### **Further Strengthening R&D Capabilities and Expanding Solutions Portfolio**

We plan to enhance the R&D of our technological infrastructure and solutions, strengthening our core technologies and expanding our R&D team:

- At the data level, we aim to deepen our capabilities in processing, parsing, and analyzing multi-modal data, including video and audio, to improve data augmentation, synthesis and generalization. This will enable seamless integration with enterprise-specific model training and AI applications.

- At the large model level, we intend to leverage industry-specific data to continuously improve the accuracy and performance of large models, enriching the foundational capabilities of our Deepexi enterprise large model platform.
- At the solutions level, to meet diverse needs of customers across different verticals and meet the demands of varying technological systems and market stages, we plan to accelerate product iterations, enhance agentic AI application capabilities and expand our reach to serve more industries, enabling enterprises to deploy AI solutions faster, more economically and with greater ease.

### **Attracting Top Talent to Build a Stable and Motivated Workforce**

We aim to strengthen our talent management system, aligning recruitment, training and incentives with our strategic goals to build a stable, skilled and motivated workforce:

We plan to develop targeted training programs for different functions and levels, covering technical, managerial and marketing teams, and implement a full lifecycle talent management system that covers recruitment, training, motivation and evaluation to enhance employee engagement and stability.

We intend to continue building a diverse R&D team with diverse expertise in mathematics, cognitive science, AI engineering, algorithms and chip design. We aim to recruit specialists in deep learning, reinforcement learning, AI ethics and edge computing to drive innovation in product design, manufacturing, process management and quality control.

We plan to attract international talent to foster a global perspective, supporting our overseas expansion and enabling localized sales and operations teams in different regions to deliver tailored services.

### **Expanding Coverage of Industry Leading Customers and Strengthening Partnerships across Industry Value Chain**

We plan to strengthen our sales and delivery teams to increase direct engagement with industry leaders, enhancing our appeal to top-tier customers. By expanding our coverage of industry-leading enterprises, we aim to deepen industry insights for extending enterprise-specific model and relevant agentic AI applications while boosting our brand influence and market penetration.

Additionally, we are committed to strengthening partnerships with (i) leading enterprises to maintain and grow our customer base across industries and enabling efficient scaling of application scenarios; (ii) partners along the industry value chain to further strengthen our technological capabilities; and (iii) academic and research institutions through initiatives such as joint research laboratories to expand industry expertise and domain knowledge, fostering sustained co-development in AI.

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## BUSINESS

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In terms of community development, we aim to enhance the *Deepnova* knowledge platform by open-sourcing key components of our technology stack, including heterogeneous computing adaptation layers, multi-modal data ETL components and data analysis languages such as MQL. This will further cultivate the *Deepnova* knowledge platform, improving developer productivity and collaboration, while actively participating in the widespread adoption of enterprise AI applications.

### **Expanding Global Presence**

We anticipate sustained high growth in the global enterprise large model AI application solution market, which presents significant opportunities. The market size of the overseas enterprise large model AI application solution market excluding China, in terms of revenue, is expected to increase from USD6.8 billion in 2024 to USD53.7 billion in 2029 with a CAGR of 51.2% from 2024 to 2029. Building on our existing overseas projects, we aim to accelerate international expansion by entering new regions and markets. We currently carry out our overseas business operations in Hong Kong. Following successful pilot solution deployment in Hong Kong, we plan to explore opportunities in regions such as Southeast Asia and the Middle East.

To achieve these goals, we intend to leverage our domestic project experience and product strengths to establish overseas R&D headquarters, focusing on core technologies such as enterprise-specific large model applications and drive innovation through gathering global expertise and insights. Additionally, we plan to set up overseas marketing headquarters to deepen local market insights and build a global brand strategy, enabling sustained market expansion and business growth.

Additionally, we plan to adopt series of targeted measures to obtain orders from overseas customers and compete with local market players, which primarily include (i) building a pipeline of potential clients through industry databases, trade fair directories and other professional channels supported by market research for tailored engagement strategies; (ii) launching pilot projects with two or three key enterprises in target markets; and (iii) partnering with local system integrators and IT service providers to leverage their customer networks and market presence. We will also prioritize localizing our solutions by establishing local technical teams to customize our offerings based on regional industry needs and ensure compliance with applicable cybersecurity and regulatory requirements. See “Future Plans and Use of Proceeds.” As a first step, we actively expanded our international footprint across Southeast Asia and the Middle East during the six months ended June 30, 2025. We established regional channel partnerships to accelerate the adoption of our solutions across industry sectors including healthcare and finance, with joint initiative already underway in key markets such as Singapore and Saudi Arabia.

### **Pursuing Strategic Acquisitions to Enhance Competitive Advantages**

To further develop and expand our business, we may explore potential acquisitions, joint ventures, and strategic alliances, such as with technology companies who have strong industry-specific AI or large model capabilities. These initiatives aim to complement our core technological capabilities and solidify our technological strengths. We plan to prioritize targets with complementary products or innovative technologies that align with our technologies and solutions, creating synergies and expanding our R&D expertise. As of the Latest Practicable Date, we had not identified or entered into any letter of intention to acquire any potential target.

### **OUR OFFERINGS**

We specialize in delivering enterprise large model AI application solutions to enterprises. We operate a project-based business model. We offer two solutions based on our technology infrastructure: (i) FastData enterprise data intelligence solution based on our FastData Foil Data Fusion Platform, and (ii) FastAGI enterprise AI solution based on our Deepexi enterprise large model platform. Our solutions and platforms are built based on mainstream open-source foundation models.

Our FastData solution helps customers set up a strong data system that is ready for AI. It brings together different types of data, such as spreadsheets, documents, diagrams and reports, into one place where they are easy to manage. Then, it prepares that data in a format that AI tools can understand and use effectively. Our FastData solution facilitates our customers to build a foundational data infrastructure, specializing in the unified governance of multimodal data (structured, semi-structured business data and unstructured content such as documents, engineering diagrams and medical reports) and delivering data output through the tokenization process of breaking down text or data into smaller units (token), to make it easier for computers to process and analyze.

Our FastAGI solution acts as the practical AI layer that turns prepared data into useful AI tools for different businesses. It is built on our Deepexi platform, which is capable of creating accurate, enterprise-specific AI models by tailoring them to apply in different businesses. FastAGI solution also makes it easier to build and apply these AI tools in real-world business scenarios. FastAGI solution enables the development of accurate enterprise-specific models through specialized adjustment techniques and optimizes deployment of AI agents for practical enterprise use.

Customers can use each of our FastData and FastAGI solutions alone or together. FastData solution organizes and prepares clean, ready-to-use data in real time. FastAGI solution then uses that data to build and run smart AI tools for business tasks. When used together, they cover everything from getting data ready to putting AI into action.

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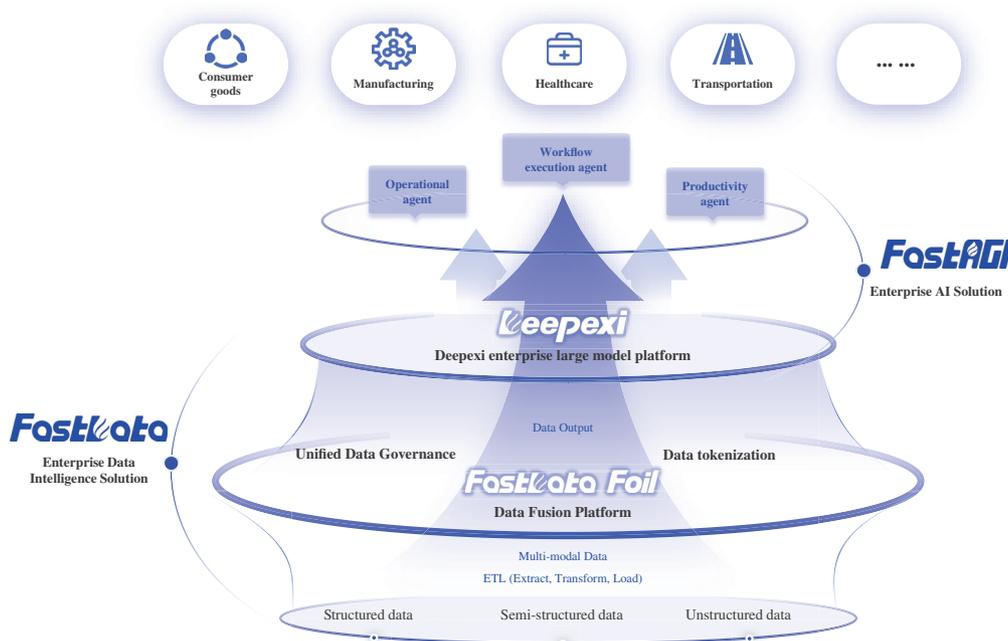
## BUSINESS

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Our solution extends far beyond basic AI capabilities such as simple data retrieval, office collaboration and simple chatbots. It directly tackles core business painpoints by providing operational decision-making support and productivity enhancement tools. We recognize that data integration is paramount for true business impact. Going beyond generative AI applications limited to simple question-and-answer capabilities, our platforms seamlessly integrate with customer's existing data infrastructure. This integration allows for a data + AI driven approach that drives our development of agentic AI applications, unlocking the potential for AI-powered insights and actions directly relevant to our customer's business operations.

Our portfolio integrates data intelligence and AI capabilities to deliver a cohesive data + AI driven solution that empowers enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity.

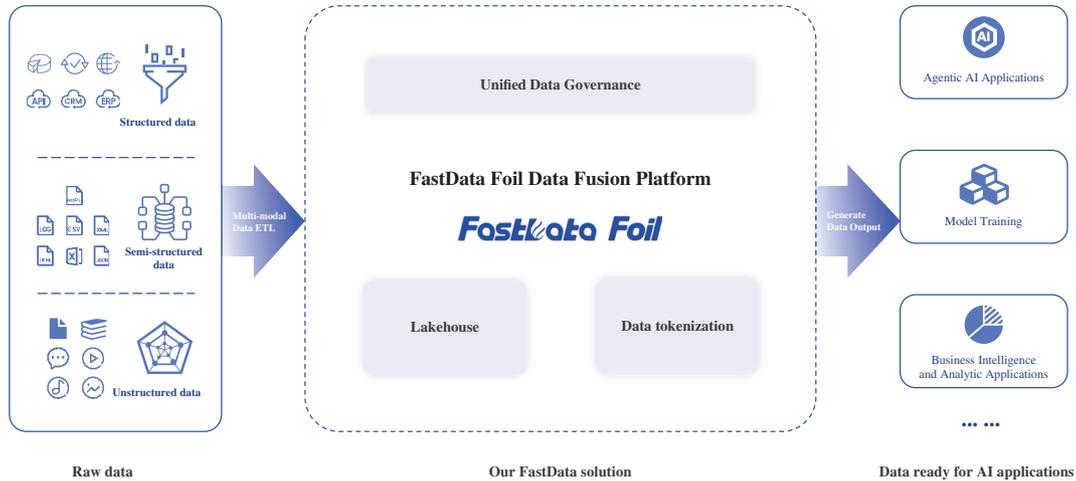
The following diagram illustrates the relationship between our technology infrastructure and solutions:



### FastData Enterprise Data Intelligence Solution

Today's enterprises deal with massive amounts of data, including documents, images, spreadsheets, technical drawings, complex formulas, often unstructured and scattered in different formats and systems. Our FastData solution tackles this challenge by enabling enterprises to efficiently govern structured, unstructured and semi-structured multi-modal data, building high-quality knowledge bases. By standardizing and unifying the governance of multi-modal data (e.g., knowledge, documents, drawings, formulas), it bridges the gap between raw information and real-world business needs for faster, more accurate data access, reduced development costs, and sharper decision-making.

FastData solution also prepares data for AI, delivering tokenized data output for training and fine-tuning large models and agentic AI applications. Its data output also powers business intelligence and analytics, ensuring enterprises derive maximum value from their information assets.



FastData solution brings customers’ different types of data into one easy-to-manage platform (unified data governance) and prepares such data in a format that AI tools can understand and use effectively (structured, computer-readable data output that can support AI workloads).

FastData solution organizes and prepares enterprise data so it is ready for AI applications to use. It has two primary functions: (i) it formats information properly to train enterprise-specific AI models for specific business needs; and (ii) it can provide unified and well-governed data for custom AI tools help teams understand their data better and make informed business decisions. The solution works smoothly with our Deepexi enterprise large model platform or customer’s own AI infrastructure, and can seamlessly connect to existing business infrastructure implemented by the enterprises. This allows companies to automatically turn data insights into real actions. By making complex data understandable and useful, it helps businesses make smarter decisions across all departments.

### ***FastData Foil Data Fusion Platform***

Our FastData solution uses our FastData Foil Data Fusion Platform to bring together data from different systems and keep it organized. This helps ensure that the data is clean and useful for training AI models that are tailored to each business. For specific industries, we use this processed data to fine-tune our Deepexi platform, creating custom AI models which are in turn used to build FastAGI solution that matches the needs of different customers.

Our FastData Foil Data Fusion Platform features the following technological advantages:

### *Unified data governance*

We provide businesses with a centralized and secure platform to organize all their data through a cohesive framework, including structured databases, documents, images, and other formats, using consistent categorization and labels, making data easier to find and use. By minimizing the errors and costs of fragmented data systems, enterprises gain a trusted foundation for fast, accurate decision-making. Role-based hierarchical access controls enable granular permission management, allowing enterprises to enforce data security policies at organizational, departmental, and individual levels. This structured governance also facilitates secure, seamless live data sharing across departments and partner systems for cross-functional collaboration — eliminating duplicate data governance efforts and inefficiencies while enabling richer contextual insights through blended internal and external datasets.

### *Data lakehouse connecting and managing scattered data sources*

Our integrated data lakehouse platform solves critical data fragmentation challenges by merging the scalability of data lakes with the reliability of data warehouses:

- Integrates real-time and off-line data processing in one engine, eliminating data silos;
- Ensures minute-level data freshness via full-chain CDC (Change Data Capture, end-to-end tracking of database changes in real time) for real-time synchronization with business systems;
- Supports heterogeneous data sources with expandable plug-in adapters, enabling rapid integration of new data pipelines.

### *Data tokenization laying the foundation for large model training*

Our FastData Foil Data Fusion Platform tokenizes raw data, converting it into a format that large models can comprehend and process, laying the ground for large model training. Tokenization involves analyzing diverse inputs including textual data, images, documents and formulas, identifying and categorizing key elements while establishing meaningful connections between data points, ensuring contextual relationships remain intact while converting inputs into a format that is easily interpretable by large model algorithms. This tokenization capability enhances the quality of training data, preserving critical business context, thereby enhancing accuracy and promptness of responses by large models. This empowers the training and fine-tuning of our Deepexi industry-specific large model, setting the foundation for our FastAGI enterprise AI solution.

As the platform accumulates experience with leading customers across industry sectors, it continuously strengthens its ability to process diverse industry-specific data formats with increasing efficiency. The platform has developed specialized capabilities to interpret and standardize various complex data types, from technical drawings in manufacturing and construction, to analytical charts in healthcare and scientific formulas in engineering. This growing library of format recognition and processing expertise directly translates into more accurate AI model performance with decreased errors, while significantly lowering the adoption barrier for new industries. The platform's expanding capacity to comprehend and organize unique industry data formats and business logic makes expansion into additional sectors progressively smoother, as the core challenge of adapting to specialized knowledge representations has already been addressed through prior implementations. The platform value grows cumulatively with each new industry application, continually improving accuracy and broadening applicability.

Our FastData Foil Data Fusion Platform is designed to support exabyte-level (EB-level) storage capacity for enterprise multi-modal data, with current commercial deployments achieving petabyte-level (PB-level) storage volumes. FastData Foil Data Fusion Platform is capable of processing 1.9 billion tasks per minute (equivalent to approximately 31.7 million tasks per second) while 1.0 billion tasks per minute is common across the industry, supporting high throughput in concurrent data processing scenarios. In terms of system performance, core data operations and analytics functions operate at millisecond-level latency, while end-to-end real-time data processing has been demonstrated at sub-second level, with practical implementations achieving latency as low as 0.5 seconds, while the industry benchmark is typically considered at 3 seconds. These metrics reflect FastData solution's technical scalability and suitability for high-frequency, low-latency enterprise AI workloads.

### **FastAGI Enterprise AI Solution**

FastAGI solution is our enterprise agentic AI solution based on our Deepexi enterprise large model platform designed to seamlessly integrate and accelerate the implementation of AI solutions across various business functions. By arming individual employees with an extensive knowledge pool that spans both enterprise-wide and industry-specific data, our solution aims to empower businesses to make better-informed, more accurate business decisions.

FastAGI solution offers sophisticated functionalities built around a user-friendly human-machine interface (HMI) and underpinned by a corpus engineering system. Its technological advantages include the following:

- **Intelligent analysis enabling data + AI driven decision-making.** Our operational agent delivers an enhanced user experience through augmented visual analytics that combine natural language processing with data analysis for interactive dialogue with users. This seamless interaction empowers users to derive insights more effectively and efficiently, fostering a data + AI driven decision-making environment.

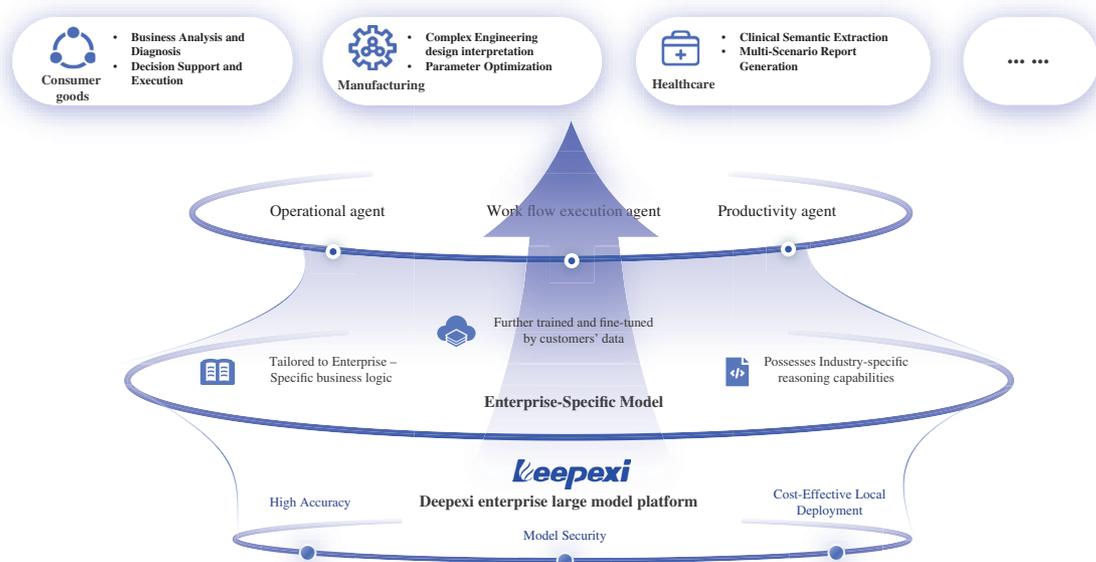
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## BUSINESS

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- **AI Agent Incubation.** FastAGI solution supports agent-based development, allowing businesses to develop custom AI agents to perform tasks, make decisions and interact with environments on behalf of users and tailor them to specific tasks and workflows. The platform provides tools to facilitate the creation, deployment and management of these agents. For example, these AI agents interact with various internal and external systems through APIs to autonomously execute diverse tasks, emphasizing seamless user interaction. This significantly enhances the platform's adaptability and customizability.
- **Native MCP (model context protocol) framework.** FastAGI solution enable the seamless integration of data and tasks from both enterprise internal systems and external data sources through the native MCP framework.
- **Complex Scenario Coordination.** Our solution excels in handling complex, multi-step intelligent processes by leveraging AI agent workflow management capabilities and a deep understanding of user intent to enable AI systems to deliver efficient support autonomously. This enables highly efficient AI assistance across numerous domains, improve productivity and enhancing decision-making quality, especially for multifaceted business problems.
- **Unified User Interface.** Our solution provides a consistent and intuitive interactive system for accessing all FastAGI solution features by integrating multiple applications, tools or platforms into one seamless experience for users, whether interacting with the core large model or custom-built agents. This ease of use lowers the difficulty to utilize the features empowered by FastAGI solution, allowing both technical and non-technical personnel to utilize the platform effectively.

The following chart sets forth the structure and functions of our FastAGI solution, based on the Deepexi enterprise large model platform:



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## BUSINESS

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Our solution centers around three types of AI agents: operational agent, productivity agent and workflow execution agent.

- ***Operational agent***: helps business make better business decisions by combining company's live data with industry know-how.
- ***Productivity agent***: handles complex technical information such as engineering designs and manufacturing details to boost productivity.
- ***Workflow execution agent***: executes complex, multi-step actions autonomously based on results and decisions made by our operational and productivity agents.

FastAGI solution acts as a one-stop platform enabling complete processes from knowledge base development and model management to the incubation of AI agents, simplifying the complexities of AI deployment and fostering a smooth transition from data integration to practical analysis to empower enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity.

### ***Deepexi Enterprise Large Model Platform***

As the foundational structure for the FastAGI solution, our Deepexi platform leverages mainstream open-source AI models like DeepSeek and Qwen, and combines them with public knowledge and industry-specific data. We train and fine-tune these models to create a powerful, general-purpose AI system that can understand, reason, and support decision-making across different business areas. Our Deepexi platform also includes built-in tools for handling data, connecting with other systems, and keeping information secure, making it easier for companies to use AI effectively.

The Deepexi enterprise large model platform, compatible with heterogeneous computing environments, can then be deployed locally to be further trained and fine-tuned by our customer's data processed by FastData Foil Data Fusion Platform to form enterprise-specific large models with industry-specific reasoning capabilities and tailored to the customer's business logic to deliver outputs with hierarchical access controls and automated workflow capabilities, forming a solid foundation for deploying our agentic AI enterprise-specific applications.

Our Deepexi enterprise large model platform features the below technological advantages:

- **High Accuracy.** Our model is able to achieve high accuracy of up to 89.7% by analyzing user intent and limiting outputs to verified industry knowledge and the enterprise's dataset, and alerts users if queries exceed this scope, enhancing the reliability and accuracy of the results. In comparison, the industry benchmark stands at 82.9%.

- **Model Security.** Our security framework uses smart search tools and role-based access controls to protect customer data and AI models. It keeps sensitive information safe and ensures the AI system runs reliably and securely. In particular, our model achieved a low false negative rate of only 5.9% and a recall rate of 94.2%, while the industry benchmark shows a false negative rate of 25.7% and a recalled rate of 74.3%, demonstrating its ability to identify risks comprehensively while minimizing the likelihood of misclassifying harmful content as safe.
- **Cost-Effective Local Deployment.** Our solutions are designed to run efficiently on a company's own systems, helping reduce costs and improve performance. They support flexible system setups (known as heterogeneous clusters), come with ready-to-use configurations, and include our patented technologies such as task-driven dynamic batch data processing (which processes data in a steady flow) and optimized KV cache (a method for speeding up memory access), to make deployment smoother and more effective.

As we work with more customers across different industries, our Deepexi enterprise large model platform continues to improve its core strengths. These include: (i) using precision-tuning tools that monitor and adjust AI accuracy for specific business tasks to make the platform more reliable for professional use; (ii) adapting AI models to fit business scenarios more quickly and cost-effectively; and (iii) learning from each customer engagement to better understand the unique business logic of different industries. After each project, a dedicated team extracts useful insights and knowledge to create custom training materials such as industry-specific corpus data for model training that help further refine the Deepexi platform.

### ***Fast5000E Computing Power Platform***

To further optimize deployment at the computing power level, we developed Fast5000E, an integrated platform with FastAGI solution built in. It supports agile computational power deployment and management based on customer scenarios through integration and optimization with our platforms, ensuring that our solutions have the necessary resources to operate efficiently and responsively. It provides the scalable infrastructure needed to handle intensive computing tasks, enabling rapid deployment and real-time processing capabilities required by FastAGI solution. Fast5000E is compatible with mainstream hardware available on the market and supports heterogeneous computing to reduce switching cost for customers. Moreover, it incorporates our proprietary patented technology such as task-driven dynamic batch data processing, KV cache optimization and proximity inference to enhance memory management and maximize the utilization of computing power. Our FastAGI solution is primarily delivered in software form with minimum hardware composition. The hardware component under our FastAGI solution is flexible as an option based on customers' preferences.

### Application Scenarios

Our FastAGI solution, together with our FastData solution, delivers multi-scenario agentic AI applications underpinned by data capabilities tailored to various industries, including consumer goods, manufacturing, healthcare and transportation. For example, for the consumer goods sector, our operational agent revolutionizes operational management by enabling intelligent decision-making. For the manufacturing sector, our productivity agent acts as a smart brain for engineering design, fostering human-machine collaboration to enhance design efficiency and accuracy. As another example, the combination of our operational and productivity agents empowers the healthcare industry by enhancing both operational efficiency and improving healthcare outcomes. Our workflow execution agent is deployed for all customers to carry out the associated workflows based on the insights and decisions facilitated by our operational and productivity agents.

*Use Case: Customer X, a leading fashion footwear company in China*

Customer X, based in Shenzhen, is a leading fashion footwear company in China. Its retail model encompasses the entire value chain of brand retail, spanning from fashion trend analysis to omnichannel customer engagement. Customer X's key objective of collaborating with us is using data to present factual insights, underpin management processes and boost decision-making efficiency through AI. This approach aims to establish a fully integrated digital and intelligent operational cycle across the entire value chain, with a focus on enhancing decision-making across merchandise and brand management.

We collaborated with Customer X to design and implement a data + AI driven agentic AI solution centered around our FastAGI and FastData solutions to empower the operational aspects of Customer X. Leveraging industry-specific capabilities of our Deepexi enterprise large model platform and public knowledge base for the consumer goods industry and training data of Customer X processed through our FastData solution, we built a customized enterprise-specific large model for Customer X, based on which we deployed agentic AI applications for Customer X that integrates core capabilities including AI-enabled data acquisition and query, business analysis and diagnosis and decision support and execution. Our solution operates within Customer X's operational framework, interacting with the decision-making aspects of over 40 business modules and connecting more than 10 systems. Our solution provides intelligent support across various levels and corporate roles from stores to headquarters, such as AI data analyst for analyzing individual store data against local competitors, or AI product operation strategist for managing and planning the product lifecycle. Our solution's seamless integration with the existing systems of Customer X has facilitated the development of an intelligent operational framework across various business scenarios, markedly improving operational efficiency and the quality of decision-making.

Our solution included:

- *AI-generated Data Acquisition and Query*
  - Instant Data Access. Through voice or text conversational interaction, store staff can swiftly access a range of sales, inventory and personnel metrics, including sales figures, sales rankings and details on key promotional products.
  - Efficient Data Query Experience. Utilizing natural language processing capabilities, users can intuitively retrieve the necessary data without complex technical procedures, significantly improving store operational efficiency.

The below screenshots are examples of store operation data access, where, based on AI-generated data acquisition and query, the store staff can access various operational data:



*Note:* On-site store managers and staffs can easily and timely access the data they need using an AI-powered mobile query tool that supports both voice and text interactions. For example, they can ask about yesterday’s sales achievement rates, individual staff sales rankings, or check which store has stock available for a specific product to arrange a transfer between the stores.

- *Business Analysis and Diagnosis*
  - Operational Diagnosis. The AI data analyst performs thorough analysis of operational data, incorporating business rules and analytical frameworks to produce multi-faceted data reports that uncover business opportunities and potential challenges.
  - Multidimensional Store Operation Insights. The AI data analyst integrates expert methodologies with vast historical data to swiftly generate detailed reports, encompassing operational assessments, root cause analysis, risk forecasts and optimization recommendations.

The below screenshots are examples of business analysis and diagnosis, where the AI data analyst can produce data reports based on analysis of operating data, incorporating business rules and analytical frameworks to do operational assessments, root cause analysis, risk forecasts and optimization recommendations:

**决策面板**

主理员: 13-43-27

2024年11月经营

2024年11月经营

2024年11月经营

**经营概况分析**

所有经营数据均按日更新，方便查看经营趋势。

统计店铺经营数据如下:

值	销售额	销售量	客单价	成交均价	客单价
本期	100000	10000	10000	10000	10000
同期	100000	10000	10000	10000	10000

**库存健康度分析**

所有库存数据均按日更新，方便查看库存趋势。

统计店铺库存数据如下:

值	销量	库存	存销比
本期	10000	100000	10
同期	10000	100000	10

**商品经营分析**

所有商品经营数据均按日更新，方便查看商品经营趋势。

统计本月经营商品数据如下:

值	销售额	销售量	客单价	成交均价	客单价
本期	100000	10000	10000	10000	10000
同期	100000	10000	10000	10000	10000

**客户经营分析**

所有客户经营数据均按日更新，方便查看客户经营趋势。

统计本月经营客户数据如下:

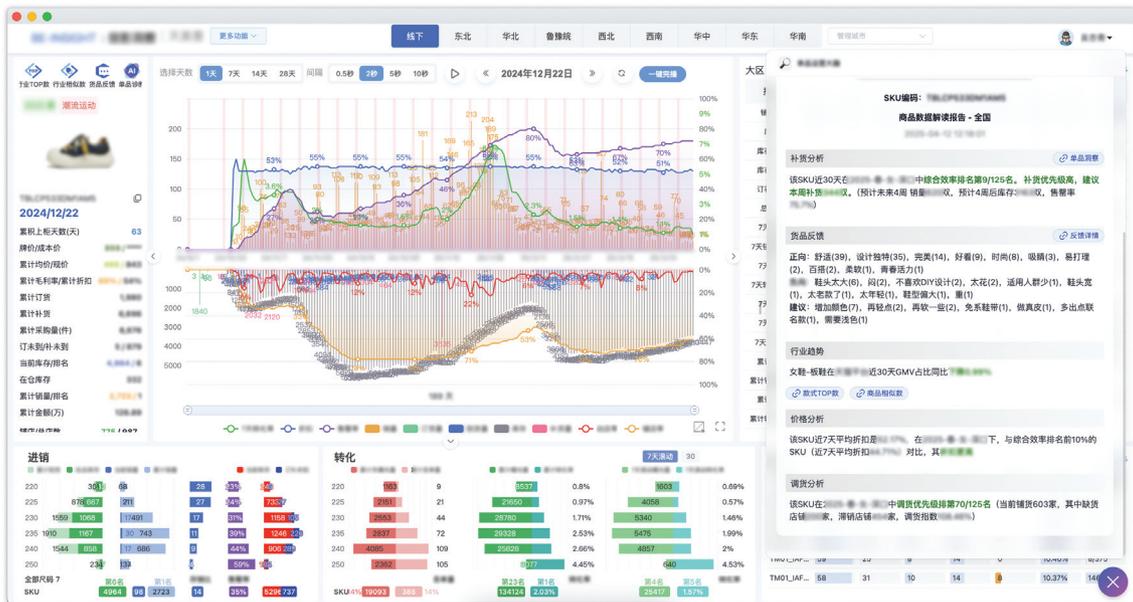
值	销售额	销售量	客单价	成交均价	客单价
本期	100000	10000	10000	10000	10000
同期	100000	10000	10000	10000	10000

Note: This system can also generate detailed data analysis and evaluation reports based on real-time data and scenario-specific business analysis frameworks. These reports include assessments of store performance, root cause analysis for specific issues, forecasts for potential risks and actionable operation optimization suggestions, providing a comprehensive support for operating managers to gain deep insights of the store's conditions and make strategic decisions timely and efficiently.

- *Decision Support and Execution*

- **Rapid Report Generation.** The solution integrates seamlessly into existing data review processes to produce AI diagnostic reports with a single click, encompassing analyses of inventory management, pricing, product feedback and market trends.
- **Data + AI Driven Decision-Making.** The solution utilizes structured and unstructured data from both internal and external sources across the product lifecycle, harnessing AI capabilities to offer intelligent decision support for various stages of daily product operations, such as inventory planning and management, pricing adjustments, sales and marketing, among others. The solution thoroughly combines multi-dimensional data, including sales, inventory, market, industry and frontline store feedback with large models and domain-specific AI algorithms working collaboratively to optimize the decision-making process in product operations.

The below screenshot shows an example where our solution combines multi-dimensional data, including sales, inventory, market, industry and front line store feedback with large models and domain-specific algorithms working collaboratively to optimize the decision-making process in product operations:



*Note:* By integrating internal and external information, including actual inventory and sales figures, market research feedbacks and industry trend insights, this system intelligently generates recommendations for restocking, price adjustments and product transfer arrangements. This enables business teams to make faster and more accurate decisions on product operations.

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## BUSINESS

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Our collaboration with Customer X resulted in a significant transformation of their operations. Key achievements include:

- Deployment across approximately 300 cities and over 8,000 stores within a one year period, demonstrating the system’s scalability and broad applicability.
- Our chatbot handled over a hundred thousand queries by ten thousand users within a one year period, achieving a semantic coverage and intent recognition rates of over 90%.
- High accuracy in data-driven insights.
- Inventory data reveals that, our solution effectively prioritized replenishment for high-performing SKUs (sell-through >85%) and avoided unnecessary replenishment for low-performing ones, aligning with actual sales results, optimizing inventory management and reducing inefficiencies.
- Typically, within one to two minutes and within the confines of data permissions, a comparable store analysis report can be generated based solely on the store name. This significantly enhances decision-making efficiency in scenarios such as store inspections and headquarters assessments of benchmark stores.
- Enhanced decision-making across merchandise and brand management, leading to improved resource allocation and optimized operations.

*Use Case: China Haisum Engineering Co., Ltd. (“Haisum”)*

We collaborated with Haisum, a leading state-owned, publicly traded engineering design corporation in China, to develop an agentic AI solution based on FastData and FastAGI solutions to leverage AI to significantly enhance efficiency and expertise within their engineering design processes.

Leveraging the industry-specific capabilities of our Deepexi enterprise large model and public knowledge base for the manufacturing sector and Haisum’s desensitized training data processed through our FastData solution, we locally deployed a customized enterprise-specific large model for Haisum. This is based on an extensive knowledge base consisting of nearly a thousand professional technical documents, resulting in a substantial corpus of text snippets, question-answer pairs and standard graphics. The customized enterprise large model is capable of processing text, images, tables and formulas, enabling applications such as document classification, layout analysis and image/formula recognition. Based on this, we deployed an agentic AI solution designed to provide proactive support to engineers throughout the design lifecycle. Its capabilities include the analysis of existing documentation, the generation of supplementary documents, and assistance in drawing and designing reviews. Our SFT and reinforcement learning methodology further refines the accuracy of the model.

The below screenshot is an example of an engineering drawing analysis where the user inputs a complex engineering drawing and our solution outputs an analysis of the drawing, including the detailed technical specifications and parameters recognized from the drawing:

**AI分析结果**

这是一张4个基础螺栓定位安装孔的系统图，型号是ACP400-707

**参数详情**

型号: ACP400-707

备注: Motor Weight: 4240kg Weight (without motor)  
11616.2kg Foundation for following motor size:  
1000rpm, 500kW, 6kV

基础纵向边界: -250,2750

基础纵向边界: -750,750

基础高度K3: 250

底座高度H: 920

**螺栓详情**

螺栓规格	数量	位置 (x,y)	坐标
螺栓1规格	4-110x110x400, B-M24	螺栓1定位(x,y)	100,-525
螺栓2规格	4-110x110x400, B-M24	螺栓2定位(x,y)	2500,525
螺栓3规格	4-110x110x400, B-M24	螺栓3定位(x,y)	100,-525
螺栓4规格	4-110x110x400, B-M24	螺栓4定位(x,y)	2500,-525

The below screenshot is an example of engineering parameters calculation where our solution calculates the local compressive strength based on a complex engineering scenario provided, and provides the detailed calculation process:

公式曲线图 ▾

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当钢梁上翼缘受有沿腹板平面作用的集中荷载且该荷载处未设置支承加劲肋时，腹板计算高度上边缘的局部承压强度如何计算?给出计算示例

查看分析过程

公式曲线图

为了计算钢梁上翼缘受有沿腹板平面作用的集中荷载且该荷载处未设置支承加劲肋时，腹板计算高度上边缘的局部承压强度，我们可以使用公式：

$$\sigma_c = \frac{\psi F}{t_w l_z} \leq f$$

其中：

- $F$  是集中荷载设计值（考虑动力系数）(N)。
- $\psi$  是集中荷载的增大系数。对于重级工作制吊车梁， $\psi = 1.35$ ；对于其他梁， $\psi = 1.0$ 。
- $l_z$  是集中荷载在腹板计算高度上边缘的假定分布长度 (mm)。可以使用公式  $l_z = 3.25 \sqrt[3]{\frac{F}{t_w}}$  计算，也可以使用简化公式  $l_z = a + 5h_y + 2h_R$  计算。
- $t_w$  是腹板厚度 (mm)。
- $f$  是钢材的抗压强度设计值 (N/mm<sup>2</sup>)。

让我们使用一个示例来说明计算过程。假设我们有一个钢梁，其参数如下：

- 集中荷载  $F = 100$  kN（考虑动力系数）。
- 集中荷载的增大系数  $\psi = 1.0$ （对于其他梁）。
- 腹板厚度  $t_w = 8$  mm。
- 集中荷载在腹板计算高度上边缘的假定分布长度  $l_z = 100$  mm。
- 钢材的抗压强度设计值  $f = 215$  N/mm<sup>2</sup>。

我们可以使用公式计算局部承压强度：

$$\sigma_c = \frac{\psi F}{t_w l_z}$$

然后检查它是否满足：

$$\sigma_c \leq f$$

让我们在 Python 中实现这个计算。

```
python
# 给定参数
F = 100 * 1000 # 集中荷载设计值 (N), 100 kN
psi = 1.0 # 集中荷载的增大系数
tw = 8 # 腹板厚度 (mm)
lz = 100 # 集中荷载在腹板计算高度上边缘的假定分布长度 (mm)
f = 215 # 钢材的抗压强度设计值 (N/mm^2)

# 计算局部承压强度
sigma_c = (psi * F) / (tw * lz)

# 检查是否满足条件
is_satisfied = sigma_c <= f

print((sigma_c, is_satisfied))

output
(125.0, True)
```

计算得到的局部承压强度  $\sigma_c$  为 125.0 N/mm<sup>2</sup>。由于  $\sigma_c \leq f$ （其中  $f = 215$  N/mm<sup>2</sup>），条件得到满足。

因此，当钢梁上翼缘受有沿腹板平面作用的集中荷载且该荷载处未设置支承加劲肋时，腹板计算高度上边缘的局部承压强度为  $\sigma_c = \frac{\psi F}{t_w l_z}$ ，并且在给定示例中满足设计要求。

参考来源如下：

- [1] GB 50017-2017 《钢结构设计标准》.docx 6.1.4
- [2] GB 50017-2017 《钢结构设计标准》.docx 6.1.5
- [3] GB 50017-2017 《钢结构设计标准》.docx 6.3.4
- [4] GB 50017-2017 《钢结构设计标准》.docx 6.3.3

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Key achievements of our collaboration include:

- Our solution achieved a high accuracy rate, demonstrating the effectiveness of our AI technology in a high-precision industry.
- Response times for professional queries were reduced to under five seconds.
- The optimized embedding and reranking models within the RAG system resulted in a substantial increase in recall rate. Leveraging the capabilities of multi-modal models such as Math and Vision Language Models (VLMs), we have enhanced the accuracy of typical formula computations and substitution calculations.

*Use Case: Han's Laser Technology Industry Group Co., Ltd. ("Han's Laser")*

Han's Laser, a global leader in intelligent manufacturing equipment, sought to leverage AI to optimize its manufacturing processes and enhance product quality. Their challenge involved analyzing vast amounts of data from thousands of machines and equipment to identify patterns, diagnose issues and recommend improvements. Leveraging our Deepexi enterprise large model's industry-specific capabilities and public knowledge base for laser cutting, we built a customized enterprise-specific large model for Han's Laser. Based on this and training data of Han's Laser processed through our FastData solution, we deployed an agentic AI solution for the laser cutting process based on FastAGI solution, facilitating tasks such as fault diagnosis and parameter optimization.

The below screenshot is an example where the user inputs a set of parameters for laser cutting, and our solution outputs an analysis and evaluation for each parameter and gives recommendations on ways to optimize the parameters:



The project is led by Han's Smart Control Technology Co., a wholly-owned subsidiary of Han's Laser, and is currently in development. Our solution is designed to realize proactive fault analysis, automate the generation of process specifications and significantly improve cutting quality. Our AI fault diagnosis function provided real-time feedback on equipment status, reducing maintenance costs and improving overall production efficiency. Additionally, process parameter optimization enabled precise control and real-time monitoring of process flows and parameters, leading to significant improvement in cutting quality. This project aims to represent a significant advancement in intelligent manufacturing, driving intelligent transformation in laser production processes.

*Use Case: A Prominent Overseas Public Healthcare Operator*

We entered into collaboration with a prominent overseas public healthcare operator that oversees over 40 public hospitals and 100 clinics, serving more than five million patients annually. In collaboration with the headquarters' AI laboratory, we are planning and building a one-stop agentic intelligent medical solution that continuously innovates AI applications from broad public use to specialized medical fields.

The official platform of the public healthcare operator is an APP that provides healthcare such as health management, outpatient appointment and online payment for residents. We have integrated AI into the APP, overcoming several significant technical challenges:

- **High Accuracy Rate:** Our solution utilizes powerful constraint retrieval based on a medical knowledge base and is able to achieve high accuracy in answering queries within the scope of the professional knowledge base and specific customer data range.
- **Complex Workflow Navigation:** Our solution is able to precisely interpret multi-turn dialogues, supporting intricate commands.
- **Dynamic Knowledge Evolution:** Our solution facilitates the continuous development and updating of the knowledge base.

By developing an integrated large-scale model technology stack, we enhance patient medical experiences through multi-scenario medical report generation, achieving:

- **Multi-style scenario adaptation:** Our solution dynamically generates medical reports tailored for diverse use cases, including legal, police, and clinical documentation, with automated style and formatting adjustments to meet specific requirements.

- **Model evaluation and optimization:** We provide full-cycle AI model services, from selection and evaluation to model engineering and fine-tuning for different writing styles, optimizing models to solve problems such as repetition, inaccuracies and unstructured text.

Aside from delivering an integrated FastData and FastAGI solutions, we also offer standalone applications to address specific industry needs. When applied independently, our FastData solution supports enterprises to govern multi-modal data and enables the construction of high-quality knowledge base, streamlining workflows and providing meaningful outputs that supports agile, data-driven decision-making. Meanwhile, our FastAGI solution delivers multi-scenario agentic AI applications customized for specific industries, empowering users with intelligent decision-making, interactive operations and AI-powered workflow automation which enhances operational efficiency and precision across business functions.

*Use Case of the Standalone Application of FastData Solution: A Leading Digital Fabrication Solutions Provider*

We provided FastData solution to a leading provider of digital fabrication solutions for electronic circuits to empower its data governance and intelligent analysis. Our solution consolidated its data platforms and established stringent data governance procedures, while systematically organizing and managing its data assets. By streamlining workflows and strengthening execution, the project significantly enhanced data quality and reliability. It also reduced response times for data query requests, enabling faster and more agile decision-making. Leveraging clean and well-structured data, along with extensive association analysis and domain analysis, this solution provides cross-function insights to deliver specific, measurable insights tied to actionable operational steps in different functions across supply chain, finance and marketing. Guided by accurate business narratives, analytical conclusions and tailored recommendations, we believe it provides support to decision makers to make rapid decisions, ensuring that the decisions are executed efficiently and directly at the operational level.

*Use Case of the Standalone Application of FastAGI Solution: A Museum*

We developed an AI-powered solution for a museum using our FastAGI solution, implementing an intelligent service system that operates on two parallel tracks. For public visitors, the system delivers round-the-clock interactive experiences across various scenarios through smart exhibit terminals. Its offerings include detailed exhibit explanations, scientific insights, interactive educational scenarios, navigation assistance, as well as immersive simulations. For staff operations, the system integrates nine AI-driven workflows including intelligent document retrieval, multi-source summarization, automated meeting notes, report drafting, text optimization, weekly report generation and access to a technology knowledge base, significantly enhancing administrative efficiency and streamline daily operations for staffs.

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## BUSINESS

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*Ongoing partnerships:*

In addition, we are redesigning the AI marketing campaign process for one of Asia's leading health and beauty retailers, breaking through the efficiency bottleneck of manually analyzing marketing needs, reducing the misallocation of marketing resources caused by parameter misinterpretation and building an automated marketing engine that responds flexibly to the market.

As of the Latest Practicable Date, we are developing an intelligent operations platform for a globally-leading sportswear company based in Fujian, China, aimed at enhancing its operational efficiency and user experience through AI technology.

We collaborated with six provincial transportation leaders to co-develop transportation large models, enabling multi-modal data fusion, domain-specific model training and fine-tuning to seamlessly integrate data, operational knowledge and business workflows and construct AI agents with multi-scenario adaptation, achieving automation and intelligent coordination across the transportation business chain.

### Specialist Technology Industries

The table below sets out a summary for how each of our FastData and FastAGI solutions fall within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
FastData Solution . . .	(i) Artificial intelligence algorithm (AI-empowered programming; recognition, natural language processing (NLP), machine learning and deep learning); and	FastData solution is based on a data intelligence platform that enables the high-speed processing of both structured and unstructured data, serving as a foundational infrastructure for AI-driven enterprise applications. Going beyond basic data processing capabilities, the ability to comprehend and dissect complex, unstructured data requires extensive machine learning algorithms. FastData solution combines layout, text, table, and formula parsing capabilities with Visual Language Models (VLMs) to deconstruct complex multi-modal data while taking into account the customer's business logic. It leverages AI algorithms to tokenize raw, multi-modal data, transforming them into actionable insights and into formats optimized for AI applications, large model training and fine-tuning, and real-time decision-making across industries.	Leveraging its foundational technologies, FastData solution empowers enterprise customers across different industries, with the below examples: <ul style="list-style-type: none"> <li><b>Consumer goods industry:</b> For retail companies, FastData solution helps our clients predict by integrating and processing diverse data streams. The platform consolidates historical sales records (item-location-time dimensions), real-time inventory data, external factors (weather, competitor landscape) and product characteristics to generate granular demand data at the SKU-level and store-level. These insights directly inform replenishment strategies and inventory allocation decisions. The solution enhances key retail metrics including sales conversion rates, inventory turnover and supply chain responsiveness.</li> </ul>
	(ii) Artificial intelligence (AI solutions: the design and provision of AI solutions used in different industry verticals).	FastData solution's Modern Data Stack (MDS) architecture incorporates NLP (Natural Language Processing) algorithms, including an innovative NLP-to-SQL (Structured Query Language) conversion feature. This allows users to input natural language business queries that are automatically translated into SQL commands, enabling real-time data retrieval and improving analysis efficiency.	

Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
			<ul style="list-style-type: none"> <li> <p><b>Manufacturing industry:</b> In manufacturing, FastData solution acts as a powerful data refinery, turning complex technical documents and data into clean, AI-friendly fuel. For engineering knowledge, it is able to comprehend and analyze technical documents containing formulas, parameters and specifications through machine learning algorithms, preserving their precise meaning while converting them into digital formats AI systems can work with. When processing mechanical drawings and diagrams, it intelligently identifies key components, extracts measurements and maps relationships between different elements, like an expert engineer. All such diverse and complex information, whether from PDF manuals, CAD drawings or equipment sensors, are organized in a unified smart catalog. The processed, tokenized data output enables the development of AI models to support decision-making in the manufacturing process.</p> </li> </ul>
			<ul style="list-style-type: none"> <li> <p><b>Healthcare industry:</b> FastData solution empowers healthcare data management by transforming complex medical information through machine learning algorithms into structured, computer-readable outputs that can support AI workloads. FastData solution intelligently processes diverse clinical data, including lab reports, imaging studies, and medical device outputs, extracting and standardizing critical information while preserving vital clinical context. It automatically analyzes text-based pathology reports, interprets medical charts and scans and deciphers results generated by medical devices, recognizing relationships between different data types such as lab values and patient conditions. All this information is organized in a unified, searchable medical knowledge base that maintains temporal relationships and clinical relevance. FastData solution implements security measures to protect sensitive health information, with hierarchical access controls. The processed, tokenized output enables healthcare organizations to develop accurate diagnostic AI models, power clinical decision support systems, and generate real-time patient monitoring insights.</p> </li> </ul>

Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
			<ul style="list-style-type: none"><li>• <b>Transportation industry:</b> In transportation sector applications, FastData solution provides critical data processing capabilities for road maintenance and emergency response systems. FastData solution can handle diverse data modalities using machine learning algorithms including road surface scan images, surveillance camera feeds and traffic laws and regulations and standardize such information for AI model consumption. By creating structured, analysis-ready datasets from unstructured inputs, FastData solution enables the development of accurate roadway condition monitoring AI models that support automated hazard detection (cracks, potholes and surface deterioration), priority-based repair scheduling and rapid emergency incident response, improving inspection efficiency and incident resolution times compared to manual processes.</li></ul>

Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
FastAGI Solution . . . .	Artificial intelligence solutions: the design and provision of AI solutions used in different industry verticals)	<p>(AI FastAGI solution is our enterprise agentic AI solution based on our proprietary enterprise multi-modal large model technology stack designed to seamlessly integrate and accelerate the implementation of AI solutions across various business functions for customers in different industries. FastAGI solution extends beyond basic AI capabilities such as data retrieval, office collaboration and simple chatbots. It directly tackles core business painpoints by providing operational decision-making support and productivity enhancement tools. FastAGI solution centers around three types of AI agents, operational agent, productivity agent and workflow execution agent. The operational agent optimizes operational decision-making by integrating enterprise-specific real-time data and industry knowledge; the productivity agent processes complex industry knowledge and unstructured data, such as involving interpreting complicated engineering designs and manufacturing processes, to boost productivity; the workflow execution agent executes complex, multi-step actions autonomously based on results and decisions made by the operational and productivity agents.</p>	<p>FastAGI solution empowers different industry verticals in the following ways:</p> <ul style="list-style-type: none"> <li> <p><b>Consumer goods industry:</b> FastAGI solution empowers consumer goods companies by transforming data into immediate, actionable business decisions acting as an around-the-clock digital operations team that continuously analyzes inventory levels, competitor activities and market trends to optimize different aspects of retail management.</p> <p>At the store level, FastAGI solution functions like an AI store manager, monitoring real-time performance metrics to provide advice for staffing, inventory placement and promotional strategies. For product management, it tracks each item's complete lifecycle across store locations, making smart recommendations about when to reorder, transfer stock between stores or initiate markdowns. FastAGI solution also serves as a strategic advisor, comparing store performance with different stores to suggest pricing and product assortment strategies. FastAGI solution has empowered our customers to achieve faster response to market changes, better inventory management and improved operational efficiency.</p> </li> <li> <p><b>Manufacturing industry:</b> FastAGI solution transforms manufacturing operations by integrating AI across core engineering design and manufacturing processes, generating optimized manufacturing routes, procedures and engineering parameter recommendations while enabling quality improvement through reverse-engineering capabilities. For engineering design teams, FastAGI solution provides intelligent assistance in product design, constructs industry-standard knowledge base, and offers automated engineering drawing review and analysis through its productivity agents. For example, for our manufacturing customers, FastAGI solution is able to interpret engineering drawings and provide construction guidance directly to field workers, and recommend optimized processing parameters and performs equipment diagnostics autonomously, enhancing efficiency and quality control.</p> </li> </ul>

Specialist Technology Products	Specialist Technology Industry Acceptable Sector(s)	Main Technology/Function Analysis	How it Empowers Different Industry Verticals
			<ul style="list-style-type: none"> <li> <p><b>Healthcare industry:</b> FastAGI solution empowers healthcare operations by deploying specialized AI assistants across the care continuum. For patients, it provides intelligent digital companions that offer personalized guidance on treatments, test results, and medication management. Healthcare teams benefit from AI-powered diagnostic support and automated report generation, which streamline clinical workflows while maintaining medical accuracy. The system creates a connected network of AI agents that collaborate, from simplifying patient interactions to assisting complex medical decision-making. This includes automating time-consuming administrative tasks such as generating specialized reports for various institutions. For clinical specialties, FastAGI solution delivers tailored assistance by learning department-specific protocols, such as supporting anesthesiologists with preoperative assessments.</p> </li> <li> <p><b>Transportation industry:</b> FastAGI solution delivers intelligence for transportation systems through a combination of its operational and productivity AI agents, including monitoring industry developments and providing smart mobility recommendations. For infrastructure operators, FastAGI solution enables granular project control from operational management and risk control to contract payment recovery.</p> </li> </ul>

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## BUSINESS

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Our Directors are of the view that based on the information above, each of solutions fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules.

Based on the following analysis and the view of the Directors and Frost & Sullivan, the Joint Sponsors are of the view that each of our solutions fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

- (1) Our FastData solution is empowered by AI algorithms developed through extensive natural language processing, machine learning and deep learning. Going beyond basic data processing capabilities, the ability to comprehend and dissect complex, unstructured data (such as engineering diagrams and medical reports) requires extensive machine learning algorithms. For example, it uses Visual Language Models (VLMs), a type of deep learning model, to deconstruct complex multi-modal data while taking into account the customer's business logic. It leverages AI algorithms to tokenize raw, multi-modal data, transforming them into actionable insights and into formats optimized for AI applications and large model training and fine-tuning, and to support real-time decision-making across industries. The FastData solution is based on a data intelligence platform that enables the high-speed processing of both structured and unstructured data, serving as the foundational infrastructure for AI-driven enterprise applications.
  
- (2) Our FastAGI solution is an enterprise AI solution that empowers businesses across industries by deploying specialized AI agents that enhance decision-making, productivity, and workflow automation. Unlike basic AI tools, it combines different AI agents to optimize real-time business decisions, interprets and retrieves complex data including engineering designs or medical reports, providing responses with high accuracy and automates multi-step tasks. For example, for the consumer goods industry, it refines demand forecasting and inventory strategies; in manufacturing, it assists with optimizing manufacturing processes and engineering analysis diagnostics; in healthcare, it supports clinical decisions and patient management.

## BUSINESS

### Commercialization

We adopt a transaction-based model for our solutions. We started to commercialize our FastData and FastAGI solutions in 2019 and 2023, respectively.

The following chart illustrates the commercialization timeline of our major products, reflecting our continuous commercial application of technologies:

Specialist Technology Product	Launch	Start of Revenue Generation
FastData . . . . .	June 2019	November 2019
FastAGI . . . . .	November 2023	December 2023

Our commercialization centers around increasing engagement with industry leaders, enhancing our appeal to top-tier customers. By serving industry leaders across different verticals, we gain deeper insights into sector-specific challenges, making our solutions more attractive to new customers. This enables efficient scaling and drives customer acquisition while boosting our brand influence and market penetration.

The number of customers each period increased from 56 in 2022 to 71 in 2023 and further to 89 in 2024 and 54 in the six months ended June 30, 2025. Cumulatively, we served 129, 178, 245 and 283 customers as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023, and further increased by 88.3% to RMB242.9 million in 2024. Our revenue further increased by 118.4% from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the six months ended June 30, 2025.

The table below sets forth our revenue breakdown in absolute amounts and as percentages of our total revenue for the years indicated:

Year ended December 31,						Six months ended June 30,			
2022		2023		2024		2024		2025	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>									
<i>(Unaudited)</i>									

FastData enterprise data										
intelligence solution . . . . .	100,468	100.0	122,491	94.9	152,530	62.8	35,390	58.5	59,031	44.7
FastAGI enterprise AI solution . . . . .	-	-	6,549	5.1	90,396	37.2	25,107	41.5	73,072	55.3
<b>Total . . . . .</b>	<b><u>100,468</u></b>	<b><u>100.0</u></b>	<b><u>129,040</u></b>	<b><u>100.0</u></b>	<b><u>242,926</u></b>	<b><u>100.0</u></b>	<b><u>60,497</u></b>	<b><u>100.0</u></b>	<b><u>132,103</u></b>	<b><u>100.0</u></b>

## BUSINESS

### *Key Operating Data*

The table below sets forth key metrics of our FastData and FastAGI solutions:

	Year ended December 31,						Six months ended June 30,	
	2022		2023		2024		2025	
	FastData	FastAGI	FastData	FastAGI	FastData	FastAGI	FastData	FastAGI
Number of customers during the year/period <sup>(1)</sup> . . . . .	56	–	70 <sup>(4)</sup>	2 <sup>(4)</sup>	80 <sup>(5)</sup>	20 <sup>(5)</sup>	35 <sup>(6)</sup>	27 <sup>(6)</sup>
Number of new customers <sup>(2)</sup> . . . . .	43	–	51 <sup>(7)</sup>	2 <sup>(7)</sup>	62 <sup>(8)</sup>	18 <sup>(8)</sup>	24 <sup>(9)</sup>	23 <sup>(9)</sup>
Cumulative customers served . . . . .	129	–	177 <sup>(10)</sup>	2 <sup>(10)</sup>	236 <sup>(11)</sup>	20 <sup>(11)</sup>	255 <sup>(12)</sup>	43 <sup>(12)</sup>
Average customer value <sup>(3)</sup> (RMB in thousands) . . . . .	1,794	–	1,750	3,274	1,907	4,520	1,687	2,706 <sup>(17)</sup>
No. of contracts that recognized revenue during the year/period . . . . .	74	–	100	2	105	22	44	32
Order backlog as of the end of period (RMB in million) . . . . .	63.7	–	48.3	4.3	29.1	18.8	54.1 <sup>(18)</sup>	56.0 <sup>(18)</sup>
No. of early termination/ cancellation of contracts . . . . .	1	–	2	–	1	–	–	–
Tender success rate <sup>(13)</sup> . . . . .	41%	–	45%	–	52%	50%	50%	57%
Average customer acquisition cost <sup>(14)</sup> (RMB in million) . . . . .	27.9	–	19.9	–	12.4	–	11.5	–
Overall customer retention rate <sup>(15)</sup> . . . . .	24.1%	–	33.9% <sup>(19)</sup>	–	26.8%	–	14.6%	–
Overall net dollar retention rate <sup>(16)</sup> . . . . .	60.8%	–	161.3% <sup>(20)</sup>	–	72.5%	–	74.1%	–

(1) Number of customers during the year/period is defined as those in the specified year/period.

(2) Number of new customer equals to the number of customers in the current period who did not contribute revenue in the previous year.

(3) Average customer value for a given period is calculated by dividing revenue in that period by the number of customers for the same period.

(4) There was one overlapping customer of FastData solution and FastAGI solution in 2023.

(5) There were 11 overlapping customers of FastData solution and FastAGI solution in 2024.

(6) There were eight overlapping customers of FastData solution and FastAGI solution in the six months ended June 30, 2025.

(7) There was one overlapping new customer of FastData solution and FastAGI solution in 2023.

(8) There were eight overlapping new customers of FastData solution and FastAGI solution in 2024.

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## BUSINESS

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- (9) There were four overlapping new customers of FastData solution and FastAGI solution in the six months ended June 30, 2025.
- (10) There was one overlapping cumulative customer of FastData solution and FastAGI solution in 2023.
- (11) There were 11 overlapping cumulative customers of FastData solution and FastAGI solution in 2024.
- (12) There were 15 overlapping cumulative customers of FastData solution and FastAGI solution in the six months ended June 30, 2025.
- (13) We primarily acquire customers through direct customer engagement and negotiations rather than participating in a bidding process. Only approximately 16% of our revenue were attributed to contracts won through bidding during the Track Record Period.
- (14) Average customer acquisition cost is calculated by dividing the selling and marketing expenses for the period by the number of new customers acquired in the same period.
- (15) Overall customer retention rate is calculated by subtracting the number of new customers acquired during the period from the total number of customers at the end of the period, and dividing the result by the total number of customers at the beginning of the period (i.e., the total number of customers at the end of the prior period) and multiplied by 100%.
- (16) Overall net dollar retention rate equals the revenue of a current period from customers that contributed to our revenue for both the current and previous periods divided by the revenue of the previous period and multiplied by 100%.
- (17) Our average customer value for FastAGI solution in the six months ended June 30, 2025 was relatively low, primarily due to the expansion of our FastAGI solution market that brings broader customer coverage and an increase in application scenarios, and the growing number of FastAGI solution led to a decrease in the average customer value.
- (18) Our order backlog for both FastData and FastAGI solutions at the end of six months ended June 30, 2025 was relatively high, primarily due to an increase in newly signed orders in 2025, and as the period covers only six months, some of the new orders had not yet entered the closing stage.
- (19) Our overall customer retention rate increased from 24.1% in 2022 to 33.9% in 2023, primarily due to the commencement of our FastAGI solution deliveries, which further enhanced customer engagement. Our overall customer retention rate decreased from 33.9% in 2023 to 26.8% in 2024, primarily due to an increase in new customer acquisitions.
- (20) Our overall net dollar retention rate increased significantly from 60.8% in 2023 to 161.3% in 2024, primarily due to expanded adoption of our solutions by certain existing customers, supported by adjustments in their internal business resource allocations.

During the Track Record Period, a significant portion of our revenue was derived from new customers, primarily because: (i) our strategic repositioning or the launch of new products and solutions; (ii) a misalignment between the annual procurement focus of certain previously engaged customers and our core business offerings, such as when their business or budgetary needs temporarily shift away from the scope of our offerings during the period; and (iii) the completion of major system deployments of certain previously engaged customers, who, despite no longer contributing to our revenue, may still maintain ongoing relationships with us through warranty periods, maintenance services or system upgrades. Customers typically placed orders once annually, with a minority procuring twice or more per year. The average procurement cycle ranged from three to six months.

## BUSINESS

### *Major Contracts*

The table below set forth the details of our top three customer contracts in terms of revenue contribution for each year/period of the Track Record Period for FastData and FastAGI solutions:

#### **Year ended December 31, 2022**

<b>Background</b>	<b>Contract sum</b>	<b>Revenue</b>	<b>Place of implementation</b>	<b>Solutions provided</b>	<b>Contract duration</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>			
Customer A among our five largest customers in each of 2022, 2023 and 2024, a public company listed on Shenzhen Stock Exchange engaged in R&D, production and sales of automobiles. . . . .	15,000	14,144	Chongqing, China	Our FastData solution enhanced the customer's full-chain marketing system covering pre-sale, in-sale and post-sale stages.	February 2022 – December 2022
Customer D among our five largest customers in 2022, a company engaged in in production and sales of cleaning and personal care products. . . . .	5,270	4,913	Zhejiang, China	Our FastData solution enabled the customer to unify and analyze data across its core business functions including R&D, supply chain, production, and sales, streamlining enterprise-wide operations.	March 2022 – December 2022
A company engaged in production and sales of fodder as well as animal husbandry services. . . . .	4,800	4,482	Sichuan, China	Our FastData solution enhanced the customer's digital marketing and supply chain system.	February 2021 – June 2022

## BUSINESS

### Year ended December 31, 2023

Background	Contract sum	Revenue	Place of implementation	Solutions provided	Contract duration
	<i>(RMB'000)</i>	<i>(RMB'000)</i>			
Customer A among our five largest customers in each of 2022, 2023 and 2024, a public company listed on Shenzhen Stock Exchange engaged in R&D, production and sales of automobiles . . . . .	16,000	8,021	Chongqing, China	Our FastData solution empowered the customer's digital marketing system to enhance user lifecycle management, operational efficiency and market responsiveness in the evolving electric vehicles sector.	June 2023 – August 2024
Customer L among our five largest customers in 2024, a company engaged in big data technology development and application . . . . .	5,700	5,044	Shanghai, China	Our FastAGI solution enabled the intelligent upgrade of engineering design systems through knowledge base construction and providing decision-making support for design teams.	December 2023 – December 2023
Customer I among our five largest customers in 2023, a company engaged in network technology R&D and software development. . . . .	5,470	5,023	Guangdong, China	Our FastData solution enhanced the digital marketing system for the sales of vehicles.	February 2023 – May 2023

## BUSINESS

### Year ended December 31, 2024

Background	Contract sum	Revenue	Place of implementation	Solutions provided	Contract duration
	<i>(RMB'000)</i>	<i>(RMB'000)</i>			
Customer K among our five largest customers in 2024, a company engaged in sales and service of computers, network products and equipment, software products and systems, wires and cables and computer accessories . . . . .	17,000	15,044	Jiangsu, China	Our FastAGI solution enabled the construction of an energy knowledge base and the implementation of AI applications.	November 2024 – December 2024
Customer L among our five largest customers in 2024, a company engaged in big data technology development and application . . . . .	15,400	13,628	Shanghai, China	Our FastAGI solution enabled intelligent Q&A for technical provisions, smart retrieval of internal standard diagrams and a wide range of AI applications.	September 2024 – December 2024
A company engaged in internet data services. . . . .	11,394	10,492	Shanxi, China	Our FastData and FastAGI solutions supported intelligent management of coal supply chain services from raw material procurement to sales.	September 2024 – December 2024

## BUSINESS

### Six months ended June 30, 2025

Background	Contract sum	Revenue	Place of implementation	Solutions provided	Contract duration
	<i>(RMB'000)</i>	<i>(RMB'000)</i>			
Customer P among our five largest customers in the six months ended June 30, 2025, a company engaged in traffic big data mining and analysis and cloud computing applications . .	9,700	8,960	Guizhou, China	Our FastData solution supported the integrated traffic information service platform, delivering high-performance, multi-scenario, and highly interactive data support services.	March 2025 – June 2025
Customer O among our five largest customers in the six months ended June 30, 2025, a company engaged in the manufacturing, assembly, and sales of electrical equipment . .	10,070	8,912	Jiangsu, China	Our FastAGI solution supported data processing, model training, and inference capabilities, enabling the development of an early disaster warning system and a dynamic impedance matching system for power grids.	March 2025 – April 2025
Customer A among our five largest customers in each of 2022, 2023 and 2024, a public company listed on Shenzhen Stock Exchange engaged in R&D, production and sales of automobiles . . . . .	11,994	5,069	Chongqing, China	Our FastData solution supported collection, governance, analysis and visualization of human and vehicle data in digital marketing and vehicle R&D process.	June 2024 – 2025

### OUR PROPRIETARY TECHNOLOGIES

#### Data Engineering:

- ***Unified Multi-modal Metadata:*** This technology enables the integration of structured, unstructured, graph and vector data for effective multi-modal data governance, enterprise-grade search functions and precise semantic processing.
- ***MQL:*** This technology provides sophisticated data asset retrieval based on a unified framework and leverages semantic modeling to achieve highly accurate data intelligence analysis, with high accuracy rates.

### Model Engineering:

- ***Task-driven dynamic batch data processing:*** Enhances task processing by aggregating multiple requests into a single batch, allowing for simultaneous handling. This approach optimizes memory utilization and significantly increases throughput, enabling our system to manage far greater volumes of data concurrently. As a result, we achieve a significant improvement in efficiency compared to traditional one-time batch data processing methods that process tasks individually.
- ***KV Cache Optimization:*** Specifically designed to enhance performance in applications involving multi-turn dialogues and hybrid knowledge retrieval. By employing a key-value caching mechanism, this system efficiently stores critical computational results, eliminating the need for redundant calculations for similar requests. This leads to substantial improvements in inference performance and efficiency, achieving reductions in the latency of the first response by six to eight times according to internal test results, while also allowing more users to interact with the system concurrently without compromising performance.
- ***Proximity Inference:*** Optimizes response times by distributing key-value caches generated by remote services to nearby computational resources in scenarios where data processing occurs remotely. This strategic approach reduces the latency associated with the initial response, thereby significantly enhancing user experience and enabling faster interactions with the system.

### Application Engineering:

- ***Hybrid Enhanced Retrieval:*** This capability enables the precise retrieval of integrated data, knowledge, documents and graphs, ensuring efficient and accurate information access.
- ***Custom Workflow and Agent Orchestration:*** This technology supports the development of contextualized intelligent applications. It allows for quick expansion using workflows, facilitating continuous construction, evaluation, deployment and operation of intelligent agents.

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## BUSINESS

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### RESEARCH AND DEVELOPMENT

Our ability to develop new technologies, design new solutions and enhance existing solutions is critical for maintaining our market position.

#### R&D Team

Our R&D team consists of dedicated talents with profound industry expertise, focusing on developing and commercializing our solutions which help maintain our technological advantages and market competitiveness. Each of our core R&D team members has extensive working experience in data, AI, large models and software programming, in reputable domestic or overseas technology companies. Each of our core R&D team members has their specialized areas and the following table sets out their profile:

<u>Core R&amp;D team member</u>	<u>Profile</u>
ZHANG Zhaozhong (張趙中) . . . . .	A technology expert in AI and big data with over 10 years of experience in R&D. Previously held key R&D positions at leading technology companies such as Alibaba. Currently leads our AI R&D, specifically large model and agentic platforms.
BAI Haifeng (柏海峰) . . . . .	A professional with over 15 years of experience in the technology sector holding key R&D positions at globally leading technology companies such as IBM and Microsoft, and possess extensive expertise in cloud computing technologies, SaaS-based distributed software architecture and e-commerce platform design. Currently serves as the head of R&D at our Company.
WU Xiaoqian (吳小前) . . . . .	A senior technology expert with over 12 years of experience in the technology sector, recognized in the industry for contributions to distributed database innovation. Previously held key R&D positions at a leading technology company, and led the development of large-scale platform software architecture systems. Currently serves as our chief architect, leading the development of our FastData platform, Deepexi large model and foundational computing power.

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## BUSINESS

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<u>Core R&amp;D team member</u>	<u>Profile</u>
WU Zhongqin (吳中勤) . . . . .	An expert with seven years of experience in the technology sector, specializing in neural network training, model fine-tuning and visual AI, previously held R&D positions at leading technology companies. Currently leading multi-modal model architecture R&D for our Deepexi enterprise large models.
HUANG Rongping (黃榮平) . . . . .	Leads the R&D and deployment of our Deepexi enterprise large models with extensive experience in AI algorithms and large model R&D, with publications in highly recognized conferences on multi-modal large models.
LV Xin (呂鑫) . . . . .	Head of our FastAGI agentic AI product R&D with over 10 years of experience in technology and engineering, previously served as business line director in a technology company and specializing in integrating AI with enterprise data for scalable model deployment.
CHEN Feng (陳峰) . .	Our technology expert with over seven years of experience, leading our enterprise large model architecture design and practical applications. Highly recognized in the industry with published bestsellers in data and large model fields.
JIAN Yonghua (簡勇華) . . . . .	Our data lake and large model architect with expertise in lakehouse systems and domain-specific model fine-tuning, previously held position as an engineer in a digital technology company. An open-source contributor with multiple patents in data lakes and large models.
YANG Weiliang (楊維亮) . . . . .	Chief architect of our Fast5000E computing platform with extensive experience in large model training, inference acceleration, and big data system design. Previously held position as an software architect in a leading technology company.
CHEN Ying (陳穎) . .	A veteran in technology for retail, FMCG, healthcare and transportation with over 10 years of experience. Leading our healthcare AI solutions, focusing on clinical applications for industry-level large model products.

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## BUSINESS

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Our R&D team consisted of 238, 182, 143 and 147 members as of December 31, 2022, 2023, 2024 and six months ended June 30, 2025, respectively, representing 53.8%, 48.8%, 44.3% and 40.5% of our total employees during the same periods. We incurred research and development expenses of RMB94.2 million, RMB82.3 million, RMB81.4 million, RMB24.1 million and RMB58.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, representing 93.7%, 63.8%, 33.5%, 39.9% and 44.1% of our total revenue for the respective periods.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. We also invest in continuing education and training programs to upskill our key management and technical staff. In the event of termination of employment requested by a key staff member, we closely communicate with the staff member for the reason of departure and provide feedback for us.

In addition, to further mitigate the impact of potential departures, we have implemented the following measures: (i) all employees are required to sign non-compete and intellectual property ownership agreements upon onboarding, ensuring that patents and copyrights remain with us; (ii) core technical documentation is centrally managed under a tiered access control system to safeguard proprietary knowledge; (iii) we conduct comprehensive resignation procedures, including the handover of ongoing projects and client relationships; and (iv) departing employees are required to sign the confidentiality agreement, and for key management and technical personnel, we assess on a case-by-case basis whether to enforce non-compete clauses. Our Directors are of the view that the fluctuations in our R&D headcounts during the Track Record Period has not caused delays in the development or launch of our products or solutions during the Track Record Period, nor are they expected to negatively affect our future R&D capabilities.

The salient terms of agreements with management and technical staff are set out below:

- ***Ownership of intellectual properties.*** We hold the intellectual property rights, including patent rights, proprietary technology rights, copyrights and related interests, to any proprietary technology, patented products and other works created or contributed to by the employee as part of their duties during their term of employment.
- ***No conflict.*** Employees shall not engage in any other job during their term of employment.
- ***Non-competition.*** We have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, employees shall not engage in any competitive behavior specified in the agreements.

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## BUSINESS

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- **Confidentiality.** During the term of employment, except as necessary to perform their duties, and for all time thereafter, employees shall not, without our prior written consent, disclose, divulge, announce, publish, impart, transfer or otherwise make known to any third party, or in any way use any information, such as technical and trade secrets, belonging to us or belonging to any other party for which we have a duty of confidentiality.

To improve our R&D capability at the group level, we have established incentive programs for our R&D employees. For employees who contribute materially to our intellectual properties, special rewards are provided to the responsible employee primarily in the form of cash.

### **Key Research Projects**

Our current R&D efforts are focused on enhancing the processing and analysis of multi-modal data while seamlessly integrating data synthesis with the training of large models for industry scenarios and our enterprise AI applications. We aim to develop autonomous agentic AI applications capable of independent task management and adaptation, creating self-sustaining intelligent applications. We plan to continue to construct industry-specific large models from accumulated sector-specific data, continuously optimizing their accuracy. Additionally, we aim to expand our enterprise AI applications across various domains, leveraging project experience to develop innovative products and services that are replicable and ready for rapid deployment, ultimately driving better collaborative outcomes and economic benefits.

### ***FastData Solution***

- **2019: Began commercialization of FastData solution and continually upgraded and iterated in the following years**
- **2021: Real-time data lakehouse and intelligent analytics**
  - o ***Lakehouse engine for natural language analytics.*** We commenced the R&D of real-time lakehouse technology, launching a lakehouse engine and intelligent analytics with NLP-to-SQL algorithms to support natural language querying.
  - o We have obtained or commenced application of the following patents from the above R&D efforts: Method, System and Storage Medium for Automatic Wood Defect Detection; Method for Pore Detection Based on Full-Face Images; Method, Apparatus, Electronic Device and Storage Medium for Wood Board Color Recognition; and Method, System, Electronic Device and Storage Medium for Product Sales Prediction.

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## BUSINESS

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- o We have also obtained or commenced application of the following software copyrights: DEEPEXI DataFacts for FastAI Intelligent Analytics Service System; and DEEPEXI FastAI Data Intelligent Analytics Service Platform.
- **2022: Modern data stack architecture**
  - o *Modern data stack architecture.* We conducted the R&D of a modern data stack architecture to support full process data ingestion, development, governance, storage and AI-powered analytics.
  - o We have obtained or commenced application of the following patents from the above R&D efforts: Method and System for Generating Cypher Statements Based on Model; Method, System, Device and Storage Medium for Sales Prediction Based on Fusion Model; Method for Solid Wood Quality Detection; Method, Apparatus, Electronic Device and Storage Medium for Wood Board Defect Detection.
  - o We have also obtained or commenced application of the following software copyrights: DEEPEXI FastData for DataSense Data Perception Platform; and DEEPEXI FastData for SenseFlow Data Science Analytics Engine Software.
- **2023: Unstructured data processing and tokenization**
  - o *Unified governance and tokenization.* We focused on R&D to solidify unified governance of multi-modal data, supporting both business intelligence and analytics applications, as well as data tokenization for model training.
  - o *Unstructured data processing.* We commenced the R&D for enhanced capabilities of processing unstructured data for FastData solution, positioning it as a core foundation for enterprise AI large model training and fine-tuning.
  - o We have obtained or commenced application of the following patent from the above R&D efforts: System, Method and Storage Medium for Mask Appearance Inspection.
  - o We have also obtained or commenced application of the following software copyright: DEEPEXI FastData DataSense Data Analytic Platform.
- **2024: Continued enhancement and iteration**
  - o *Iteration on unconstructed data processing.* We continued the R&D on iterations of unconstructed data processing and tokenization to enhance AI large model training.

- **2025: Handling more diverse data types and enhancing security**
  - ***Recognition and governance of new data types.*** We focused on the R&D for our solution to enable customers to identify, parse and store several new types of data, including spatial data, map-based data and building data, aiming to expand FastData solution's adaptability to complex, real-world task performance.
  - ***Graph-based cataloging.*** We focused on the R&D to upgrade our catalog system to visually map relationships between different data types for easier management.
  - ***Enhanced data security.*** We continued the R&D to strengthen data security features through tracking tools that follow data from source to use, ensuring full visibility and control.
  - We have obtained or commenced application of the following patent from the above R&D efforts: Method, Apparatus and Device for Early Warning and Prevention of Sensitive Data Leakage.

### ***FastAGI Solution***

- **2021: R&D of foundational capability of using natural language to conduct data analysis**
  - ***Natural language data querying.*** We commenced the R&D of foundational capabilities for enabling business users to perform data analysis using natural language, allowing them to query data metrics in everyday language. This reduced reliance on technical teams for data access and accelerated operational decision-making.
  - ***Low-code workflow configuration.*** We commenced the R&D of low-code and user-friendly technology to visually configure business logic through drag-and-drop components to minimize coding requirements of users while supporting complex operational workflows.
  - We have obtained or commenced application of the following patents from the above R&D efforts: An Algorithm for Data Exploration and Analysis Using Natural Language; and Entity Alignment Method Based on Graph Structure Information and Text Semantic Model.
  - We have also obtained or commenced application of the following software copyright: Deepexi Low-Code Technology Platform.

- **2022: Knowledge base construction and complex document processing**
  - *Complex document processing.* We commenced the R&D of AI solutions capable of learning from customer data and documents using text clustering algorithms to automatically analyze and structure document collections to process document hierarchies and formats, converting raw files into organized knowledge base for AI model training and reference.
  - We have obtained or commenced application of the following patent from the above R&D efforts: Text Clustering Method, Device, Equipment, and Storage Medium.
- **2023: Smart workflow automation and decision-making support**
  - *Real-time decision intelligence.* We commenced the R&D of smart workflow automation by integrating real-time data processing with large models to develop business decision support capabilities, analyzing operational data streams to identify patterns and generate contextual recommendations.
  - *Complex document parsing.* We commenced the R&D to support the capabilities to process technical materials such as formulas, tables and engineering drawings, converting specialized documents into structured data for AI applications.
  - We have obtained or commenced application of the following patent from the above R&D efforts: An Intelligent Decision-Making System and Method for Large-Scale Data Models; A Complex Data Processing System and Method Based on Large-Scale Models; A Data Mining System and Method Based on Large-Scale Models; and A Carbon Footprint Accounting System and Method Based on Large-Scale Models and Blockchain.
  - We have also obtained or commenced application of the following software copyright: DEEPEXI FastAGI Model Toolchain Platform.
- **2024: Upgraded AI agents**
  - *Complete agent workflow.* We continued the R&D to upgrade FastAGI solution's AI agents, enabling a complete workflow that covers knowledge base construction, model development management and agent building.

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## BUSINESS

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- **2025: Building enterprise-level agentic AI**
  - ***Enterprise AI.*** We are upgrading our FastAGI solution with smarter multimodal analysis, introducing cross-domain research tools and self-learning AI features that automatically understand user needs.
  - ***Deepexi enterprise large model platform.*** We are enhancing the platform to efficiently run customized AI models across different IT systems, delivering reliable performance for enterprise applications.
  - ***Root cause analysis.*** We are improving our automated diagnostics system that identifies key business patterns and generates real-time insights.
  - ***Industry-specific intelligent agents applications.*** We continue to develop specialized AI agents for consumer goods, manufacturing, transportation and healthcare industries, incorporating industry knowledge for smarter decision-making.
  - We have obtained or commenced application of the following patent from the above R&D efforts: Methods and Apparatus for Inference Acceleration on Domestic Heterogeneous Computing Platforms; Methods and System for Lightweight Knowledge Base Construction Based on Pre-Merged Large Models; and System and Methods for Root Cause Analysis Based on Dynamic Causal Graphs and Large Model Collaboration.

### ***R&D Collaborations with Universities***

We collaborate with universities for joint research initiatives aim to validate the business value of large models and accelerate the transformation of technological innovations into real-world solutions. In 2022, 2023, 2024 and six months ended June 30, 2025, we collaborated with nil, nil, one and two universities for joint research, and the relevant costs amounted to nil, nil, RMB1.3 million and RMB2.4 million, respectively. These efforts further strengthen our R&D capabilities and industry reputation.

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

***Payment and delivery.*** We are responsible for timely payment, typically through milestone payments. Suppliers are responsible for delivering the agreed-upon deliverables at each project milestone as specified in the contract. Suppliers are also responsible to complete the project within the prescribed time period.

**Quality control.** If the project deliverables fail to meet the agreed requirements, we will grant the supplier a specified period to optimize the deliverables. If the deliverables still do not meet the milestone requirements after optimization, both parties shall negotiate on the final resolution.

**Confidentiality.** Without our prior consent, the supplier shall not process, transfer or disclose any confidential information we provide.

**Intellectual Property.** All outcomes resulting from the research and development under this contract shall be owned by us. We reserve the right to apply for patents and/or software copyrights for such outcomes, and the supplier shall provide necessary cooperation during the application process.

**Termination.** The agreements will be terminated automatically upon completion of the right and obligation of both parties, or if the technology under development has already been publicly disclosed by a third party.

### **Outsourced Data Labeling and Solutions Testing Service Arrangements**

Although the majority of our R&D are conducted in-house, from time to time, we engage independent technology companies for certain labor-intensive and relatively standardized procedures including data labeling and solutions testing services. In particular, we outsource our data labeling service, which primarily involves processing raw multimodal data such as documents, tables, images and formula, into high-quality training corpus that support the parsing model training on our data fusion platform. Following model training and fine-tuning, our outsourced model testing service subsequently helps evaluate the performance of enterprise-specific models on our Deepexi enterprise large model platform. We have strategically chosen to outsource these services to optimize our cost structure, enhance operational flexibility and swiftly respond to market demands. By leveraging outsource service providers with standardized workflow, we are able to efficiently execute complex tasks and testing across multiple scenarios and devices without requiring significant capital investment. This approach allows us to scale resources quickly in response to project demands, while enabling our internal teams to remain focused on solution development. The major salient terms of our standard outsourced data labeling and solutions testing service agreements are set out below:

- **Term.** The term of the data labeling and solutions testing service agreement shall remain in effect until all rights and obligations of the parties under the agreement have been fully performed and discharged, including the completion of the specific project deliverables as defined in the agreement, unless earlier terminated in accordance with the provisions thereof.
- **Principal rights and obligations of parties involved.** We provide technical specifications and requirements for the service provider who are responsible for data labeling and solutions testing services.

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## BUSINESS

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- **Payments.** We are responsible for making payment for data labeling and solutions testing service in several instalments by milestone.
- **Intellectual Property.** The final deliverables and associated intellectual property rights arising from the performance of this agreement shall be owned by us or jointly owned by both parties, as defined in the specific agreements. We may use the deliverables within the scope of cooperation free of charge, with any profits derived belonging to us. The service provider shall not commercialize any deliverables, or disclose, transfer or grant any deliverables without our written consent.
- **Confidentiality.** Either party is responsible for keeping strict confidentiality of all the information provided by the other party, and is responsible for any breach of confidentiality.

In 2022, 2023, 2024 and six months ended June 30, 2025, we engaged four, four, eight and fourteen outsourcing partners, respectively, and our outsourced R&D expenses amounted to RMB1.0 million, RMB0.3 million, RMB6.9 million and RMB14.6 million, representing 1.0%, 0.4%, 8.4% and 25.0% of our total research and development expenses in the same periods.

### R&D Process

The following illustrates our in-house R&D process:

Our R&D process is divided into several key stages: project initiation, project planning, product development, product validation and product release.

**Project Initiation:** During this phase, we conduct thorough market research to assess the project's market value and potential demand. We also evaluate the resources required, technical feasibility, and carry out a financial budget analysis to ensure the project's sustainability and profitability.

**Project Planning:** Upon successful project initiation, we assemble a highly skilled and experienced team. This team formulates the project plan, analyses, and confirms the specific requirements of the project, and establishes time and resource allocation strategies to ensure the smooth progression of subsequent development work.

**Product Development Stage:** At this stage, developers focus on the detailed design of module functions, taking into full consideration the compatibility of interfaces, and the decoupling and complexity of requirements. The developers rigorously follow the schedule for coding, code self-checks, and self-testing. Additionally, each design phase undergoes thorough review to ensure design quality and overall project consistency.

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## BUSINESS

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**Product Validation:** After completing product development, we move into the product validation stage, wherein we conduct multiple tests, including functionality, performance, and security testing, to confirm that the product meets established standards and customer expectations.

**Product Release:** Once product validation is successfully completed, the product enters the final process before release. We verify the quality of the developed product and ensure that all functions are correctly implemented. Detailed user manuals, pricing lists and other relevant procedural documents are prepared to support market launch and customer usage.

### INTELLECTUAL PROPERTY

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid, enforceable intellectual property rights of third parties.

As of June 30, 2025, we had 43 registered patents and 41 patent applications in China. As of June 30, 2025, we also had 443 trademarks, 233 copyrights and 17 domain names in China. See “Appendix VI — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights.” During the Track Record Period and up to the Latest Practicable Date, we did not encounter any impediments in intellectual property rights applications.

We acquire patents through self-development. As of June 30, 2025, with respect to our specialist technology products, we self-developed and solely owned all intellectual properties and had no co-own or co-share arrangements of our intellectual properties with third parties.

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## BUSINESS

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The table below lists the portfolio of material patents, patent applications and software copyrights for our core technologies of which we were the registered owner as of the Latest Practicable Date:

Specialist Technology Products	Core Technology	Patent/Patent Applications	Functions
<b>FastData</b>	Data lineage query method, apparatus, medium and electronic device	CN202410222467.4	Enables hybrid enhanced data retrieval
	Method, apparatus and device for constructing scheduling task DAG based on SQL lineage	CN202311544928.1	Enables hybrid enhanced data retrieval
	Method, apparatus and device for MySQL-based data lineage map processing	CN202311544923.9	Enables hybrid enhanced data retrieval
	Method and apparatus for constructing a data lineage map	ZL202311181062.2	Unifies multi-modal metadata
	Real-time data ingestion method based on Flink	ZL202311133058.9	Unifies multi-modal metadata
	Method, apparatus and storage medium for row-level access control of data	CN202311086994.9	Enables hybrid enhanced data retrieval
	Data deduplication management device, system, method and storage medium	ZL202310826800.8	Unifies multi-modal metadata
	Method, device and system of Oracle Log-based data collection	CN202310783822.0	Unifies multi-modal metadata

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**BUSINESS**

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<b>Specialist Technology Products</b>	<b>Core Technology</b>	<b>Patent/Patent Applications</b>	<b>Functions</b>
	Method, platform, apparatus, device and storage medium for ETL task processing	CN202310453351.7	Unifies multi-modal metadata
	Method, system, device and storage medium for custom rule-based data processing	CN202310402180.5	Enables task-driven dynamic batch data processing
	Rapid retrieval method and system for databases	ZL202310281123.6	Enables MQL data retrieval based on unified data asset
	Method, system and device for accelerated lakehouse processing	CN202310130822.0	Unifies multi-modal metadata
	Method, apparatus, device and system for data correction and imputation	ZL202310126921.1	Unifies multi-modal metadata
	Method and apparatus for automated generation of database commands	CN202310124995.1	Unifies multi-modal metadata
	Method, apparatus and electronic device for dynamic scaling of distributed storage	CN202310124993.2	Unifies multi-modal metadata
	Method and system for data transmission	CN202310118703.3	Unifies multi-modal metadata
	Method, apparatus and system for multi-source data query	CN202211717003.8	Unifies multi-modal metadata
	Method, apparatus and system for Clickhouse-based data analysis	CN202211717001.9	Unifies multi-modal metadata

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## BUSINESS

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Specialist Technology Products	Core Technology	Patent/Patent Applications	Functions
	Local caching method, apparatus and medium for OLAP analytics databases	ZL202211672971.1	Unifies multi-modal metadata
	Greenplum automatic cold-temperature-hot partitioning data migration system	ZL202211464232.3	Unifies multi-modal metadata
	Method and system for real-time change data grabbing from database	ZL202211462125.7	Unifies multi-modal metadata
	Method and system for intelligent control of computing resources in data integration operations	ZL202211440650.9	Unifies multi-modal metadata
	Method and system for capturing change data based on Elasticsearch plugin	ZL202211440649.6	Unifies multi-modal metadata
	Method for reducing equality-deletes generation in iceberg upsert operations	ZL202211360115.2	Enables MQL data retrieval based on unified data asset
	Lightweight data migration device and method	ZL202211360109.7	Unifies multi-modal metadata
	Method, apparatus, electronic device and storage medium for interface call-based configuration	CN202211276057.5	Unifies multi-modal metadata

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**BUSINESS**

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<b>Specialist Technology Products</b>	<b>Core Technology</b>	<b>Patent/Patent Applications</b>	<b>Functions</b>
	Method and system for value distribution statistics in real-time streaming scenarios	CN202210414542.8	Unifies multi-modal metadata
	Method and system for dynamic Schema evolution of Iceberg tables in Flink data streams	CN202210414537.7	Unifies multi-modal metadata
	Method, apparatus and storage medium for text data cleansing	CN202210041398.8	Unifies multi-modal metadata
	Method, system, device and storage medium for real-time stream data processing	CN202210033729.3	Unifies multi-modal metadata
	Computer with graphical user interface for data quality management software	ZL202130751290.4	Unifies multi-modal metadata
	Computer with graphical interface for offline data processing software	ZL202130685690.X	Unifies multi-modal metadata
	Computer with Clustered Container Management Software GUI	ZL202130621086.0	Unifies multi-modal metadata
	Apparatus for distributed real-time data ingestion	CN202111567545.7	Unifies multi-modal metadata
	Method for database software development based on database index-aware	CN202111496772.5	Unifies multi-modal metadata

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## BUSINESS

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Specialist Technology Products	Core Technology	Patent/Patent Applications	Functions
	Data permission processing method and computer-readable recording medium	ZL202110926318.2	Enables MQL data retrieval based on unified data asset
	Method and system for financial data processing	ZL202110925002.1	Enables customized workflow and intelligent agent orchestration
	Target object search method, system, electronic device and storage medium	ZL202110924993.1	Enables hybrid enhanced data retrieval
	Integrated environment building method, apparatus, electronic device and storage medium	ZL202110646019.3	Unifies multi-modal metadata
	Security sandbox system to support secure fusion of multiple data sources	ZL202110401069.5	Unifies multi-modal metadata
	Data security control device, system, method and its readable storage medium	ZL202110225799.4	Unifies multi-modal metadata
	Method, apparatus and storage medium for building a data warehouse based on a business model	ZL202010449486.2	Unifies multi-modal metadata
	Method, apparatus and device for proactive early warning of sensitive data leakage	BEIJ-2025-1-009852	Enables task-driven dynamic batch data processing

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**BUSINESS**

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Specialist Technology Products	Core Technology	Patent/Patent Applications	Functions
<b>FastAGI</b>	Method, system and device for knowledge base construction based on large models	CN202511044525.X	Enables hybrid enhanced data retrieval
	Method, apparatus and device based on Trino common table expression for SQL execution optimization	CN202410147185.2	Enables MQL data retrieval based on unified data asset
	Method for virtual metric layer construction	CN202410147183.3	Enables MQL data retrieval based on unified data asset
	Method, apparatus and device of resource scheduling for ultra-large-scale clusters	CN202410222470.6	Enables task-driven dynamic batch data processing
	System and method for LLM-based data mining	CN202311749286.9	Similarity analysis (proximity inference)
	System and method for LLM-based complex data processing	CN202311749282.0	Enables task-driven dynamic batch data processing
	Intelligent decision-making system and method for data large models	ZL202311586372.2	Enables hybrid enhanced data retrieval
	Method, system and device for automatic structural optimization of table data	ZL202310851427.1	KV cache optimization
	Method and system for generating cypher statements based on models	ZL202211384171.X	Enables hybrid enhanced data retrieval

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## BUSINESS

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Specialist Technology Products	Core Technology	Patent/Patent Applications	Functions
	Method, apparatus, device and storage medium for text clustering	CN202210017422.4	Unifies multi-modal metadata
	Method of entity alignment for combing graph structure information and text semantic models	CN202111616769.2	Unifies multi-modal metadata
	Algorithm for data exploration and analysis via natural language	CN202111496828.7	Enables customized workflow and intelligent agent orchestration
	Method, apparatus and device for inference acceleration	BEIJ-2025-1-008568	KV cache optimization/Enables task-driven dynamic batch data processing

We confirm that all of the above listed patents are significant for carrying out the key functions of our Specialist Technology Products, and no other material patents are directly applied in our Specialist Technology Products.

Our industry consultant, Frost & Sullivan, confirms, and our Directors are of the view, that based on the information above, each of our solutions falls within an acceptable sector of a Specialist Technology Industry, namely Artificial Intelligence under Next-generation Information Technology as defined under Chapter 18C of the Listing Rules, given that (i) our FastData enterprise data intelligence solution enables enterprises to efficiently govern structured, unstructured and semi-structured multi-modal data, and to further provide tokenized data output for model training and agentic AI applications as well as data output for business intelligence and analytics applications; and (ii) our FastAGI enterprise AI solution not only delivers multi-scenario agentic AI applications tailored to various industries based on our Deepexi enterprise large model platform, but also further optimize large model deployment at the computing power level through an integrated platform with FastAGI solution built-in.

Regarding the tenure of our intellectual properties: (i) for patents, according to the Patent Law of the PRC, the validity period of an invention patent is 20 years from the filing date; and (ii) for copyright, according to the Copyright Law of the PRC, except for the rights of authorship, modification and the protection of the integrity of the work, which are not subject

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## BUSINESS

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to time limitations, the publication right of a legal entity's software copyright is protected for fifty years, ending on December 31 of the fiftieth year after the completion of the creation. The protection period for other copyrights is fifty years, ending on December 31 of the fiftieth year after the first publication.

Regarding the payment obligations in relation to our intellectual properties: (i) for issued invention patents, we are mainly required to pay the annual patent fee to competent authorities. We have kept track of the payment requirements for annual fees and made payment accordingly; and (ii) for pending patents, we are mainly required to pay the application fee, the substantive examination fee and the re-examination fee, depending on the examination progress, and we made the payment as required by the competent authorities as of the Latest Practicable Date. In 2022, 2023, 2024 and six months ended June 30, 2025, our costs incurred in relation to the application, maintenance and protection of intellectual properties amounted to RMB1.0 million, RMB1.5 million, RMB1.4 million and RMB0.6 million, respectively. As the intellectual properties for each of our Specialist Technology Products are all self-developed, and have not been licensed or transferred from third parties, so there are no corresponding license or transfer fees that we are obligated to pay.

The term of an individual patent may vary based on the countries/regions in which it is granted. In China, the term of an issued patent for invention is generally 20 years from the filing date of the earliest non-provisional patent application on which the patent is based in the applicable country. The actual protection afforded by a patent varies on a claim-by-claim and country-by-country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extension or adjustment, the availability of legal remedies in a particular country/region and the validity and enforceability of the patent. We cannot provide any assurance that patents will issue with respect to any of our owned or licensed pending patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our owned or licensed issued patents or any such patents that may be issued in the future will be commercially useful in protecting our product candidates and methods of designing the same. See "Risk Factors — Risks Relating to Our Intellectual Property Rights — We may not be able to obtain or maintain adequate intellectual property protection for our technologies and solutions, or the scope of such intellectual property protection may not be sufficiently broad."

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, advisors and contractors. We have entered into confidentiality agreements and non-competition agreements with our senior management and certain key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we use to employ our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-how and trade secrets derived during the course of such employee's work.

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## BUSINESS

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These agreements may not provide sufficient protection of our trade secret and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secret and/or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secret and/or confidential information may become known or be independently developed by a third party, or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information. See “Risk Factors — Risks Relating to Our Intellectual Property Rights — We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed alleged trade secrets owned by others.”

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See “Risk Factors — Risks Relating to Our General Operations — Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency, security breaches or cyber-attacks.”

As of the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings or claims of infringement of any intellectual property rights, in which we may be a claimant or a respondent, nor were we subject to any legal claims or proceedings that may have an influence on the R&D for Specialist Technology Products. Our Directors confirm that they are not aware of any legal, arbitral or administrative proceedings of infringement of any third parties’ intellectual property rights by us as of the Latest Practicable Date. See “Risk Factors — Risk Relating to Our Intellectual Property Rights.”

### **DATA SECURITY AND PRIVACY**

During the Track Record Period and up to the Latest Practicable Date, our users are enterprises rather than individuals, and our solutions are deployed on our customers’ own on-premises infrastructure and operated exclusively within customer-controlled environments, with all data processing activities being carried out under our customers’ exclusive management.

When we provide our FastData or FastAGI solutions to our customers, the purposes, the types, and scope of data processing are all determined and conducted upon the customers’ instructions and requirements. All data processing takes place exclusively within the customers’ own environments and systems. In the above cases, we do not collect any data from our customers, nor do we store or own any of such data that is being processed or has been processed. Upon delivery of the product solutions, customers obtain the datasets suitable for large model development or customized large model products, while we retain a series of

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## BUSINESS

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source code files. These source code files embed the engineered capabilities with respect to the iterative optimization and continuous improvement, which our platform has developed in the course of serving our customers. The source code files do not contain any customer data nor personal information.

Our Deepexi enterprise large model platform provides businesses with customized AI solutions by leveraging and enhancing open-source foundation models such as DeepSeek and Qwen. Our end-to-end platform enables organizations to develop secure, proprietary AI models tailored to their specific needs while maintaining full control over their data and intellectual property. Before we use the open-source foundation models for training and fine-tuning our Deepexi Enterprise Large Model Platform (the *Commercial Use*), we will verify the license agreements of those open-source foundation models, typically published alongside those models, to ensure there are no restrictions on Commercial Use. Our PRC legal advisor has advised us that the current PRC laws do not prohibit the business arrangement pattern of the Commercial Use based on the license agreements governing those open-source foundation models. However, our PRC Legal Advisor has also advised us that, given that the laws and regulations regarding AI industry are complex and evolving and that certain open-source licenses have not been interpreted by competent administrative agencies or courts in the PRC, the PRC government authorities may take a position contrary to the opinion of our PRC Legal Advisor.

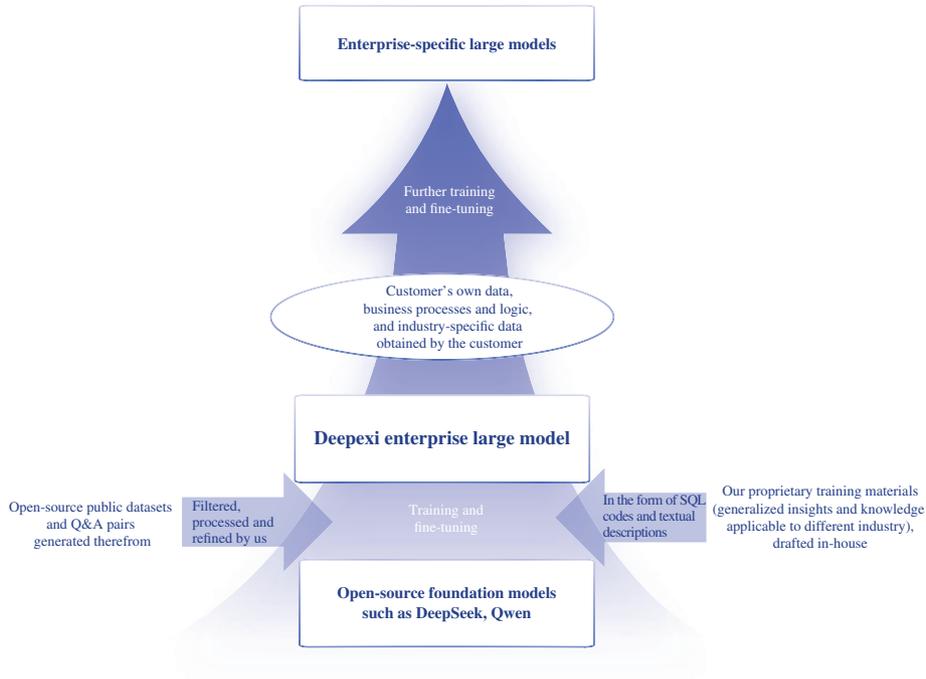
The model development process begins with adapting general-purpose AI models to specialized business applications. Using client-provided data in private, secure environments, our platform fine-tunes these models through proven training techniques. The system continuously evaluates and improves model performance, ensuring optimal accuracy for enterprise use cases ranging from customer support to document processing. For deployment, we offer optimized inference engines that deliver reliable, production-ready AI capabilities that integrate seamlessly with existing IT infrastructure.

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## BUSINESS

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The following illustrates the training process of enterprise-specific large models and the sources of data used for each step, all of which is carried out at customers' own on-premises infrastructure, and no customer data is stored on or processed by our own systems to ensure maximum security of customer's data.



Specifically, when delivering FastAGI solution to customers, we will run our Deepexi enterprise large model locally within the customer's environment and systems. The Deepexi enterprise large model is our self-developed large model, trained and developed on the basis of open-source foundational large models. The data sources we use to train our Deepexi enterprise large model include proprietary data and public data:

- proprietary data refers to the technical solutions for specific business scenarios, the format of which are SQL (Structured Query Language) codes or textual descriptions. Such data is written by our employees and constitutes the primary source of training data, and we maintain complete ownership of the resulting intellectual property.
- public data refers to such data we obtain from open-source datasets from reputable sources such as Hugging Face or Github, all properly licensed for commercial use at no cost, as well as the question-answer pairs generated therefrom.

Neither type of data that we used as training data as mentioned above contains the data of our customer or personal information. To ensure the legality of our training data sources, we have implemented the following measures: (1) before acquiring the public data from any

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## BUSINESS

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specific open-source dataset, we will verify the license agreement of such public datasets to ensure there are no restrictions on commercial use; (2) we clean and refine such public data to eliminate any potential personal information and to avoid using data marked with a “copyright” notice.

In providing deployment, testing and maintenance services for our FastData and FastAGI solutions on customers’ on-premises infrastructure, we may assign personnel to customer sites under confidentiality agreements. Where requested by the customer, our on-site personnel may participate in data processing activities conducted by the customer through use of our products. Such participation is strictly limited to:

- Processing performed exclusively on the customer’s local equipment; and
- Activities necessary for and within the scope of services provided under our service contract.

Under such arrangement, the customers determine the purposes and methods of all data processing. Therefore, in accordance with the Cyber Data Security Regulations and the Personal Information Protection Law, the customers (rather than us) are the data processor, while we act solely as the entrusted party, an entity entrusted by our customers to process personal information on their behalf for the purposes of their data processing activities. As part of the services we provide to our customers, we participate in the customers’ data processing activities as an entrusted party and we acquire consents from our customers for such participation pursuant to our service contracts with the customers. Our customers are then in turn responsible for obtaining the necessary consents from end users.

Our data collected and generated in the course of our business operation primarily include our own source code, technical plan, financial data and human resource information. We store all of the above data collected and generated in the course of business operations in Chinese mainland without involving cross-border data transmission.

We attach the greatest importance to data security and protection. We have formulated an Information Security Management System and adopted our standard protective measures including confidentiality categorization, access control, data encryption and desensitization to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data. To be precise:

- We have implemented internal policies and guidelines in relation to data compliance management, classification and grading and information security incident management. Our internal control guidelines cover the full lifecycle of data processing including data collection, data encryption and transportation, data storage security, data backup and recovery, data processing, proper use of data, and data destruction and disposition.

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## BUSINESS

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- We implement internal authorization and authentication procedures and policies, which require that our employees only have access to data which is directly relevant and necessary for their responsibilities and for limited purposes and are required to verify authorization beyond such scope. We also implement corresponding authorization and authentication system to ensure that our confidential and important data can only be accessed for authorized use and by authorized personnel.
- We have established the information security management unit. The unit is responsible for formulating data and information security strategies, and decision-making in important data and information security incidents.
- We use firewalls, anti-malware, network security protection applications at both software and hardware levels to protect data privacy and securely store such data. To minimize the risk of data loss or leakage, we conduct regular data backup and data recovery tests. If we find any server operating system with any security loopholes, we will upgrade the security protection to ensure the security of all server systems and applications.
- We adopted and provided our data usage and privacy policy for our Deepexi large model, which described our data security and personal information protection practices.

As a proof of the security and reliability of our data protection technologies, we have completed various information security, privacy and compliance certifications/validations. For example, in November 2023 and March 2025, we have obtained the level three for Level Guarantee Certificate (Information System Security Level Protection Filing Certificate) and in November 2024, we passed ISO27001 (international standard for information security) and obtained the “Information Safety Management System Certification”. During the Track Record Period, we are not aware of any investigation, penalty or legal proceedings against us with respect to cybersecurity, data and personal information protection.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any claim from any third party against us on the ground of infringement of any third party’s right to data and privacy protection as provided by any applicable laws and regulations, (ii) there had been no investigation or other legal proceeding pending or threatened against us initiated by competent government authorities or third parties with respect to cybersecurity, data and personal information protection, and (iii) we had not experienced material leakage of personal information in relation to laws and regulations of cybersecurity, data protection and personal information protection. Based on the above, as well as that (i) the Company currently does not directly obtain or store customer’s data in its primary business; (ii) the Company has implemented internal policies and technological measures on protecting cybersecurity, data security and personal information; and (iii) the Company will continuously pay close attention to the legislative and regulatory development in cybersecurity, data protection, personal information protection and the legality use of the training data, maintain ongoing communication with relevant government authorities and implement all necessary measures in

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## BUSINESS

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a timely manner to ensure continuous compliance with the relevant laws and regulation, our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, (i) the Company has implemented compliance measures concerning cybersecurity, data protection and personal information protection in accordance with the requirements of relevant cybersecurity, data and personal information protection laws and regulations in all material aspects and (ii) has complied with the relevant data protection and privacy, and cybersecurity regulations in all material aspects. See “Risk Factors — Risks Relating to Our General Operations — We may be subject to complex and evolving laws and regulations regarding privacy and data protection. Actual or alleged failure to comply with cybersecurity and data protection and personal information protection laws and regulations could damage our reputation, deter current and potential customers from using our solutions and could subject us to significant legal, financial and operational consequences.”

### SALES AND MARKETING

We have built a professional sales and marketing team with industry insights and extensive industry experience, allowing them to proactively identify market opportunities and effectively communicate the value of our technologies and the performance of our solutions. We primarily engage in direct sales with our customers. During the Track Record Period and up to the Latest Practicable Date, we operated within China and did not export our products overseas, and our PRC Legal Advisor confirms that we did not violate the applicable PRC sanctions and export control laws and regulations.

As of June 30, 2025, our sales and marketing team comprised 70 employees. We have established sales offices in major cities in mainland China. Through these sales offices, we have extended our reach to almost all provinces in Mainland China. Leveraging its deep industry experiences, our sales and marketing team identifies market trends and customers’ demands thoroughly and simultaneously works closely with our R&D team to ensure that they can accurately address customer pain points and deliver products and services to the customers’ satisfaction in a timely manner.

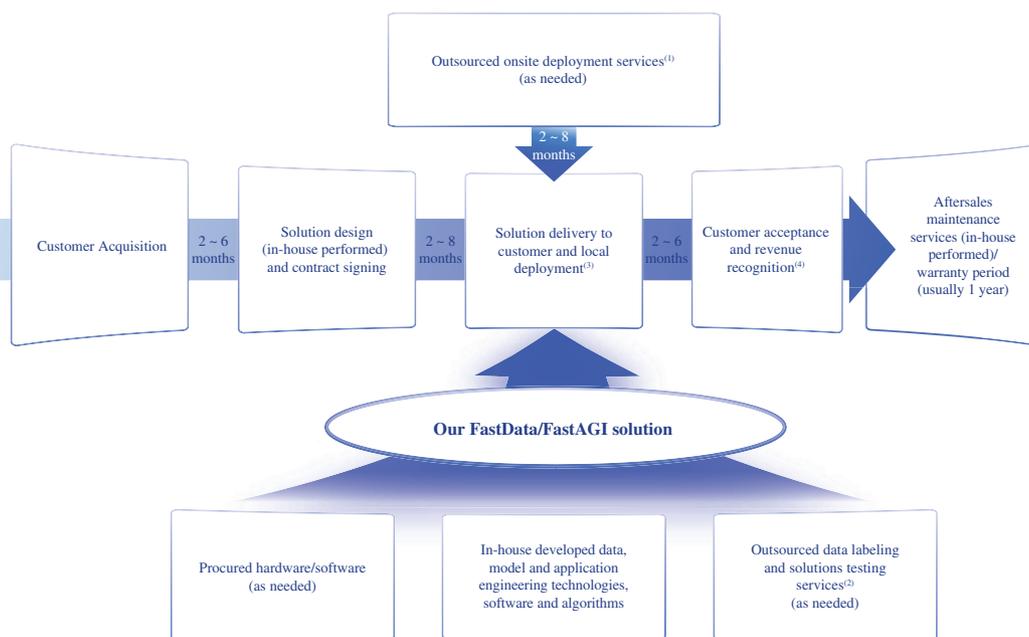
Certain members of our sales and marketing team are responsible for serving our key customers, and such arrangement allows us to maintain close relationships with such customers, understand and anticipate their needs and identify new business opportunities. This arrangement enables us to continuously enrich our offerings, improve our capabilities and promote wider adoption of our solutions, thus generating more revenues and driving sustainable growth of our business.

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## BUSINESS

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The following flowchart illustrates the process from customer acquisition to aftersales services, including the roles of outsourced service providers:



*Notes:*

- (1) Associated costs are recorded under cost of sales.
- (2) Associated costs are recorded under R&D expenses.
- (3) Solutions are typically delivered as a software platform or sometimes a combination of software and hardware (Fast5000E) depending on customer needs. During the deployment process, our software is installed on the customer's cloud servers or local hardware, testing is conducted, then our solution is connected to customer's existing business systems either through standard APIs or custom system adjustments.
- (4) Revenue is recognized at a point in time when the software platform and related services are delivered to the customer's designated place, inspected and accepted by the customer.

### Pricing

We determine the price of our solutions based on a number of factors, including (i) our cost structure, including the cost of software and hardware components and research and development expenses; (ii) the level of customization and technical requirements of each solution, such as the functions required and the complexity of the solutions; and (iii) the comparable market prices in light of the competitive landscape. By maintaining open communications with our customers on the pricing of our solutions, we strive to provide competitive pricing for our customers. We typically charge our customers a fixed total price on a project basis. During the Track Record Period, the average fee per project was approximately RMB1.8 million for FastData solution engagements and approximately RMB3.5 million for FastAGI solution engagements.

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## BUSINESS

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Our solutions typically include both customized and standardized portions, and we charge customers as a bundle taking into consideration numerous factors such as customer requirements, negotiations with customers, discounts for large purchases, among others. For customers that require customization, adjustments or need for on-site deployment on top of the standard offerings, we will evaluate the costs associated with such customization and on-site deployment and provide a quote for customers, subject to negotiations. During the Track Record Period, the price range of our solutions sold to our KA customers range from approximately RMB1.5 million to RMB7.0 million.

### **Marketing and Branding**

We have employed a marketing and branding strategy by utilizing various channels to reach potential customers, including in-person and online events, content marketing, partner marketing, developer outreach, social media and public relations. We have hosted and participated in various offline events, such as industry conferences, product launch events and developer forums to showcase customer success stories and developer breakthroughs and to deepen industry connections. Such high-profile events allow us to demonstrate how AI applications can empower public and private sectors. In addition, we further enhance awareness of our brand and promote our new and existing products and services through online channels. Examples of such efforts include regular sharing on our social media platforms and interacting with developers through code-sharing platforms.

### **CUSTOMERS**

We primarily sell our solutions to customers in China (including Hong Kong) across sectors such as consumer goods, manufacturing, healthcare and transportation, among others, and all of our revenue during the Track Record Period was generated from China (including Hong Kong). The majority of our customers are end users of our products and services, while some of our customers are system integrators. Some end users for our solutions engage system integrators when selecting suppliers and solution providers. Such system integrators help end users by directly negotiating with a large number of suppliers or solution providers, although in most cases the end users will also need to approve and confirm the suppliers selection. Although a portion of our customers are system integrators, not end users, we do not believe our business model is a distributorship model. As stated above, system integrators are not distributors that we engage to broaden our sales channels; rather, they are agents selected by our end users to implement their projects, and the ultimate decisions as to which service provider to choose are primarily made by the end users. Regardless of whether our contracts were entered into directly with our end users or with system integrators, there is no material disparity in contract terms and the scope of our services. When we enter into a contract with a system integrator, we recognize such system integrator, instead of the relevant end user, as our customer. This practice of engaging system integrators selected by end users to implement projects is an industry norm in the AI industry and not considered as a distributorship model, according to Frost & Sullivan. As such, we do not believe system integrators to be our distributors, and do not believe their involvement as our direct customers raises any concern in relation to inventory risk, cannibalization or recoverability of accounts receivables.

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## BUSINESS

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Revenue from our five largest customers in each year/period during the Track Record Period was RMB43.5 million, RMB58.8 million, RMB74.2 million and RMB41.9 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, accounting for 43.3%, 45.6%, 30.5% and 31.7% of our total revenue for the same periods, respectively. Revenue from our largest customer in each year/period during the Track Record Period was RMB20.9 million, RMB15.8 million, RMB18.9 million and RMB9.4 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, accounting for 20.8%, 12.2%, 7.8% and 7.1% of our total revenue for the same periods, respectively. See “Risk Factors — Risk Relating to the Commercialization of Our Solutions — If we fail to retain existing customers, attract new customers or increase the spending by existing customers, our business, financial condition and prospects may be materially and adversely affected.”

The tables below set forth the information of our top five customers in each year/period during the Track Record Period:

### Year ended December 31, 2022

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer A . .	A public company located in Chongqing, China and listed on Shenzhen Stock Exchange, operating in the manufacturing industry and primarily engaging in R&D, production and sales of automobiles.	FastData solution for customer’s digital marketing and vehicle R&D systems	20,946	20.8	2022	30 days	Telegraphic transfer

## BUSINESS

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer B . .	A state-owned company located in Guangdong, China, operating in the transportation industry and primarily engaging in digital logistics services.	FastData solution for the customer's carbon emission management platform	8,102	8.1	2020	30 days	Telegraphic transfer
Customer C . .	A state-owned company located in Jiangsu, China, operating in the cultural and tourism industry and primarily engaging in developing and operating cultural tourism destinations.	FastData solution for the customer's smart tourism and data platform	4,950	4.9	2020	30 days	Telegraphic transfer
Customer D . .	A limited liability company located in Zhejiang, China, operating in the consumer goods industry and primarily engaging in production and sales of cleaning and personal care products.	FastData solution for the customer's enterprise-wide data intelligence platform	4,912	4.9	2022	30 days	Telegraphic transfer

## BUSINESS

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer E . . .	A limited liability company located in Beijing, China, operating as a system integrator and primarily engaging in comprehensive e-commerce services.	FastData solution for end users' e-commerce operations system	4,591	4.6	2020	30 days	Telegraphic transfer
<b>Total . . . . .</b>			<b>43,501</b>	<b>43.3</b>			

### Year ended December 31, 2023

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer F . . .	A limited liability company located in Guangdong, China, operating in the consumer goods industry and primarily engaging in IT system development.	FastData and FastAGI solutions for the customer's end-to-end merchandise operations system	15,775	12.2	2021	Ten days	Telegraphic transfer

## BUSINESS

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer G . .	A limited liability company located in Sichuan, China, operating in the consumer goods industry and primarily engaging in the R&D and sales of health management products and services.	FastData solution for the customer's enterprise data management and analytics system	13,546	10.5	2019	90 days	Telegraphic transfer
Customer H . .	A state-owned limited liability company located in Sichuan, China, operating as a system integrator and primarily engaging in the development, manufacture and sales of electrical equipment.	FastData solution for end users' enterprise data platform and production management system	11,214	8.7	2020	20 days	Telegraphic transfer
Customer I . .	A limited liability company located in Guangdong, China, operating as a system integrator and primarily engaging in network technology R&D and software development.	FastData solution for end users' intelligent marketing and customer lifecycle management system	9,185	7.1	2023	20 days	Telegraphic transfer

## BUSINESS

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer A . . .	A public company located in Chongqing, China and listed on Shenzhen Stock Exchange, operating in the manufacturing industry and primarily engaging in R&D, production and sales of automobiles.	FastData solution for the customer's digital marketing and vehicle R&D systems	9,099	7.1	2022	30 days	Telegraphic transfer
<b>Total . . . . .</b>			<b>58,819</b>	<b>45.6</b>			

### Year ended December 31, 2024

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer J . . .	A limited liability company located in Guangdong, China, operating in the manufacturing industry and primarily engaging in network technology services.	FastData and FastAGI solutions for the customer's cross-border e-commerce system	18,910	7.8	2024	20 days	Telegraphic transfer

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## BUSINESS

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Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer K . .	A limited liability company located in Jiangsu, China, operating in the energy industry and primarily engaging in sales and service of computers, network products and equipment, software products and systems, wires and cables, and computer accessories.	FastAGI solution for the customer's energy knowledge system	15,044	6.1	2024	20 days	Telegraphic transfer
Customer A . .	A public company located in Chongqing, China and listed on Shenzhen Stock Exchange, operating in the manufacturing industry and primarily engaging in R&D, production and sales of automobiles.	FastData solution for the customer's digital marketing and vehicle R&D system	14,470	6.0	2022	30 days	Telegraphic transfer

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## BUSINESS

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<u>Customers</u>	<u>Background</u>	<u>Solutions provided</u>	<u>Revenue</u>	<u>% of total revenue</u>	<u>Year of commencement of business relationship</u>	<u>Credit terms</u>	<u>Payment method</u>
<i>(RMB'000)</i>							
Customer L . . .	A limited liability company located in Jiangsu, China, operating as a system integrator and primarily engaging in big data technology development and application.	FastAGI solution for end users' engineering design system	13,628	5.6	2023	15 days	Telegraphic transfer
Customer M . . .	A limited liability company located in Guangdong, China, operating in the manufacturing industry and primarily engaging in software and IT services.	FastData and FastAGI solutions to support the building of a comprehensive integrated information system	12,117	5.0	2024	30 days	Telegraphic transfer
<b>Total . . . . .</b>			<b>74,170</b>	<b>30.5</b>			

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## BUSINESS

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### Six months ended June 30, 2025

Customers	Background	Solutions provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer N . .	A limited liability company located in Guangdong, China, operating in education industry and primarily engaging in information technology services.	FastData and FastAGI solutions for the integrated technology solutions	9,434	7.1	2024	Seven days	Telegraphic Transfer
Customer O . .	A limited liability company located in Jiangsu, China, operating in the electronic device industry and primarily engaging in the production, assembly and sales of electrical equipment.	FastAGI solution for the digital power grid system	9,113	6.9	2025	Seven days	Telegraphic Transfer
Customer P . .	A limited liability company located in Guizhou, China, operating in the information technology industry and primarily engaging in the traffic big data mining and analysis and cloud computing applications.	FastData solution for the intelligent transportation system	8,960	6.8	2025	20 days	Telegraphic Transfer

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## BUSINESS

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<u>Customers</u>	<u>Background</u>	<u>Solutions provided</u>	<u>Revenue</u>	<u>% of total revenue</u>	<u>Year of commencement of business relationship</u>	<u>Credit terms</u>	<u>Payment method</u>
<i>(RMB'000)</i>							
Customer Q . .	A limited liability company located in Jiangsu, China, operating in the information technology industry, and primarily engaging in providing service and solutions for data center.	FastData and FastAGI solutions for the integrated technology solutions	7,560	5.7	2025	Ten days	Telegraphic Transfer
Customer F . .	A limited liability company located in Guangdong, China, operating in the consumer goods industry and primarily engaging in IT system development.	FastData and FastAGI solutions for information systems in footwear and apparel industry	6,842	5.2	2021	Ten days	Telegraphic Transfer
<b>Total . . . . .</b>			<b>41,909</b>	<b>31.7</b>			

During the Track Record Period, Customer C, whose subsidiary is a 10% associate of our Company, was among our five largest customers in 2022. As of the Latest Practicable Date and save as disclosed, none of our Directors, their respective 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 in each year/period during the Track Record Period.

### **Salient Terms of Agreements with Customers**

The salient terms of our standard sales agreements for our solutions during the Track Record Period are set out below:

- **Product specifications.** Our customers typically set forth specific product specification requirements for products ordered, such as solution name, model, configuration and features.
- **Term.** We typically enter into contracts with a duration of one year. However, the specific term may be determined on a case-by-case basis depending on the nature of the engagement.
- **Payment and credit term.** We generally charge a fixed total price for the agreement. The customer shall make payments in installments according to the agreed-upon milestones. Customers typically make an initial proportion of the total agreement value payable upon execution (usually around 30%), followed by subsequent installments tied to the achievement of key milestones, such as 30% upon system go-live, with approximately 30% due upon satisfactory acceptance of the deliverables. The remaining balance is retained as a warranty payment and is paid upon full expiration of the warranty period. We typically offer a 20-day credit term for each payment milestone.
- **Warranty.** The warranty period generally lasts for one year after the product or solution was accepted by the customer.
- **Intellectual Property.** Each party shall retain ownership of the intellectual property rights it possessed prior to the execution of this contract. We retain ownership of the intellectual property rights related to the products we provide, including the embedded software. Any intellectual property generated during the performance of this contract shall be jointly owned by both parties.
- **Confidentiality.** All confidential information provided by us shall not be disclosed to any third party.
- **Termination.** The contract automatically terminate once all parties have fulfilled their respective obligations. We also reserve the right to unilaterally terminate the contract by written notice if the customer fails to make milestone payments within a specified grace period. In the event of a force majeure lasting beyond a certain duration, both parties may negotiate to decide whether to terminate the contract.

During the Track Record Period, we did not experience any material breach of agreements with our customers.

## BUSINESS

### SUPPLIERS

Our suppliers primarily comprise technology and IT companies. Purchases from our five largest suppliers in each year/period during the Track Record Period were to RMB20.2 million, RMB15.5 million, RMB57.3 million and RMB33.3 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 43.3%, 33.7%, 41.9% and 37.9% of our total purchases for the same periods, respectively. Purchases from our largest supplier in each year/period during the Track Record Period were RMB6.2 million, RMB4.4 million, RMB13.1 million and RMB9.1 million in 2022, 2023, 2024 and six months ended June 30, 2025, respectively, representing 13.2%, 9.5%, 9.6% and 10.3% of our total purchases for the same periods, respectively. See “Risk Factors — Risks Relating to Our General Operations — We engage third party suppliers for certain software, hardware and services, which may subject us to supply chain risks.”

The tables below set forth the basic information of our Group’s top five suppliers in each year/period during the Track Record Period:

#### Year ended December 31, 2022

Suppliers	Background	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Supplier A . . .	A limited liability company located in Guangdong, China, primarily engaging in office software and network application services.	On-site deployment	6,194	13.2	2021	30 days	Telegraphic transfer
Supplier B . . .	A state-owned company located in Chongqing, China, primarily engaging in communication network construction and maintenance and information system integration	On-site deployment	4,387	9.4	2022	30 days	Telegraphic transfer

## BUSINESS

Suppliers	Background	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Supplier C . . .	A limited liability company located in Shanghai, China, primarily engaging in traveling business.	Corporate travel services	3,561	7.6	2021	27 days	Telegraphic transfer
Supplier D . . .	A limited liability company located in Guangdong, China, primarily engaging in IT consultant services and IT system development.	On-site deployment; Data labeling and solution testing	3,109	6.7	2021	15 days	Telegraphic transfer
Supplier E . . .	A joint stock company with limited liability located in Guangdong, China, primarily engaging in software development and technological service.	On-site deployment	2,978	6.4	2021	Ten days	Telegraphic transfer
<b>Total . . . . .</b>			<b>20,229</b>	<b>43.3</b>			

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**BUSINESS**

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**Year ended December 31, 2023**

Suppliers	Background	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Supplier F . .	A limited liability company located in Shanghai, China, primarily engaging in Infrastructure system development and integration.	Software and hardware	4,381	9.5	2023	60 days	Telegraphic transfer
Supplier G . .	A limited liability company located in Guangdong, China, primarily engaging in enterprise management and information solution development and application.	On-site deployment	4,221	9.2	2023	30 days	Telegraphic transfer
Supplier C . .	A limited liability company located in Shanghai, China, primarily engaging in traveling business.	Corporate travel services	2,514	5.5	2021	27 days	Telegraphic transfer
Supplier H . .	A limited liability company located in Liaoning, China, primarily engaging in software and IT services.	On-site deployment	2,206	4.8	2023	15 days	Telegraphic transfer

## BUSINESS

Suppliers	Background	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Supplier E . . .	A limited liability company located in Guangdong, China, primarily engaging in IT consultant services and IT system development.	On-site deployment	2,151	4.7	2021	Ten days	Telegraphic transfer
<b>Total . . . . .</b>			<b>15,473</b>	<b>33.7</b>			

### Year ended December 31, 2024

Suppliers	Background	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Supplier I . . .	A joint stock company with limited liability located in Sichuan, China, primarily engaging in software development and application.	On-site deployment; Software and hardware; Data labeling and solution testing	13,093	9.6	2024	Seven days	Telegraphic transfer
Supplier J . . .	A limited liability company located in Shanghai, China, primarily engaging in IT network and security product planning and IT infrastructure system construction.	Software and hardware	12,743	9.4	2024	120 days	Telegraphic transfer

## BUSINESS

Suppliers	Background	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Supplier K . . .	A joint stock company with limited liability located in Guangdong, China, primarily engaging in software system development and application.	On-site deployment; Data labeling and solution testing	12,616	9.2	2024	30 days	Telegraphic transfer
Supplier L . . .	A joint stock company with limited liability located in Jiangsu, China, primarily engaging in software system development and application.	Software and hardware	10,195	7.4	2024	20 days	Telegraphic transfer
Supplier M . . .	A joint stock company with limited liability located in Beijing, China, primarily engaging in software system development and application.	On-site deployment; Data labeling and solution testing	8,679	6.3	2024	15 days	Telegraphic transfer
<b>Total . . . . .</b>			<b>57,327</b>	<b>41.9</b>			

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## BUSINESS

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### Six months ended June 30, 2025

Suppliers	Background	Product/services purchased	Purchase amount	% of total purchase	Year of commencement of business relationship	Credit terms	Payment method
			<i>(RMB'000)</i>				
Supplier L . . .	A joint stock company with limited liability located in Jiangsu, China, primarily engaging in software and cloud platform development.	Software and hardware	9,076	10.3	2024	20 days	Telegraphic Transfer
Supplier N . . .	A limited liability company located in Sichuan, China, primarily engaging in providing cloud service for media sector.	Software and hardware	7,503	8.5	2025	120 days	Telegraphic Transfer
Supplier O . . .	A limited liability company located in Chongqing, China, primarily engaging in providing information technology and IoT services.	Cloud resources	6,415	7.3	2025	Seven days	Telegraphic Transfer

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## BUSINESS

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Suppliers	Background	Product/services purchased	Purchase amount	% of total purchase	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Supplier P . . .	A public company located in Beijing, China, primarily engaging in providing artificial intelligent-based human resource solutions.	Data labeling and solution testing	5,714	6.5	2025	Ten days	Telegraphic Transfer
Supplier Q . . .	A limited liability company located in Jiangsu, China, primarily engaging in providing manufacturing, sales, technical consulting services and data services in power and energy saving sector.	Data labeling and solution testing	4,627	5.3	2021	30 days	Telegraphic Transfer
<b>Total . . . . .</b>			<b>33,335</b>	<b>37.9</b>			

As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of the Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

### Procurement

We procure certain software, hardware and services such as data labeling, solutions testing and on-site deployment services from qualified suppliers to maintain quality standards and optimize our cost structure. We have a dedicated team to procure raw materials and components to meet our specific requirements. On-site deployment primarily involves the installation and deployment of our solutions and integration with the customer's business systems, as well as testing and validation. While we are capable of performing such services by ourselves, for less complex deployments that require relatively little customization for the

customer, we may engage outsourced providers for on-site deployment since such process is relatively standardized and labor intensive. During the on-site deployment process, we would have our own staff members on-site for supervision and management, regardless of whether we engage outsourced providers for the on-site deployment services.

### *Selection and Engagement of Suppliers*

When selecting suppliers, we take into account a number of factors, including the suppliers' background, technical capability, quality, cost, production capability and delivery efficiency. We have implemented a supplier management system that defines the admission of suppliers, management of qualified suppliers and termination of unqualified suppliers to ensure the efficiency of our supplier management.

We carry out performance assessments to ensure the product quality and service of our suppliers and inform the suppliers of our assessment result and rectification requirements. In addition, we conduct examinations on the deliverables to ensure the consistency of the high quality of our solutions. If certain deliverables fail to meet our stringent testing standards, we are entitled to request the return of such raw materials and components.

We also collaborate with multiple suppliers to ensure a stable supply. In addition, we implement measures such as raising supplier entry standards and conducting regular evaluations of supplier qualifications to ensure the suppliers' supply capacity and maintain the stable supply. During the Track Record Period and up to the Latest Practicable Date, we did not experience shortages of, our software, hardware and services that materially affected our operations.

### *Salient Terms of Agreements with Suppliers*

The salient terms of our standard purchase contract with AI hardware developers during the Track Record Period are set out below:

***Specifications.*** The product name, specification, price, quantity, delivery timeline and other detailed items are specified in the agreements.

***Payment and delivery.*** We are responsible for timely payment, typically through down payments followed by the remaining balance within several days of acceptance provided no major defects exists. We usually accept delivery either at the Supplier's site or at our site. If delivery is made at the Supplier's site, we will handle transportation and bear the relevant costs. If delivery is made to our site, the Supplier will be responsible for delivery and its associated costs.

***Quality control.*** If products are found non-compliant after acceptance, we will provide written objection to the Supplier, who must resolve the issue within a specified period after receiving the written notice.

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## BUSINESS

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**Quality Guarantee.** Suppliers typically offer a three-year warranty period.

**Confidentiality.** Suppliers are obligated to maintain the confidentiality regarding specifications and any related information learned during contract negotiation and execution.

**Termination.** We are entitled to terminate the contract if the delivery is delayed for more than a number of days agreed upon, or by other means as set forth in the agreement.

The salient terms of our standard purchase contract with software providers during the Track Record Period are set out below:

**Specifications.** The product name, price, quantity, delivery timeline and other detailed items are specified in the agreements.

**Payment and delivery.** We are responsible for timely payment, typically through milestone payments followed by the remaining balance within several days of acceptance provided no major defects exists. Suppliers are responsible for delivery by providing download files and license keys via email after receiving our initial payment. Suppliers are also responsible to complete the project within the prescribed time period.

**Quality Guarantee.** Suppliers typically offer an one-year warranty period. During the maintenance period, suppliers are responsible for software updates, reinstallation and providing operational guidance services. Suppliers may provide on-site maintenance or remote control maintenance depending on the situation.

**Confidentiality.** Both the Suppliers and us shall keep confidential information obtained during the discussion and execution of the contract confidential. Unless otherwise obtained prior consent from the other party, no confidential information shall be disclosed to any third party. Compensation shall be made for any losses caused to the other party due to a breach of confidentiality.

**Intellectual Property.** Supplier proprietary technology used in the development of the software shall remain the property of the supplier. All intellectual property generated by us using the software and database shall belong to us.

**Termination.** We are entitled to terminate the contract if the delivery is delayed for more than a number of days agreed upon, or by other means as set forth in the agreement.

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## BUSINESS

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### OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Customer E, one of our five largest customers in 2022, was also a supplier during the Track Record Period. Customer E contributed to 4.6%, nil, nil and nil of our revenue in 2022, 2023, 2024 and six months ended June 30, 2025, respectively, and 0.1%, nil, nil and nil of our purchase amounts in the same periods, respectively. We sold our FastData solution to Customer E during the Track Record Period. As a separate and independent matter, we also procured cloud services from Customer E during the Track Record Period.

Customer K, one of our five largest customers in 2024, was also a supplier during the Track Record Period. Customer K contributed to nil, nil, 6.1% and nil of our revenue in 2022, 2023, 2024 and six months ended June 30, 2025, respectively, and nil, nil, nil and 1.9% of our purchase amounts in the same periods. We sold our FastAGI solution to Customer K during the Track Record Period. As a separate and independent matter, we also procured computing power resource service from Customer K during the Track Record Period.

Customer L, one of our five largest customers in 2024, was also a supplier during the Track Record Period. Customer L contributed to nil, nil, 5.6% and nil of our revenue in 2022, 2023, 2024 and six months ended June 30, 2025, respectively, and nil, nil, 0.6% and nil of our purchase amounts in the same periods. We sold our FastAGI solution to Customer L during the Track Record Period. As a separate and independent matter, we also procured technology service from Customer L during the Track Record Period.

Supplier Q, one of our five largest suppliers in the six months ended June 30, 2025, was also a customer during the Track Record Period. Supplier Q contributed to nil, nil, nil and 3.2% of our revenue in 2022, 2023, 2024 and six months ended June 30, 2025, respectively, and nil, nil, nil and 5.3% of our purchase amounts in the same periods. We procure technology service and cloud service from Supplier Q during the Track Record Period. As a separate and independent matter, we also sold our FastAGI solution to Supplier Q during the Track Record Period.

All of our sales to and purchases from Customer E, Customer K, Customer L and Supplier Q were conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

### QUALITY CONTROL

We are committed to maintaining the highest level of quality in our solutions. We have designed and implemented a quality management system that provides the framework for continuous improvement of products and processes. We have also implemented a management review control process to conduct regular systematic reviews of our quality management system, in order to closely monitor the implementation of our quality management system. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material complaints, product liability claims or product returns in relation to our solutions.

### **R&D Activities**

We develop our solutions in accordance with the requirements of relevant laws and regulations and industry practices as well as our internal quality control procedures. We conduct a series of rigorous evaluation and validation processes during the whole process of our R&D activities to ensure quality of our solutions. Specifically, (i) in the initiation phase, we conduct thorough market research to assess potential demand and project viability; (ii) in the planning phase, we develop a detailed project plan and conduct analyses to establish project strategies; (iii) in the development and validation phase, we implement our solutions, and test and validate the results; and (iv) in the closing phase, we summarize the lessons learned report.

### **Supply Chain Management**

We maintain a structured supplier management framework that ensures oversight through clearly defined roles and responsibilities. Our procurement department serves as the central coordinating body, maintaining supplier records and facilitating performance evaluations. Concurrently, our project teams conduct operational supervision through overseeing contractual compliance and milestone approvals, validating quality and security standards, and testing deliverables against our specifications.

Our supplier management framework incorporates regular performance assessments, phased deliverables review and continuous feedback mechanisms. This integrated approach ensures accountability, combining technical validation with contractual and operational governance to optimize supplier management and project outcomes.

### **COMPETITION**

The market size of enterprise AI application solution in China, in terms of revenue, reached RMB38.6 billion in 2024, and it is expected to reach RMB239.4 billion in 2029 with a CAGR of 44.0% from 2024 to 2029. Given the substantial scale of China's enterprise AI application solution market, we held a 0.6% market share in 2024.

The enterprise large model AI application market accounted for 15% of the overall enterprise AI application solution market in 2024. The market size of enterprise large model AI application solution, in terms of revenue, has reached RMB5.8 billion in 2024, and it is expected to reach RMB52.7 billion in 2029 with a CAGR of 55.5% from 2024 to 2029. We ranked fifth in China's enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2%. The competitive landscape of the enterprise large model AI application solution market in China is relatively concentrated, with the top five providers accounting for 39.1% of the total market share in terms of revenue in 2024. Although we believe that we have technological strengths, we may face competition from established market players which may possess more resources and skills in R&D and sales and marketing. See "Risk Factors — Risk Relating to the R&D of Our Solutions — The industry in which we operate is characterized by constant development. If we fail to continuously improve our technology and provide innovative solutions that meet the expectations of our customers, our business, financial condition and prospects may be materially and adversely affected."

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## BUSINESS

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### Competitive Landscape

We ranked fifth in China's enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2%. Market share and ranking for China's enterprise large model AI application solution market is based on revenue attributable to the enterprise large model AI application solution segment only.

Ranking of Top Enterprise Large Model AI Application Solution Providers in China			
Ranking	Company	Revenue (RMB Million, 2024)	Market Share (%, 2024)
1	Company A	640	11.0%
2	Company B	560	9.7%
3	Company C	420	7.3%
4	Company D	400	6.9%
5	The Company	243	4.2%

Source: Frost & Sullivan

Notes:

- (1) Company A, founded in 2000 in Beijing, is a public company listed on both Hong Kong Stock Exchange and NASDAQ. Company A is an AI company that offers a wide range of products and services including mobile internet services, cloud services, intelligent driving and among others to both enterprise-grade customers and individual customers based on various monetization method such as project-based method or subscription-based method. Company A has less than 40 thousand employees as of December 31, 2024.
- (2) Company B, founded in 1999 in Hefei, is a public company listed on Shenzhen Stock Exchange. Company B is an AI company primarily adopting intelligent audio technology, which provides a wide range of services including intelligent education services, consumer services, smart city business, enterprise AI solutions and among others to both enterprise-grade customers and individual customers based on various monetization method such as project-based method or sales of products. Company B has approximately 5,000 employee as of December 31, 2024.
- (3) Company C, founded in 1999 in Hangzhou, is a public company listed on both the Hong Kong Stock Exchange and the New York Stock Exchange. Company C provides a wide range of services across cloud and AI services, logistics services, local lifestyle services, entertainment services, and e-commerce services to both enterprise-grade customers and individual customers based on a variety of monetization method such as project-based method or take rate-based method. Company C has less than 200 thousand employee as of December 31, 2024.
- (4) Company D, founded in 2014 in Hong Kong, is a public company listed on the Hong Kong Stock Exchange. Company D is an AI company primarily adopting computer vision technology, which primarily provides computer vision AI solutions, automobile solutions, computing infrastructure solutions and among others to enterprise-grade customers based on project-based monetization method. Company D has less than 5,000 employees as of December 31, 2024.

## BUSINESS

### EMPLOYEES

We believe that our professional workforce is the driving force of our long-term growth. As of June 30, 2025, we had 363 full-time employees. The following table sets forth the number of our employees by function as of the dates indicated:

Employee Function	As of December 31,						As of June 30,	
	2022		2023		2024		2025	
	Number of employees	% of Total						
R&D . . . . .	238	53.9	182	48.8	143	44.3	147	40.5
Product Delivery . . . . .	78	17.6	81	21.7	85	26.3	98	27.0
Sales and Marketing . . . . .	68	15.4	60	16.1	49	15.2	70	19.3
Administration and others . . . . .	58	13.1	50	13.4	46	14.2	48	13.2
<b>Total . . . . .</b>	<b>442</b>	<b>100.0</b>	<b>373</b>	<b>100.0</b>	<b>323</b>	<b>100.0</b>	<b>363</b>	<b>100.0</b>

During the Track Record Period, we strategically adjusted our human resources in alignment with our business development phases. In 2022, 2023, 2024 and six months ended June 30, 2025, we dismissed 233, 151, 101 and 18 employees, respectively, and 123, 56, 23 and 20 employees resigned in the same periods. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any material litigation relating to the dismissal of employees, and (ii) we had not been and were not involved in any non-compliance incidents in relation to the dismissal of employees that led to fines or other penalties that could have a material adverse effect on our business, financial condition or results of operations.

Our workforce adjustments during the Track Record Period were strategically planned to align with our business development phases, including (i) optimizing certain roles driven by efficiency considerations and implemented only after our product development and technical capabilities had matured; (ii) executing targeted and planned personnel adjustment plan, with reductions in mature projects and reinforcements in key emerging areas to ensure continuity in critical technology developments; for example, as the FastData solution business line matured and required less intensive resource allocation, while newer initiatives such as the FastAGI solution business line (which began commercialization in 2023) demanded different skill sets, we implemented a workforce adjustment accordingly; (iii) substantially improving our R&D capabilities through improved engineering practices; (iv) establishing well-structured internal control system governing the full process of human resource management, covering recruitment, employee administration, compensation and incentives and resignation or dismissal processes, supported by regular policy reviews, and (v) further strengthening our team by recruiting and retaining AI algorithm experts, system architects and industry specialists to maintain alignment between our technical advancement and product competitiveness, primarily through initiatives including providing clear promotion pathway,

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## BUSINESS

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establishing management trainee schemes to build our internal talent framework, granting equity-based incentives and project-based incentives to R&D personnels, offering diversified training programs, as well as maintaining competitive compensation schemes. Given the above, our Directors are of the view and the Joint Sponsors concur that our historical workforce adjustments did not have a material impact on our operations and financial conditions.

Our success depends on our ability to attract, retain and motivate qualified personnel, and we believe that our high-quality talent pool is one of our core strengths. We adopt high standards and strict procedures in our recruitment to ensure the quality of new hiring and use various methods for our recruitment, including campus recruitment, online recruitment and internal recommendation to satisfy our demands for different types of talents.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans. During the Track Record Period, we did not make social insurance and housing provident fund contributions for some of our employees in full and we engaged third-party agencies to pay social insurance premium and housing provident funds for certain of our employees. As advised by our PRC Legal Advisor, as long as we make full payment within the stipulated deadline, if required by relevant authorities in the future, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance from us and/or impose administrative penalties on us due to our failure to make full payment of the social insurance is remote, and the likelihood that the competent authorities would seek to recover the historically unpaid housing provident funds and/or impose any administrative penalties on us due to our failure to make full payment of the housing provident funds is remote, on the grounds that (i) during the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to the above incidents, contributions, nor had we received any order or been informed to settle the under-contributions; and (ii) the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) strictly prohibits local authorities to conduct self-collection of historical unpaid social insurance contributions from companies. The New Judicial Interpretation was enacted by the Supreme People's Court on July 31, 2025 and effective as of September 1, 2025. See "Regulatory Overview — Regulations Relating to Labor and Social Security" for details. Our Directors are of the view that the New Judicial Interpretation would not have a material adverse effect on our business, financial condition or results of operations and no provision were made in respect of the aforesaid underpayment of social insurance and housing provident fund, based on the following considerations: (i) as further advised by the PRC Legal Advisor, the New Judicial Interpretation does not expand penalty exposure or repeal existing laws, and upon its implementation, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance and housing provident funds from us and/or impose administrative penalties on us

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## BUSINESS

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still remains remote; and (ii) any shortfall in social insurance and housing provident fund contributions, regardless of the reason (including cases resulting from employees' election), has been included in our shortfall calculation.

We have established internal policies and procedures to ensure that we make contributions in relation to social insurance and housing provident funds for all of our employees. These internal policies and procedures include formulating our calculation and payment methods in compliance with the relevant laws and regulations. In particular:

- We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on regular basis;
- We plan to communicate with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base, which also requires additional contributions from our employees;
- We will keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds; and
- We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments.

We are committed to be fully compliant with the applicable laws and regulations by making statutory contributions to the social insurance and housing provident fund based on the actual salary level of our employees going forward. As an upward adjustment of our payment base will also correspondingly increase the contribution amount by our employees, we are also in the process of communicating with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base. Considering that our compliance with the relevant laws and regulations is also in part subject to cooperation from our employees, we expect to gradually rectify our payment base for all of our employees going forward. We will use our best endeavors to comply with the requirements in full as soon as practicable and in any event by December 31, 2026 as an extended amount of time may be required to continually communicate with employees to gain their cooperation to comply with the required payment base. For employees joining us in the future, we will fully contribute to social insurance and the housing provident fund according to their actual salary. We will seek assistance from our legal advisors and confirm with the relevant authorities on our assessment of the adjusted payment base.

We enter into employment contracts and agreements regarding confidentiality, intellectual property and non-competition with our executive officers, managers and employees. In addition, we usually enter into proprietary information and inventions agreement with our core employees, under which we have all right, title and interest relating to any and all inventions

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## BUSINESS

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by such employee during the term of his/her employment. Further, when employees are hired, we give them an employee handbook, which informs them of our policies and their rights in all material respects, from recruitment, compliance, salary, benefits, performance assessment to training and development.

We provide our employees with competitive remuneration and benefits. We place significant emphasis on investing in our employees and have established a well-rounded talent development system. Our training programs are categorized into company-level, department-level and function-level training. Prior to commencing their roles, new employees are required to complete relevant training and pass examinations. We offer a wide range of specialized training aimed at enhancing the professional skills of our employees. In addition, we have cultivated a number of internal training courses and developed a series of targeted professional courses to effectively implement our talent development strategy, foster the growth of key talents and enhance the managerial proficiency of our team.

As of the Latest Practicable Date, we had not established any labor union. We had maintained a good relationship with our employees and did not have any material labor dispute during the Track Record Period and up to the Latest Practicable Date.

### INSURANCE

We maintain insurance policies that are required under PRC laws and regulations, and based on our assessment of our operational needs and industry practice. We maintain insurance coverage including property insurance and employer liability insurance. We believe that the amount of our insurance coverage is in line with the customary standard in the industry and is adequate for our operations. During the Track Record Period, we did not make any material insurance claims in relation to our business. See “Risk Factors — Risks Relating to Our General Operations — Our insurance coverage may be inadequate to protect us from the liabilities we may incur or cover all of our potential costs, and as a result, our business, financial conditions and prospects may be materially and adversely affected should any such liability or losses arise.”

### INFORMATION TECHNOLOGY SYSTEM

IT is fundamental to our competitive edge and operational efficiency. We primarily utilize our OA system that evolves in tandem with our business growth, ensuring they meet our varied operational demands. Our OA system underpins key areas such as sales management, supply chain management, customer management, employee management, financial management and project management.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations. See “Risk Factors — Risks Relating to Our General Operations — Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency, security breaches or cyber-attacks.”

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

We acknowledge the critical importance of Environmental, Social, and Governance (“**ESG**”) factors in driving sustainable development and have seamlessly integrated ESG principles into our operational management. Through the establishment of systems and the implementation of a series of practical and effective measures, we are progressively enhancing our ESG management practices. This approach fosters our balanced advancement in economic efficiency, social responsibility and environmental protection, thereby laying a foundation for the realization of our sustainable development objectives. We commit to complying with the Appendix C2 Environmental, Social and Governance Reporting Code of Main Board Listing Rules annually and develop ESG-related policies that fully meet the requirements of ESG management.

Material ESG issues underpin our sustainable development management. We are committed to the principle of stakeholder engagement and regularly perform materiality assessments to thoroughly evaluate these issues. The ESG issues we have identified include, but are not limited to, response to climate change, resource management, product responsibility, intellectual property, data security and privacy protection, human capital management, occupational health and safety and business ethics.

**ESG Governance**

We have developed policies and frameworks encompassing human resource management, product quality and privacy protection. In addition, we have implemented a range of effective measures to advance ESG management, thereby safeguarding our sustainable development. At present, we are in the process of formulating ESG policies that will address the following areas: (i) ESG management framework, which includes stakeholder communication mechanisms, ESG issue identification processes, the establishment of key performance indicators and ESG risk management and mitigation strategies; and (ii) business ethics policies, covering aspects such as anti-corruption, anti-fraud and anti-unfair competition measures.

We plan to progressively refine our ESG governance framework upon the Listing, with the board of directors taking responsibility for overseeing, evaluating and prioritizing ESG-related issues. This approach will further delineate the Board’s ESG management policies and strategies. Furthermore, we plan to establish ESG-related objectives tailored to our business realities, with the Board annually monitoring the progress of these objectives and regularly evaluating our ESG performance.

In addition, we plan to form an ESG working group comprising members from key functional departments, which will be tasked with assessing and identifying ESG-related risks, developing management policies and action plans and providing regular progress updates to the Board.

We are dedicated to creating transparent and efficient communication channels, actively engaging with stakeholder feedback and suggestions and continually enhancing our ESG risk and opportunity management capabilities to align with stakeholder expectations. We will bolster risk management through both internal and external audits to ensure compliant business operations.

### **Climate-Related Risks and Opportunities**

Climate change exerts a profound influence on the global economy and industrial development, positioning the green and low-carbon transition as a pivotal opportunity for fostering sustainable social progress. As a data intelligence service provider, we fully recognize the potential impact of climate change on the operational environment and proactively identify climate-related risks and opportunities to drive the advancement of green data and intelligent technology.

### ***Risk and Opportunity Assessment and Response***

Aligned with our business characteristics and international sustainable development standards, we identify climate-related risks and opportunities and develop appropriate response measures. This strategy is designed to bolster climate resilience and ensure the resilient operation of our business.

#### *Climate Change Risk*

- **Physical Risks.** Extreme weather events, such as heavy rain, floods and high temperatures, can affect the stable operation of data centers and cloud computing infrastructure. To mitigate these risks, we have implemented a risk management framework. In terms of risk response capability, we regularly monitor extreme weather conditions, develop and update emergency plans and conduct emergency drills for relevant personnel to ensure a rapid response to unexpected events. Regarding risk resistance capability, we safeguard personnel safety, business continuity, and fixed assets by purchasing insurance, thereby minimising potential economic losses from extreme weather. For business continuity assurance, we optimize our data storage architecture and select data center suppliers with resilience to climate change, ensuring stable operations even under extreme weather conditions.
- **Transition Risks.** Transition risks stem mainly from the uncertainties linked to the global move towards a low-carbon economy, encompassing changes in climate policies, rapid technological advancements and shifts in market preferences. We diligently track global trends in climate change response and ecological protection, actively developing and implementing a “Carbon Peaking and Carbon Neutrality” digital platform. This platform promotes the development of zero-carbon smart energy through the unified collection and management of energy consumption data, enterprise carbon asset account management SaaS, and carbon inventory reports. It aids the green transition of regional industrial economies and significantly enhances our capacity to tackle climate change.

## BUSINESS

### *Climate Change Opportunity*

- **Resource Efficiency Opportunities.** Under the green transformation initiative for AI computing power, we actively establish a technology framework that aligns with low-carbon objectives. Leveraging our solutions and technologies, we systematically implement optimization strategies, enhancing computational task processing efficiency while significantly reducing computing power consumption, thereby advancing the development of high-performance, energy-efficient AI infrastructure.
- **Product and Service Opportunities.** Propelled by the “Carbon Peaking and Carbon Neutrality” objectives, the demand for low-carbon intelligent transformation across industries is steadily increasing. Through data analysis and modeling, we support enterprises in optimizing energy management and boosting operational efficiency to meet the low-carbon transition requirements of upstream customers. For example, in the digital Carbon Peaking and Carbon Neutrality sector, we create intelligent Carbon Peaking and Carbon Neutrality models to provide technical support for enterprises in achieving their Carbon Peaking and Carbon Neutrality targets.

Looking ahead, we plan to maintain a strong focus on global climate policies and market trends, actively refining business strategies to deliver more intelligent, efficient, and environmentally friendly data intelligence services to customers, with the aim of achieving low-carbon and sustainable development goals. Concurrently, we plan to continually enhance our processes for identifying and assessing climate-related risks and opportunities, and strengthen climate risk assessment and financial analysis to ensure that our business development aligns with sustainability objectives.

The total volume and intensity of our greenhouse gas (“GHG”) emissions during the Track Record Period were as follows:

	Unit	Year ended December 31,			Six months ended
		2022	2023	2024	June 30, 2025
Scope 1 GHG emissions <sup>(1)</sup> . . .	tCO <sub>2</sub> e	–	–	–	–
Scope 2 GHG emissions <sup>(2)</sup> . . .	tCO <sub>2</sub> e	108.4	150.6	123.9	53.9
Scope 3 GHG emissions <sup>(3)</sup> . . .	tCO <sub>2</sub> e	652.1	825.2	499.6	273.4
GHG emissions	tCO <sub>2</sub> e	108.4	150.6	123.9	53.9
(Scope 1 + Scope 2) . . . . .					
GHG emission intensity <sup>(4)</sup> . . . . .	tCO <sub>2</sub> e/RMB	1.1	1.2	0.5	0.4
(Scope 1 + Scope 2) . . . . .	million Revenue				

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## BUSINESS

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- (1) Our Scope 1 emissions comprise direct greenhouse gas emissions from sources owned or controlled by the Company. As we are not engaged in manufacturing activities, our business operations do not generate any material direct emissions from energy consumption.
- (2) Scope 2 emissions represent indirect greenhouse gas emissions from our consumption of purchased electricity. For calculation purposes, we apply the official 2022 national grid average emission factor of 0.5856 tCO<sub>2</sub>e/MWh as published in the Official Announcement on CO<sub>2</sub> Emission Factors for Electricity in 2022 by China's Ministry of Ecology and Environment.
- (3) Scope 3 emissions refer to indirect emissions related to operations and supply chains. Our Scope 3 emissions are primarily generated from business travel activities.
- (4) Due to business expansion, we leased additional office space in 2023, which resulted in higher overall electricity consumption and, consequently, an increase in our greenhouse gas (GHG) emission intensity compared to 2022. Due to our strategic restructuring of our organizational structure and personnel allocation, greenhouse gas emissions and emission intensity have decreased in 2024.

### **Environmental Protection**

Our company is committed to the philosophy of green and low-carbon development. We strictly comply with the Environmental Protection Law of the People's Republic of China and other applicable laws and regulations, and we actively fulfill our corporate environmental responsibilities. We have established internal management systems such as the Environmental Policy, integrating environmental sustainability into our corporate strategy and daily operations. We conduct assessments of potential environmental risks associated with our business activities. Leveraging green data technologies, we aim to drive sustainable development across our operations.

### ***Environmental Targets***

We are committed to fostering green and low-carbon operations, actively engaging in energy conservation, emission reduction and efficient resource utilization to support the achievement of sustainable development goals. In alignment with our business characteristics, we have established environmental targets in areas such as emissions management, energy consumption and water resource utilization to ensure a systematic and effective approach to environmental management.

- **Emissions Target:** In alignment with the “Carbon Peaking and Carbon Neutrality” objectives and our commitment to low-carbon operations, we aim to decrease the carbon dioxide emission intensity (tons per million RMB revenue) of our operations by 10% from baseline of 2022 by 2030.
- **Energy Use Target:** By enhancing energy consumption management and improving energy efficiency, we aim to reduce electricity consumption density (kilowatt-hours per million RMB revenue) by 10% from baseline of 2022 by 2030.

## BUSINESS

- Water Resource Utilization Target:** Through the promotion of water-saving measures to prevent wastage, we aim to reduce water use intensity (tons per million RMB revenue) by 15% from baseline of 2022 by 2030.

### *Energy Management*

We rigorously comply with the Energy Conservation Law of the People’s Republic of China and other relevant laws and regulations. We have implemented internal systems, such as the environmental policy, to embed energy conservation and emission reduction into our daily operations. Our primary energy consumption arises from purchased electricity for office spaces. We actively champion green office practices by optimizing energy management, utilizing energy-efficient equipment, and effectively regulating air conditioning and lighting systems within office areas to enhance energy efficiency. In the realm of data intelligence services, we focus on optimizing green computing power for AI models, leveraging our products and technologies to effectively reduce operational energy consumption and enhance overall system energy efficiency through measures such as algorithmic architecture streamlining, lightweight model design and task scheduling optimization. Although we do not currently own server cluster infrastructure, we will further refine our energy management system, explore integrated applications of low-carbon technologies and advance granular management and green transformation of computing resources to drive sustainable AI infrastructure development.

The total energy consumption during the Track Record Period was as follows:

	Unit	Year ended December 31,			Six months ended
		2022	2023	2024	June 30,
					2025
Direct energy consumption . . .	kWh	–	–	–	–
Indirect energy consumption	kWh	185,159.9	257,224.3	211,651.9	92,085.1
— Purchased electricity <sup>(1)</sup> . . .					
Total energy consumption . . . . .	kWh	185,159.9	257,224.3	211,651.9	92,085.1
Energy consumption <sup>(2)</sup>	kWh per	18.4	19.9	8.6	7.0
Intensity . . . . .	RMB				
	10,000				
	revenue				

(1) Our purchased electricity consumption is sourced from regional office utility bills. For offices where historical data is unavailable, 2024 electricity usage patterns are applied as the estimation basis for prior years.

(2) Due to business expansion, we leased additional office space in 2023, leading to an increase in overall electricity consumption as compared to 2022. Due to our strategic restructuring of our organizational structure and personnel allocation, energy consumption and energy intensity have decreased in 2024.

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## BUSINESS

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### *Water Resource Management*

We rigorously comply with water resource management regulations, uphold the principle of water conservation and places significant emphasis on the utilization of water resources. We are dedicated to achieving efficient water management within our business operations. Our daily water usage is primarily focused on domestic use within office spaces. We actively advocate for water-saving practices and have implemented water-efficient facilities in office areas, such as installing water-saving taps and optimizing water supply systems, to effectively reduce water consumption.

The total water consumption during the Track Record Period was as follows:

Unit	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Water consumption <sup>(1)</sup> . . . . . m <sup>3</sup>	3,950.8	3,768.5	3,415.8	1,693.9
Water consumption <sup>(2)</sup> . . . . . m <sup>3</sup> per intensity . . . . . RMB	0.4	0.3	0.1	0.1
	10,000			
	revenue			

(1) The Company estimates office water usage based on the Beijing Local Standard DB11/T 1764.29-2021 Water Quota — Part 29: Office Buildings, applying the prescribed quota of 0.7 m<sup>3</sup>/(m<sup>2</sup>·year) to total office floor area.

(2) Due to the company's strategic restructuring of its organizational structure and personnel allocation, water consumption and water intensity have decreased.

### *Emissions Management*

Due to the nature of our business, we do not operate any production or manufacturing facilities, and therefore do not generate significant amounts of wastewater, exhaust gases or solid waste. We strive to minimize the environmental impact of our operations through internal management. We strictly comply with relevant emissions management laws, regulations and industry standards to reduce the risk of pollution from emissions. In our daily operations, we generate typical office waste, including paper, electronic equipment and packaging materials. Committed to the goal of reducing emissions, we implement targeted management through scientific and reasonable environmental measures. All emissions are centrally processed in compliance with regulations to minimize their environmental impact.

### **Product Responsibility**

As a provider of data intelligence and AI solutions, our Company is committed to delivering efficient and intelligent digital solutions to our clients. We have established an AI Ethics Policy to actively promote responsible AI governance. This policy outlines key principles related to AI ethics and emphasizes the careful evaluation of AI technologies across various business scenarios to prevent any misuse of artificial intelligence. Our product development process consists of four key stages: preparation, development, testing and operations, ensuring strong alignment with client needs. During the preparation stage, we thoroughly assess client requirements and validate the feasibility of deploying our solutions in real-world scenarios. During the development stage, we focus on knowledge processing efficiency and development flexibility, offering user-friendly, visual debugging interfaces to meet diverse application needs. During the testing stage, we have established a client feedback mechanism to support rapid iteration and issue resolution, ensuring continuous product optimization. During the operations stage, we ensure system stability through monitoring metrics, log collection and optimization strategies.

We have implemented an intellectual property protection mechanism. At the early stages of product development, we conduct professional searches and analyses to identify risks related to patents, trademarks and software copyrights. In addition, we have an infringement emergency response mechanism in place; upon detecting infringement risks, we will promptly take measures such as halting sales, negotiation or legal remedies to minimize the adverse effects of potential infringements and effectively safeguard the legitimate rights and interests of the Company and all parties involved.

We have established internal policies such as the Information Security Management System, covering key areas including information classification, access control, data storage, transmission encryption and permission management, to ensure data security and compliance. We adhere to the principle of minimizing permissions and have constructed a security protection system. Furthermore, we conduct regular audits and assessments, continuously optimizing the data security framework based on assessment results to ensure the stable operation of our business.

### **Employee Management**

We rigorously adhere to employment-related laws and regulations in the regions where we operate and have established internal management systems, such as the Employee Handbook, to safeguard employees' legal rights. We strictly prohibit any form of child labor or forced labor and are committed to fostering a fair, equitable and harmonious working environment.

We place significant emphasis on employee training and development, having established management systems such as the Deepexi Training Regulation (滴普培訓制度) to create a distinctive training framework unique to us. We customize training courses to address the diverse needs of various job functions and levels, enhancing employees' professional skills and

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## BUSINESS

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competencies. Furthermore, we actively encourage self-directed learning among employees, support their participation in educational programs and provide dedicated budget support for further education projects that align with our strategic direction, promoting mutual growth for both employees and us.

We have developed career development systems such as the Rank Development Management System (職級發展管理制度) and the Annual Promotion Assessment and Rank Promotion Plan (年度晉升考核與職級晉升方案), encouraging employees to chart clear career development paths. We also maintain a scientific and rational assessment and incentive mechanism to enhance employee motivation and initiative through performance evaluations.

We prioritize the health and safety of our employees, strictly complying with relevant laws and regulations. To ensure employee health, we conduct regular health check-ups. Additionally, we have implemented stringent fire safety management requirements to ensure a safe working environment. We have a process for managing workplace injuries, with the Human Resources Department fully responsible for handling and coordinating such incidents, ensuring they are addressed promptly and appropriately to protect employees' legal rights. During the Track Record Period, there had not been any material workplace injuries or work-related employee deaths.

### **Business Ethics**

Our company steadfastly upholds the bottom line of compliant operations, strictly adheres to the laws and regulations of the jurisdictions in which we operate and is committed to maintaining business order and a fair competitive environment. We have established a series of Improper Conduct Management Systems, including the Anti-Bribery Management Measures, Anti-Fraud Management Measures and Anti-Money Laundering Management Measures to rigorously manage risks such as money laundering, bribery and corruption that may arise during business operations. We have clearly defined standards of business conduct for employees in our Employee Handbook and New Employee Onboarding Commitment Letter, strictly prohibiting any form of bribery, corruption or other unethical business practices.

In addition, we have implemented the Improper Conduct Reporting and Handling Procedures, which outline the processes for reporting, investigating and resolving improper conduct, and establish a standardized internal whistleblowing and investigation mechanism. We encourage all employees and business partners to report violations through designated channels, including offline feedback and a dedicated online reporting email address. To protect whistleblowers, we have developed and continuously improved a whistleblower protection system, strictly prohibiting any form of retaliation. To enhance overall business integrity, we strengthen our ethical governance capabilities through institutional safeguards, ethics education, and supervisory mechanisms.

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## BUSINESS

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### BUSINESS SUSTAINABILITY

We have experienced strong revenue growth during the Track Record Period. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023, and further increased by 88.3% to RMB242.9 million in 2024, achieving a CAGR of 55.5% from 2022 to 2024. Our revenue increased by 118.4% from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the six months ended June 30, 2025. Our efficient scaling capability within verticals drives customer acquisition. By collaborating with industry leaders, we efficiently scale solutions across customers in the same industry. The number of new customers gained each year increased from 43 in 2022 to 52 in 2023 and further to 72 in 2024. The number of new customers increased from 21 in six months ended June 30, 2024 to 43 in six months ended June 30, 2025. The market size of enterprise AI application solution in China, in terms of revenue, reached RMB38.6 billion in 2024, and it is expected to reach RMB239.4 billion in 2029 with a CAGR of 44.0% from 2024 to 2029. Given the substantial scale of China's enterprise AI application solution market, we held a 0.6% market share in 2024. The enterprise large model AI application market accounted for 15% of the overall enterprise AI application solution market in 2024. The market size of enterprise large model AI application solution market in China, in terms of revenue, has reached RMB5.8 billion in 2024 and is expected to reach RMB52.7 billion in 2029, growing with a CAGR of 55.5% from 2024 to 2029. We ranked fifth in China's enterprise large model AI application solution market, in terms of revenue in 2024, with a market share of 4.2%. Benefiting from the solid foundation we have built and the momentum we have seized, and with the vast market growth potential, we believe that we are able to maintain sustainability and growth of our business.

Our gross profit margin was 29.4%, 40.1%, 51.9% and 55.0% in 2022, 2023, 2024 and six months ended June 30, 2025, respectively. Our gross profit increased from RMB29.6 million in 2022 to RMB51.8 million in 2023, and further increased to RMB126.2 million in 2024. Our gross profit increased by 120.9% from RMB32.9 million in the six months ended June 30, 2024 to RMB72.7 million in the six months ended June 30, 2025. We had net loss of RMB655.2 million, RMB502.9 million, RMB1,255.0 million and RMB308.2 million in 2022, 2023, 2024 and six months ended June 30, 2025, respectively. We recorded an adjusted net loss (Non-HKFRS measure) of RMB223.9 million, RMB189.0 million, RMB96.4 million and RMB52.2 million in 2022, 2023, 2024 and six months ended June 30, 2025, respectively. See "Financial Information — Non-HKFRS Financial Measure."

We have a healthy cash balance to support our business operations and future expansion. During the Track Record Period, we historically funded our cash requirements principally from proceeds from our business operations and capital contribution from shareholders. We had cash and cash equivalents of RMB549.1 million, RMB336.8 million, RMB208.3 million and RMB183.4 million as of December 31, 2022, 2023, 2024, and June 30, 2025. Our cash and cash equivalent is sufficient to cover our net cash flows used in operating activities and provide adequate liquidity for our expansion of business operations. As such, we believe that we possess sufficient working capital, including sufficient cash and liquidity assets, after taking into account the financial resources available to us.

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## BUSINESS

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We seek to accelerate our growth by implementing following strategies: (i) strategic market expansion based on rigorous analysis of market potential and competitive landscape, supported by performance-driven sales incentives and intensive sales campaigns; and (ii) capitalize on historical R&D results and deployment experience to customers in established verticals to shorten deployment and innovation cycles and rapidly adapt to market demands by deploying sophisticated product representatives to key account customers. As a result of these strategies and capitalizing on our existing collaborations with lighthouse customers in different verticals:

- We have been increasing our sales to existing KA customers spanning across consumer goods, transportation, infrastructure and energy sectors, who are expanding adoption of our solutions across additional business units and application scenarios. For example, the average annual revenue per KA customer increased from RMB3.8 million in 2022 to RMB4.8 million in 2024;
- We continue rapid expansion within established industry verticals. For example, in the six months ended June 30, 2025, we have recorded sales to new industry leading customers in the consumer goods, healthcare, manufacturing and transportation verticals, including a globally-leading sportswear company, a well-known bedding retail manufacturer, a world-leading laser equipment manufacturer, a distinguished optical device solutions provider, a prominent overseas public healthcare operator and provincial transportation leaders. We have also entered into collaboration Hong Kong Polytechnic University for a joint R&D project on a multi-modal large model-based framework for the diagnostics, treatment and clinical translation of a common type of cancer to further enhance its reputation in the industry.
- In the six months ended June 30, 2025, we gained 43 new customers, generating a total recognized revenue of RMB97.6 million. These customers span across key industries including manufacturing, consumer goods and transportation and have engaged in 23 FastData solution and 24 FastAGI solution projects, with an average procurement value of RMB2.3 million. As of June 30, 2025, the total order backlog amounted to RMB110.1 million, representing substantial potential for revenue growth.

We expect our operating expenses as a percentage of revenue to decrease as it continues to ramp up sales, achieve revenue growth, and benefit from economies of scale with higher efficiency in R&D, sales and marketing, and administrative activities, thereby lowering spending as a percentage of revenue on such activities:

- We expect to capitalize on our solid R&D foundation and highly iterative product development approach and have streamlined the project management process to enhance R&D efficiency and reduce time-to-market for products. In particular, we continuously optimize R&D resource allocation to align with evolving business needs by implementing the following targeted measures: (i) we proactively explore cost optimization measures such as outsourcing and consolidating of certain non-core or lower-efficiency functions. For example, we have been outsourcing certain labor-intensive and relatively standardized procedures including data

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## BUSINESS

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labeling and solutions testing services, transitioning these functions from in-house personnel to third-party service providers to improve operational efficiency; (ii) we actively cultivate in-house trainees with deeper familiarity our distinct culture, objectives and technology roadmaps, creating agile workforce ready to tackle emerging challenges; and (iii) we deploy tools that automate certain labor-intensive and relatively standardized programming processes to increase our R&D efficiency and reducing labor costs for such work. As a result, our R&D expenses as a percentage of revenue decreased significantly from 93.7% in 2022 to 33.5% in 2024.

- Our extensive partner network and loyal customer base also enable us to leverage word-of-mouth marketing from satisfied customers within the same vertical, positioning us for rapid growth without significant investments in sales and marketing. In addition, we adjusted the compensation structure for our sales and marketing employees to increase their commission ratio and provide tiered incentives to motivate their sales and marketing efforts. As a result, our selling and marketing expenses as a percentage of revenue decreased significantly from 119.6% in 2022 to 36.7% in 2024.
- We have also improved our administrative management to reduce communication costs and enhance collaboration efficiency. We adopt a flatter organization structure from four levels of management to three, reducing communication overhead and accelerating execution. We also deployed our proprietary digital operation tools including an AI chatbot with our company's internal procedures and policies built-in to assist employees with their daily work and administrative tasks and reduce reliance on manual labor by our back-end employees, and the percentage of our back-end personnel reduced from 14.3% in 2024 to 11.3% in the seven months ended July 31, 2025. As a result, our administrative expenses as a percentage of revenue decreased significantly from 84.3% in 2022 to 20.3% in 2024.

## PROPERTIES

Our corporate headquarters is located at Beijing, China. As of the Latest Practicable Date, we did not have any self-owned property, and leased 11 properties in the PRC with an aggregate gross floor area of 5,466.73 sq.m. Our leased properties are primarily used for the purpose of office.

As of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report.

As of the Latest Practicable Date, six of our lease agreements had not been registered with relevant authorities. See “Risk Factors — Risks Relating to Our General Operations — Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties and to renew our leases could adversely affect our business.”

**LICENSES, APPROVALS AND PERMITS**

We have obtained various permits, approvals and certificates for our business. As advised by our PRC Legal Advisor, we had obtained the requisite approvals and permits from, and have made all the filings with the applicable authorities which were material to our operations, and such approvals and permits are valid and subsisting as of the Latest Practicable Date. In addition, our products and R&D procedures passed various industry-recognized certifications and tests for liability. The table below sets out the main standards, certifications or requirements that we were compliant with as of the Latest Practicable Date:

Standards, certifications or requirements	Granting date	Expiration date	Definition of the standards, certifications or requirements	Granting authority	Our compliance with the standards, certifications or requirements
Interim Measures for the Administration of Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法) . . .	April 10, 2025	N/A <sup>(1)</sup>	The Interim Measures for the Administration of Generative Artificial Intelligence Services provides a regulatory baseline for generative AI applications offered to the public within China. Article 17 states that Providers of generative artificial intelligence services that possess public opinion attributes or the ability to mobilize society shall conduct security assessments in accordance with relevant national regulations, and shall go through algorithm filing, modification and cancellation procedures in accordance with the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services.	Cyberspace Administration of China	According to the Interim Measures for the Administration of Generative Artificial Intelligence Services, our Deepexi enterprise large model has completed the filing for generative artificial intelligence services.

Standards, certifications or requirements	Granting date	Expiration date	Definition of the standards, certifications or requirements	Granting authority	Our compliance with the standards, certifications or requirements
Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (互聯網信息服務算法推薦管理規定) . . . . .	November 1, 2024	N/A <sup>(1)</sup>	Article 2 of the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services clarifies the scope of regulatory oversight, stating that any use of algorithmic technologies for information distribution, content ranking, personalized recommendations or operational decision making in the provision of internet information services must comply with the provisions outlined in the regulation and properly registered.	Cyberspace Administration of China	According to the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services, our Deepexi dialogue generation algorithm has completed the filing for deep synthesis in internet-based information services.
Industrial LLM Standard Compliance Verification by CAICT . . . . .	December 28, 2023	N/A <sup>(1)</sup>	Conducted by CAICT's AI Research Center with industry partners, this evaluation assesses large models against industry standards such as <i>Technical and Application Evaluation Methods for Large-Scale Pretraining Models</i> .	China Academy of Information and Communications Technology, Artificial Intelligence Institute	According to the Technical and Application Evaluation Methods for Large-scale Pretraining Models, our Deepexi enterprise large model has achieved a 4+ rating.

## BUSINESS

Standards, certifications or requirements	Granting date	Expiration date	Definition of the standards, certifications or requirements	Granting authority	Our compliance with the standards, certifications or requirements
High-tech Enterprise Certificate . . . . .	December 30, 2022	December 29, 2025 <sup>(1)</sup>	High-tech Enterprise Certificate is a national-level qualification jointly issued by several China's government bureaus, serving as an official recognition for enterprises operating in high-tech fields that demonstrate sustained R&D innovation, core proprietary intellectual property rights and commercialization capabilities. Certified enterprises enjoy preferential policies, including a reduced corporate income tax rate of 15%.	Beijing Municipal Science & Technology Commission, Beijing Municipal Bureau of Finance and Beijing Municipal Tax Service of the State Administration of Taxation	According to the Guidelines for the Administration of the Recognition of Hi-tech Enterprises, we have obtained the High-tech Enterprise Certificate.
Capability Maturity Model Integration (CMMI) model . . . . .	January 11, 2023	January 11, 2026 <sup>(1)</sup>	CMMI is a globally recognized framework consolidating decades of best practices in software engineering and systems engineering, serving as the benchmark for assessing the capabilities of software enterprises. The CMMI model categorizes software organizations into five maturity levels, with higher level indicating stronger software capabilities and organizational maturity.	CMMI Institute	According to the CMMI-DEV V2.0 framework, we have achieved the highest CMMI Maturity Level 5 certification.

*Note:*

(1) As advised by our PRC Legal Advisors, there are no significant legal obstacles that would hinder the renewal of such standards, certifications or requirements, so long as we submit the relevant applications in accordance with the requirements prescribed by the applicable laws and regulations.

## BUSINESS

Standards, certifications or requirements	Granting date	Expiration date	Definition of the standards, certifications or requirements	Granting authority	Our compliance with the standards, certifications or requirements
Data management capability maturity assessment model (DCMM) . . . . .	December 30, 2023	December 29, 2027	DCMM (Data Capability Maturity Model) is the first national standard officially released in China in the field of data management. It divides data management capability maturity into five levels, from lowest to highest: Initial Level (Level 1), Managed Level (Level 2), Stable Level (Level 3), Quantitatively Managed Level (Level 4) and Optimized Level (Level 5). Different levels represent varying degrees of maturity in enterprise data management and application.	China Federation of Electronics and Information Industry	According to the national standard “Data management capability maturity assessment model” (GB/T 36073-2018), our data management capacity is certified at the Stable Level (Level 3).
Information Technology Service Standards (ITSS) . . . . .	May 13, 2025	January 26, 2028	ITSS is the standard system for IT services in China, covering the entire lifecycle from planning, design and implementation to delivery, operations and continuous improvement.	China Electronics Standardization Association	According to the national standard “Information technology service – Operations and maintenance – Part 1: General requirements” (GB/T 28827.1-2012) and the industry standard “Information technology service – maintenance service capability maturity model” (ITSS.1-2015), our IT service management capacity is certified as ITSS Level 3.

Standards, certifications or requirements	Granting date	Expiration date	Definition of the standards, certifications or requirements	Granting authority	Our compliance with the standards, certifications or requirements
Trusted R&D Certification by CCTL (泰爾實驗室) . . . . .	April 3, 2024	N/A <sup>(1)</sup>	Conducted by CCTL, this certification evaluates software self-development ratio as a key indicator of R&D independence.	China Academy of Information and Communications Technology, China Telecommunication Technology Labs (CCTL)	Our FastData solution, with self-development ratio of over 94% meets this standard.
Classified Protection of Cybersecurity (CCSP). . . . .	November 5, 2023 (FastData solution) March 20, 2025 (FastAGI solution)	N/A <sup>(1)</sup>	China's CCSP system mandates technical and managerial safeguards to ensure secure and stable operations of information systems.	Beijing Municipal Public Security Bureau, Haidian Branch	Our FastData and FastAGI solutions have obtained CCSP Class III certification.
Scientific and Technological Achievement Certification (科學技術成果證書) . . . . .	April 9, 2024	N/A <sup>(1)</sup>	As regulated by the Interim Measures for Science and Technology Achievement Evaluation (《科技成果評價試點暫行辦法》), this certification involves expert assessments of technological innovations.	China Association for Promotion of Private Sci-Tech Enterprises	Our multi-modal corpus data intelligent platform has been certified as a scientific and technological achievement.

Standards, certifications or requirements	Granting date	Expiration date	Definition of the standards, certifications or requirements	Granting authority	Our compliance with the standards, certifications or requirements
IT Service Management Certification (ISO20000) . . . . .	November 14, 2024	November 13, 2027	ISO20000 is the globally authoritative standard for IT service management, requiring organizations to implement management systems across service design, transition, delivery and continuous improvements to ensure holistic, reliable and efficient IT services.	Qualified ISO Certification Body	According to the international standard “Information technology – Service management – Part 1: Service management system requirements” (ISO/IEC 20000-1:2018), we have obtained the IT Service Management Certification.

*Note:*

(1) Such certification does not specify an expiration date.

**LEGAL PROCEEDINGS AND COMPLIANCE****Legal Proceedings**

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. See "Risk Factors — Risks Relating to Our General Operations — We may be involved in lawsuits, claims, regulatory investigations or legal proceedings and commercial or contractual disputes in our ordinary course of business, which could materially and adversely affect our reputation, business, financial condition and prospects."

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

**Compliance**

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material incidents of non-compliance. Our business operations are subject to a comprehensive set of legal and regulatory requirements, in particular, the Measures for the Identification of AI-Generated and Synthesized Content (the "Measures"). See "Regulatory Overview — Regulations on Privacy Protection." To ensure compliance with the Measures, we have also implemented the Deepexi Generative AI Service Management Regulations in August 2025, which primarily stipulate the following: (i) all data sources must be legally compliance, and the use of unauthorized or improperly licensed datasets is strictly prohibited; (ii) governance policies have been established for data quality control, classification and grading, as well as internal review procedures; (iii) management systems have been implemented for data annotation, including evaluation and supervision on third-party service providers, and supervision over the annotation processes; and (iv) internal control measures have been introduced, such as regular audits, risk alerts and emergency response plans for data leakage incidents. As of the Latest Practicable Date, we have implemented the aforesaid internal control policy, including but not limited to (i) conducting content vetting, including manual and machine review of the input data and generated or synthesized results of users and timely dispose the illegal and harmful information in these data and results; (ii) providing necessary training to our labeling personnel; and (iii) adding explicit or implicit identifications in the generated and synthesized content. Specifically, as of the Latest Practicable Date, as advised by our PRC Legal Advisor, we have completed dual regulatory filings for both deep synthesis algorithm and generative AI services.

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## BUSINESS

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During the Track Record Period and up to the Latest Practicable Date, our Directors believe, (i) as advised by our PRC Legal Advisor, we have complied with the applicable laws and regulations in PRC relating to all applicable AI-related laws and regulations in all material aspects; (ii) as we have already implemented the measures and will be able to comply in all material respects, no specific internal control measures will need to be or are required to be implemented; therefore, the Measures, in their current form, will not have a material impact on our financial and operational aspects as a whole, and (iii) we are not involved in any investigations by the CAC and has not received any regulatory inquiries, notice, warnings, sanctions or penalties in relation to AI-related laws and regulations. Having reviewed the basis of the Directors' and PRC Legal Advisor's view, the Joint Sponsors are not aware of anything that would cast doubt on the Directors' and the PRC Legal Advisor's views above.

### **U.S. Export Control Related Business Activities**

During the Track Record Period, we have a total of seven customers and two suppliers that are listed on or are substantially owned by entities listed on the Entity List or other U.S. sanctions related lists. These procurement and sales represented approximately 3.8%, nil, 4.8% and 0.6%, of our total cost of procurement and nil, 2.1%, 6.9% and 5.4% of our revenue for 2022, 2023, 2024, and six months ended June 30, 2025, respectively. As advised by the International Sanctions Legal Advisors after performing the necessary procedures, as necessary procedures and arrangements have been performed, the transactions with the customers and suppliers listed on the Entity List did not represent a violation of the applicable U.S. export controls, given that (i) none of the underlying source codes, technologies, software used in these transactions are U.S. origin or otherwise subject to the EAR; and (ii) these transactions also were denominated in RMB and did not involve exports or transactions outside the Chinese border.

During the Track Record Period, we procured certain chips from certain domestic Chinese suppliers. See "Risk Factors — Risks Relating to Our General Operations — We are subject to risks related to sanctions, export control laws and economic or trade restrictions, and such laws and regulations may disrupt the operations of our suppliers and business partners and in turn adversely affect our business, financial conditions and results of operations."

Certain of such chips are classified as or meet the technical parameter of (i) ECCN 4A994.L; (ii) ECCN 5A992.z; and (iii) ECCN 3A090, which are subject to the EAR. We relied on the suppliers' representations that these sales complied with the applicable U.S. export control rules to sell these items to us. The purchase of these items was denominated in RMB and the payments and deliveries were all concluded within Mainland China. Items subject to the EAR and classified under ECCN 4A994.L are controlled for anti-terrorism reasons. As advised by our Sanction Legal Advisor, such procurement and sale of chips classified as ECCN 4A994.L did not represent a violation of the applicable U.S. export controls because our procurements and sales of such ECCN 4A994.L chips in the PRC to non-sanctioned entities did not require a license to do so under applicable U.S. export controls. Unless there is a change of U.S. export controls on such ECCN 4A994.L chips, we will continue our procurements and sales of such chips.

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## BUSINESS

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### *ECCN 5A992.z.1 and 5A992.z.2*

During the Track Record Period, we procured GPU chips classified under ECCN 5A992.z.1 and 5A992.z.2. These procured GPU chips together with our self-developed software (which is based solely on self-developed software and open source codes) were sold to our customers as solutions. ECCN 5A992.z.1 and 5A992.z.2 are controlled for regional stability reasons, and thus subject to a license requirements for exports, reexports or transfers to or within any destination worldwide, and to or within destinations specified in Country Groups D:1, D:4 and D:5 (excluding any destination also specified in Country Groups A:5 or A:6 respectively). Regardless of whether the said items were classified as 5A992.z.1 or 5A992.z.2, the transfers, exports, or reexports of these to or within China are subject to specific license requirement. While we relied on the suppliers' representations that these sales complied with the applicable U.S. export control rules to sell these items to us, our incorporation of these items into our products and the subsequent sales are likely to represent a potential violation to the applicable U.S. export controls because of the lack of export license for such subsequent sales.

From April, 2025 till June 30, 2025, we procured 32 GPU chips classified as ECCN 5A992.z. from one supplier and subsequently sold these procured GPU chips together with our self-developed software (which is based solely on self-developed software and open source codes) to one customer. These procurement and sales of such one-off violation represented approximately 4.6% of our total cost of procurement and 3.7% of our revenue for the six months ended June 30, 2025, respectively. As advised by our Sanction Legal Advisor, the civil base penalty should be capped at no more than US\$377,700 for this violation given the one-off non-egregious nature of the violation, as the procurement and the subsequent sale, delivered in April 2025, were one-off in nature, right after the change of export controls restrictions on these GPU chips in April, and we have suspended all procurements from the said supplier and all procurements for these items and do not have remaining inventory, the risk is fairly low that the BIS would impose material fines on or pursue any significant non-monetary penalties against us, and that our current business activities could result in any material sanctions risks to the Relevant Persons.

### *ECCN 3A090*

During the Track Record Period, we procured PRC ICs chips that meet the parameters for the control under ECCN 3A090. These procured PRC ICs chips together with our self-developed software (which is based solely on self-developed software and open source codes) were sold to our customers as solutions. The BIS published the Guidance on Application of General Prohibition 10 to People's Republic of China Advanced-Computing Integrated Circuit on May 13, 2025. It is advised that the use of integrated circuits meeting the parameters for control under ECCN 3A090 that have been developed or produced by companies located in, headquartered in, or whose ultimate parent company is headquartered in Country Group D:5, including the PRC, without authorization, could result in substantial criminal and administrative penalties. The BIS provided a non-exhaustive illustrative list of examples of PRC 3A090 ICs that are subject to presumption of the restriction. The said procurement and

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## BUSINESS

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the corresponding on-sale of eight PRC 3A090 ICs to the non-sanctioned China-based customer are likely to represent a potential violation of the applicable U.S. export controls because of the lack of export license for such subsequent sales.

From the publication of Guidance on Application of General Prohibition 10 on May 13, 2025 till June 30, 2025, we procured eight PRC 3A090 IC chips from one supplier and subsequently sold these procured IC chips together with our self-developed software (which is based solely on self-developed software and open source codes) to one customer. These procurement and sales of such one-off violation represented approximately 0.6% of our total cost of procurement and 0.4% of our revenue for the six months ended June 30, 2025, respectively. As advised by our Sanction Legal Advisor, the civil base penalty should be capped at no more than US\$377,700 for this violation given the one-off non-egregious nature of the violation, as the procurement and the subsequent sale, delivered in June 2025, were one-off in nature and we have suspended all procurements of such PRC 3A090 ICs and do not have remaining inventory, the risk is fairly low that the BIS would impose material fines on or pursue any significant non-monetary penalties against us, and that our current business activities could result in any material sanctions risks to the Relevant Persons.

### *Internal Control Measures*

To mitigate risks associated with geopolitical tensions, we have located PRC domestic produced alternatives to diversify our compliance risks as to overseas chip procurement. Our Directors are of the view, we can source such PRC domestic produced alternatives at comparable price and quality, and such supply chain localization does not have material adverse impact to our financial performance, business operation or product offering; in particular, since the change of export controls to the respective ECCN 5A992.z and 3A090 items and the implementation of our internal controls measures as discussed further below, (i) we have not received order cancelation from customers because of such change of export controls measures, (ii) we have no existing contractual obligations to fulfill that would require us to procure or sell ECCN 5A992.z or 3A090 items, and (iii) for new orders, we will evaluate and negotiate with our customers in a case-by-case basis to ensure our procurement or sale for new orders will comply with applicable U.S. export controls. Based on the due diligence conducted, including but not limited to: (i) reviewing the underlying documents related to the PRC domestically produced alternative, including the price and functional specifications; (ii) reviewing the internal control measures with respect to export controls and other international sanctions, as reviewed and evaluated by the International Sanctions Legal Advisor; (iii) obtaining confirmation from the International Sanctions Legal Advisor that the domestically produced alternative does not meet the technical parameters of ECCN 3A090 and is not the type of PRC ICs regulated by the Guidance on Application of General Prohibition 10 to People's Republic of China Advanced-Computing Integrated Circuit published by BIS on May 13, 2025; (iv) obtaining confirmation from the Company that internal control measures have been adopted; (v) independently conducting background checks on the PRC domestically produced alternative to understand the functional specification; (vi) reviewed recent developments and no material adverse change disclosures in the summary section of this prospectus regarding the operational and financial position subsequent to the Track Record

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## BUSINESS

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Period. Nothing has come to the attention of the Joint Sponsors that would cast doubt on the Directors' view that the termination of procurement and resale of EAR Controlled Items does not have a material adverse impact on the Company's financial performance, business operation, or product offering.

Further, we have adopted the following internal control procedures with respect to export control and other International Sanctions to ensure we comply with applicable International Sanctions laws and regulations: (i) ensure not to conduct any transaction including sales and procurements with any Specially Designated National (SDN) designated by OFAC and not sell to any other entity subject to international sanctions the transaction with whom would subject us to violation of applicable sanction and export control laws; in particular, our global sanctions risk and compliance working group is tasked with sanctions on-boarding screening for new sales and procurements, and we have arranged sanctions compliance training for them; (ii) cease the procurement and resale of any items subject to the EAR and prioritize sourcing from domestic suppliers to avoid potential violations; we have identified certain domestically produced chip that is not subject to the EAR and do not meet the ECCN 3A090 technical parameters at a comparable price and quality; (iii) consult with appropriate international sanctions legal advisors to determine whether any proposed transaction including sales and procurements with any entity that has been designated by the BIS to the Entity List, which we believe may involve risks of sanction and export control violations pursuant to our internal control measures and sanction policies, involves item, technology or material subject to the U.S. export controls, or when we are unsure whether EAR or sanction risks are implicated in a certain transaction; and (iv) cease procurement of items that meet the technical parameters for control under ECCN 3A090 or any items subject to the U.S. export controls imposed by EAR that are subject to export license requirements to be exported to us for entering into transactions and relevant restrictions, unless authorized by the competent authorities. Further, we are exploring a third-party sanctions screening vendor that provides real-time sanctions status tracking function to digitalizes our sanctions screening process. Our Sanction Legal Advisor has reviewed and evaluated these internal control measures and is of the view that strict compliance of the above internal control measures can effectively and adequately mitigate and minimize the compliance risks associated with international sanctions and applicable U.S. export controls.

### **RISK MANAGEMENT AND INTERNAL CONTROL**

We have established a set of risk management measures and internal control policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these policies. Furthermore, we continually review the implementation of our risk management policies and measures to ensure that our policies and implementation are effective and sufficient. We have adopted and implemented internal control management in various aspects of our business operations such as operational risk management, compliance risk management, information security and data privacy risk management and intellectual property risk management.

### **Operational Risk Management**

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risk.

We take a holistic approach with regard to operational risk management and implement a mechanism with detailed and decentralized responsibilities and clear rewards and punishment systems. Our information technology, human resources, finance and operations departments are collectively responsible for ensuring the compliance of our operations with internal procedures. In the event of a major adverse event, the matter will be escalated to our CEO and the Board to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

### **Compliance Risk Management**

Compliance risk refers to the risk of being subject to legal and regulatory sanctions, and the risk of major financial and reputational losses as a result of our failure to comply with relevant laws, regulations, rules and guidelines.

Compliance risk management refers to the dynamic managing processes of our effective identification and management of compliance risks and proactively preventing the occurrence of risk events. We have established sound compliance risk management procedures to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations.

In accordance with such procedures, our legal department carefully reviews the contracts we enter into with customers and suppliers. Before entering into any contracts or business arrangements, our legal department reviews the contract terms and examines related documents, including all necessary due diligence materials and licenses and permits obtained by the other party to fulfill its obligations under the relevant contract.

In addition, we continually monitor changes in relevant laws and regulations as well as the regulatory environment to ensure compliance in our business operations. Our business operations are subject to a comprehensive set of legal and regulatory requirements, in particular, the AI-related laws and industry-specific regulations. See “Regulatory Overview — Regulations on Privacy Protection.” In response to this evolving landscape, we have established robust AI compliance management procedures and defined process levels to ensure adherence to the applicable standards. In May 2025, we formally implemented the “Legal Work Management Policy of DEEPEXI”, and established a legal and regulatory tracking mechanism, clarifying responsible departments and the scope of tracking, conducting daily supervision of newly implemented or revised laws and regulations, and carrying out special tracking for laws related to major matters. At the same time, the policy also specifies that the company should

regularly organize training for all employees and irregular targeted training for specific departments based on development strategy and business needs. We will also establish a cooperation mechanism with external lawyers to better supervise and manage our legal work.

### **Information Security and Data Privacy Risk Management**

We have established data compliance management procedures and process levels. The “Data Compliance Policy” specifies principles for data classification, data processing, data protection, and data risk assessment, as well as procedures for incident response and approval. It also regulates the processes for handling, collecting, transmitting, using, storing, and destroying important company data. The “System Log Manual Review System” clarifies the audit, abnormal situation handling, and data security training processes in the system log management. See “— Data Security and Privacy.”

### **Intellectual Property Risk Management**

See “— Intellectual Property.”

### **Audit Committee Experience and Qualification and Board Oversight**

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee comprises three members, namely Mr. Zhang Jielong, Dr. Yang Hongxia and Dr. Kong Xianguang. Mr. Zhang Jielong is the Chairman of the Audit Committee and an independent non-executive Director. See “Directors and Senior Management — Directors.”

In addition to our internal control department, we have also established an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and Board of Directors on a timely basis.

## BUSINESS

### AWARDS AND RECOGNITIONS

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

Award/Recognition	Award year	Awarding Institution/Authority
Shenzhen AI Award (深圳人工智能獎) . . . . .	2025, 2024	Shenzhen Association for Artificial Intelligence (深圳市人工智能學會)
2025 World Unicorn Enterprise . . . .	2025	Great-wall Enterprise Institute
National-level Specialized and Innovative “Little Giant” Enterprise (國家級專精特新“小巨人”企業) . . . . .	2024	MIIT (The Ministry of Industry and Information Technology) (中華人民共和國工業和信息化部)
Beijing Municipal Enterprise Technology Center (北京市市級企業技術中心) . . . . .	2024	Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局)
Forbes China’s Top 50 Artificial Intelligence Technology Companies (福布斯中國人工智能科技企業TOP 50) . . . . .	2024	Forbes China’s Top 50 Artificial Intelligence Technology Companies
AI4SE “Silver Bullet” Outstanding Cases (AI4SE “銀彈”優秀案例) . . . . .	2024	China Artificial Intelligence Industry Development Alliance (中國人工智能產業發展聯盟)
Typical cases of large-scale application of artificial intelligence models at the Global Digital Economy Conference (全球數字經濟大會人工智能大模型場景應用典型案例) . . . . .	2024	Global Digital Economy Conference Organizing Committee (全球數字經濟大會組委會)
Third Prize in Industrial Manufacturing Track, Beijing Division (北京賽區工業製造賽道三等獎) . . . . .	2024	National Data Administration (國家數據局)

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## BUSINESS

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<u>Award/Recognition</u>	<u>Award year</u>	<u>Awarding Institution/Authority</u>
Typical Cases of Comprehensive AI Empowerment (人工智能全景賦能典型案例) .....	2024	Administrative Committee of Zhongguancun Science City
Excellent Case Study in Database (數據庫賽道優秀案例) .....	2023	China Academy of Information and Communications Technology (中國信息通信研究院)
First Prize in Growth Group of the 11th China Innovation and Entrepreneurship Competition Beijing Division (第十一屆中國創新創業大賽北京賽區成長組一等獎) .....	2022	China Innovation and Entrepreneurship Competition (中國創新創業大賽)

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## DIRECTORS AND SENIOR MANAGEMENT

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### OVERVIEW

Our Board consists of nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors. All Directors are elected by the general meeting for a term of three years which is renewable upon re-election. The major powers and functions of the Board include, but are not limited to, convening the general meetings, presenting reports to the general meetings, implementing the resolutions passed at the general meetings, determining the operational plans and investment plans of the Group, determining the annual financial budgets and final accounts of the Group, determining the fundamental management systems of the Group, formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Articles of Association.

Our senior management is responsible for the management of day-to-day operations of the Group.

### DIRECTORS

The following table sets forth certain information of our Directors:

Name	Age	Position(s)	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director <sup>(1)</sup>	Relationship with other Directors and senior management
Mr. ZHAO Jiehui (趙杰輝) . . . . .	46	Founder, chairman of the Board, executive Director and chief executive officer	Responsible for the overall planning of our Group's strategic iteration, technology innovation, organization culture, operation system and resource and personnel	October 1, 2018	March 14, 2025	None
Mr. YANG Lei (楊磊) . . . . .	46	Co-founder, executive Director and president of our product and solution staff team (PSST)	Responsible for formulating and promoting departmental technology strategic planning, coordinating the management of the R&D team and resource allocation of our Group	May 3, 2018	March 14, 2025	None

## DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director <sup>(1)</sup>	Relationship with other Directors and senior management
Dr. LI Qiang (李強) . . . . .	57	Executive Director, chief operating officer, secretary to the Board and joint company secretary	Responsible for the daily operation management of our Group and intra-department coordination for efficient implementation of our strategic goals	December 2, 2020 <sup>(2)</sup>	March 14, 2025	None
Mr. CAO Lianfei (曹連飛) . . . . .	44	Executive Director and president of our sales and service system	Responsible for managing and coordinating the sales and service system of our Group and formulating sales plans and overseeing sales team management	May 3, 2018	March 14, 2025	None
Ms. SHI Yi (石宜) . . . . .	39	Executive Director and employee representative Director	Responsible for managing and coordinating the human resources, talent and incentives and organizational development of our Group	October 1, 2018	March 14, 2025	None
Mr. WANG Zhenghao (王正浩) . . . . .	41	Non-executive Director	Participating in evaluation and approval of business plans, strategies and major decisions of our Group through the Board	August 23, 2021	March 14, 2025	None
Dr. Yang Hongxia (楊紅霞) . . . . .	41	Independent non-executive Director	Providing independent opinion and judgment to the Board	March 14, 2025	March 14, 2025	None
Dr. KONG Xianguang (孔憲光) . . . . .	50	Independent non-executive Director	Providing independent opinion and judgment to the Board	March 14, 2025	March 14, 2025	None
Mr. ZHANG Jielong (張杰龍) . . . . .	43	Independent non-executive Director	Providing independent opinion and judgment to the Board	March 14, 2025	March 14, 2025	None

*Notes:*

- (1) For the avoidance of doubt, the date of the appointment of each Director of our Company refers to his or her appointment as Director after the Company's conversion into a joint stock company with limited liability. For the details of the conversion, see "History, Development and Corporate Structure — Major Shareholding Changes of our Company — 4. The Conversion." For biographical details of our Directors, see "— Directors" of this section.
- (2) Prior to Dr. Li Qiang's current managerial positions as executive Director, chief operation officer, secretary to the Board and joint company secretary, Dr. Li served as a non-executive Director of our Company from March 2019 to March 2020 and from December 2020 to June 2024.

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## DIRECTORS AND SENIOR MANAGEMENT

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### Executive Directors

**Mr. Zhao Jiehui (趙杰輝)**, aged 46, is the founder of our Group, and has served as chairman of the Board, executive Director and chief executive officer of our Company. He was re-designated as our executive Director in March 2025.

Mr. Zhao has over 20 years of experience in the information technology industry. Prior to joining our Group, he worked as a core technology expert and team leader in core router related fields at Huawei Technologies Co., Ltd. (華為技術有限公司) from March 2004 to May 2015. He worked within the Alibaba Group (阿里巴巴集團) from May 2015 to September 2018, during which he held various positions including the senior technology expert and general manager of the enterprise business department at Alibaba Cloud Computing Co. Ltd. (阿里雲計算有限公司).

Mr. Zhao graduated from Tianjin University (天津大學) in Tianjin, the PRC, majoring in electrical engineering and automation in June 2001, and received his master's degree in power system and automation from the same institution in Tianjin, the PRC, in June 2004.

**Mr. Yang Lei (楊磊)**, aged 46, is the co-founder, an executive Director and president of our product and solution staff team (PSST).

Mr. Yang has over 20 years of experience in the information technology industry. Prior to joining our Group, he worked as a senior product manager and senior engineer at Huawei Technologies Co., Ltd. (華為技術有限公司) from December 2004 to December 2012, and as the founder and chief executive officer at Beijing Weiqing Technology Co., Ltd. (北京維擎科技有限公司) from May 2016 to January 2018. Together with Mr. Zhao, Mr. Yang co-founded our Group in May 2018 and served as our supervisor from May 2018 to July 2018, president of our product and solution staff team since July 2018, our Director from July 2018 to March 2020, and our Director since December 2020. He was re-designated as our executive Director in March 2025.

Mr. Yang received his bachelor's degree in vehicle operation engineering (automotive application engineering) from Southwest Forestry College (西南林學院) (currently known as Southwest Forestry University (西南林業大學)) in Yunnan, the PRC, in July 2001, and received his master of business administration degree from China Europe International Business School (中歐國際工商學院) in Shanghai, the PRC, in August 2023. As a key participant, he contributed to the R&D of the "Multimodal Corpus Data Intelligent Platform," which was certified as a scientific and technological achievement by the China Association for Promoting Science and Technology in the Private Sector (中國民營科技促進會) in April 2024.

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## DIRECTORS AND SENIOR MANAGEMENT

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**Dr. Li Qiang (李強)**, aged 57, is an executive Director, chief operating officer, secretary to the Board and joint company secretary of our Company.

Dr. Li has extensive experience in investment and financing and operational management. Prior to joining our Group, he served as a certification engineer/airworthiness inspector at the Aircraft Airworthiness Center of the Civil Aviation Administration of China (“CAAC”) (中國民用航空總局航空器適航中心) from July 1996 to April 1998, a senior certification engineer/airworthiness inspector at the Aviation Safety Technology Center of the CAAC (中國民用航空總局航空安全技術中心) from April 1998 to August 2002, the executive director of operations division at Aircraft Maintenance & Engineering Corporation (北京飛機維修工程有限公司) from August 2002 to September 2010, the general manager of information management department at Air China Limited (中國國際航空股份有限公司), a company listed on the Stock Exchange (stock code: 0753), the Shanghai Stock Exchange (stock code: 601111) and the London Stock Exchange (stock code: AIRC), from September 2010 to February 2017, and a partner at Gaoling Tiancheng (Beijing) Investment Consulting Co., Ltd. (高瓴天成(北京)投資諮詢有限公司) from February 2017 to May 2024. Dr. Li has been serving as our chief operating officer since June 2024. Dr. Li served as a non-executive Director of our Company from March 2019 to March 2020 and from December 2020 to June 2024, and has been serving as our Director since July 2024. He was re-designated as our executive Director in March 2025 and appointed as our secretary to the Board and joint company secretary in August 2025.

Dr. Li received his bachelor’s degree in aircraft design from Northwestern Polytechnical University (西北工業大學) in Shaanxi, the PRC, in July 1991, where he further received his master’s and doctoral degrees in aircraft design in July 1993 and June 1996, respectively. He further received his master of business administration degree from China Europe International Business School (中歐國際工商學院) in Shanghai, the PRC, in August 2008.

**Mr. Cao Lianfei (曹連飛)**, aged 44, is an executive Director and president of our sales and service system.

Mr. Cao has over 18 years of experience in the technology, media and telecom industry. Prior to joining our Group, he served as the general manager of western region at Shenzhen Huachengfeng Technology Co., Ltd. (深圳市華成峰科技有限公司) from September 2006 to December 2017. He joined our Group in May 2018 and has been serving as president of our sales and service system since then. He has been serving as our Director since December 2020 and was re-designated as our executive Director in March 2025.

Mr. Cao graduated from Nanchang University (南昌大學) in Jiangxi, the PRC, majoring in communication engineering in July 2006.

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## DIRECTORS AND SENIOR MANAGEMENT

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**Ms. Shi Yi (石宜)**, aged 39, is an executive Director and employee representative Director.

Ms. Shi has over 13 years of experience in project management and product operations. Prior to joining our Group, she worked at Guangdong Zhangzhong Wanwei Electronic Co., Ltd. (廣東掌中萬維電子有限公司). After that, she worked as a senior product manager at Richinfo Technology Co. Ltd. (彩訊科技股份有限公司) from September 2012 to April 2016, a senior product manager at Guangdong Wanzhang Jinshu Information Technology Co., Ltd. (廣東萬丈金數信息技術股份有限公司) from April 2016 to October 2016, and a product director at Beijing Rongshu Yuntu Technology Co., Ltd. Guangzhou Branch (北京融數雲途科技有限公司廣州分公司) from October 2016 to November 2017. She joined our Group in October 2018 and has been serving as our supervisor from December 2020 to March 2025. She served as our president of digital innovation center from October 2018 to January 2024 and has been serving as the president of our human resources system since January 2024. She was elected as our employee representative Director and designated as our executive Director in March 2025.

Ms. Shi graduated from Wuhan University of Science and Technology (武漢科技大學) in Hubei, the PRC, majoring in architectural decoration in June 2006 and is currently pursuing her master of business administration degree at Harbin Institute of Technology (哈爾濱工業大學) in Heilongjiang, the PRC. She was accredited as a system integration project management engineer (系統集成項目管理工程師) by the Ministry of Human Resources and Social Security of the PRC (人力資源和社會保障部) in August 2013.

### **Non-executive Director**

**Mr. Wang Zhenghao (王正浩)**, aged 41, is a non-executive Director of our Company.

Mr. Wang has extensive experience in corporate management. He worked at China Metallurgical Group Corporation (中國冶金科工集團有限公司) from 2010 to 2012, and at Industrial Bank (興業銀行) from 2013 to 2018. He has currently been serving as the general manager at Xingtou (Beijing) Capital Management Co., Ltd. (興投(北京)資本管理有限公司) since August 2018, a non-executive director at Dmall Inc. (多點數智有限公司), a company listed on the Stock Exchange (stock code: 2586) since November 2020, a supervisor at Jinko Solar Co., Ltd. (晶科能源股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688223), since March 2022, and the chairman of the supervisory board at Farasis Energy (Ganzhou) Co., Ltd. (孚能科技(贛州)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688567), since July 2022. Mr. Wang has been a Director of our Company since August 2021 and was re-designated as our non-executive Director in March 2025.

Mr. Wang received his bachelor's degree in human resources management from Beijing Normal University (北京師範大學) in Beijing, the PRC, in July 2006, and received his master's degree in western economics from Peking University (北京大學) in Beijing, the PRC, in June 2010.

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## DIRECTORS AND SENIOR MANAGEMENT

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### Independent Non-executive Directors

**Dr. Yang Hongxia (楊紅霞)**, aged 41, is an independent non-executive Director of our Company.

Dr. Yang has extensive experience in the artificial intelligence field and academic research. She worked at IBM Corporation from January 2011 to January 2015 and Yahoo! from January 2015 to September 2016, and worked as a senior staff algorithm engineer at Alibaba DAMO Academy (阿里巴巴達摩院) of Taobao (China) Software Co., Ltd. (淘寶(中國)軟件有限公司) from September 2016 to September 2022. She has been a professor at The Hong Kong Polytechnic University (香港理工大學) since July 2024. Dr. Yang was appointed as an independent non-executive Director of our Company in March 2025.

Dr. Yang obtained her bachelor's degree in statistics from Nankai University (南開大學) in Tianjin, the PRC, in June 2007 and her doctoral degree in statistics from Duke University in the United States in December 2010. She was awarded the Super AI Leader Award (卓越人工智能引領者獎) at the 2019 World Artificial Intelligence Conference (2019世界人工智能大會), the Second-Class National Science and Technology Progress Award (國家科學技術進步獎二等獎) by the State Council in 2020, the First-Class Science and Technology Progress Award (科學技術進步獎一等獎) by the Chinese Institute of Electronics (中國電子學會) in 2021 and the First-Class Science and Technology Progress Award (科學技術進步獎一等獎) by the Ministry of Education of the PRC in 2022.

**Dr. Kong Xianguang (孔憲光)**, aged 50, is an independent non-executive Director of our Company.

Dr. Kong has over 20 years of experience in academic research and the big-data technology industry. He has been working as a lecturer at Xidian University (西安電子科技大學) since May 2005 and has served as the director of the Intelligent Manufacturing and Industrial Internet (Big Data) Research Center (智能製造與工業互聯網(大數據)研究中心), the head of the Shaanxi Provincial Key Innovation Team for Industrial Internet Big Data and Intelligent Systems (陝西省工業互聯網大數據與智能系統重點創新團隊), the director of the Shaanxi Provincial Industrial Internet Technology Engineering Center (陝西省工業互聯網技術工程中心), and the director of the Xi'an Industrial Big Data and Intelligent Systems Engineering Center (西安市工業大數據與智能系統工程中心). He was recognized as a professor by the Shaanxi Provincial Ministry of Human Resources and Social Security in July 2021. Dr. Kong was appointed as an independent non-executive Director of our Company in March 2025.

Dr. Kong received his bachelor's, master's and doctoral degrees in mechanical manufacturing and automation from Northwestern Polytechnical University (西北工業大學) in Shaanxi, the PRC, in July 1997, March 2000 and March 2005, respectively. He was accredited as a strategic think tank expert (戰略智庫專家) of Shaanxi Transportation Holding Group Co., Ltd. (陝西交通控股集團有限公司) in 2025, academic committee member of the Key Laboratory of Industrial Big Data Analysis and Integrated Applications, Ministry of Industry

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## DIRECTORS AND SENIOR MANAGEMENT

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and Information Technology (工業大數據分析與集成應用工業和信息化部重點實驗室學術委員會), academic committee member of the Key Laboratory of Intelligent Equipment Digital Twin Technology Innovation and Testing, Ministry of Industry and Information Technology (智能裝備數字孿生技術創新與測試工業和信息化部重點實驗室學術委員會) in 2023, co-chair of the Data Assets Subgroup of the National Big Data Standardization Working Group (全國大數據標準工作組數據資產專題組) in 2023, chairman of the Informatization Expert Group of the Shaanxi Provincial State-owned Assets Supervision and Administration Commission (陝西省國資委信息化專家組) in 2024, Included Expert in the Shaanxi Provincial 5G+ Application Operations (陝西省5G+應用運營領域入庫專家) in December 2023, and industry expert advisor of Suzhou Big Data Exchange (蘇州大數據交易所) in 2023.

**Mr. Zhang Jielong (張杰龍)**, aged 43, is an independent non-executive Director of our Company.

Mr. Zhang has rich experience in finance, equity investment, and mergers and acquisitions. He worked as a senior associate at PricewaterhouseCoopers Zhong Tian LLP Beijing Branch (普華永道中天會計師事務所(特殊普通合伙)北京分所) from August 2004 to March 2007. He worked at Mizuho from September 2007 to July 2011, with his last position as vice president of Mizuho Securities Asia Limited (瑞穗證券亞洲有限公司). He served as a managing director at China Development Bank International Holdings Limited (國開國際控股有限公司) from August 2011 to March 2018. Mr. Zhang currently serves as the chief financial officer at G7 Connect Inc (G7易流物聯科技有限公司) since March 2018. Mr. Zhang was appointed as an independent non-executive Director of our Company in March 2025.

Mr. Zhang received his bachelor's degrees in literature and economics from Beijing Foreign Studies University (北京外國語大學) in Beijing, the PRC, in July 2004, and his master's degree in business administration from The Chinese University of Hong Kong (香港中文大學) in December 2011. He is a fellow member of the Hong Kong Securities and Investment Institute (香港證券及投資學會).

Save as disclosed in the Prospectus, none of our Directors (i) held any other positions in our Company or any other members of our Group as of the Latest Practicable Date; (ii) had any other relationship with any Directors, senior management or the Controlling Shareholders Group of our Company as of the Latest Practicable Date; (iii) held any directorship in any other listed companies in the three years immediately prior to the date of the Prospectus or (iv) had any other matters with respect to his/her appointment that need to be brought to the attention of our Shareholders or any information that is required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules.

## DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

The following table sets forth certain information of the senior management of the Group:

Name	Age	Position(s)	Roles and responsibilities	Date of joining our Group	Date of appointment as a member of senior management <sup>(1)</sup>	Relationship with other Directors and senior management
Mr. ZHAO Jiehui (趙杰輝) . . . . .	46	Founder, chairman of the Board, executive Director and chief executive officer	Responsible for the overall planning of the Group's strategic iteration, technology innovation, organization culture, operation system and resource and personnel	October 1, 2018	March 14, 2025	None
Mr. YANG Lei (楊磊) . . . . .	46	Co-founder, executive Director and president of our product and solution staff team (PSST)	Responsible for formulating and promoting departmental technology strategic planning, coordinating the management of the R&D team and resource allocation of our Group	May 3, 2018	March 14, 2025	None
Dr. LI Qiang (李強) . . . . .	57	Executive Director, chief operating officer, secretary to the Board and joint company secretary	Responsible for the daily operation management of our Group and intra-department coordination for efficient implementation of our strategic goals	December 2, 2020 <sup>(2)</sup>	March 14, 2025	None
Mr. CAO Lianfei (曹連飛) . . . . .	44	Executive Director and president of our sales and service system	Responsible for managing and coordinating the sales and service system of our Group and formulating sales plans and overseeing sales team management	May 3, 2018	March 14, 2025	None
Mr. XUE Genglei (薛更磊) . . . . .	46	General manager of our financial operation center	Responsible for the financial management and reporting of our Group	January 1, 2023	March 14, 2025	None

## DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Roles and responsibilities	Date of joining our Group	Date of appointment as a member of senior management <sup>(1)</sup>	Relationship with other Directors and senior management
Ms. HONG Le (紅樂) . . . . .	37	Chief marketing officer	Responsible for developing and executing marketing strategies of our Group	February 1, 2021	March 14, 2025	None

*Notes:*

- (1) For the avoidance of doubt, the date of the appointment of each senior management of our Company refers to his or her appointment of the relevant positions in our Company after its conversion into a joint stock company with limited liability. For the details of the conversion, see “History, Development and Corporate Structure — Major Shareholding Changes of our Company — 4. The Conversion.” For biographical details of our senior management members, see “— Directors” and “— Senior Management” of this section.
- (2) Prior to Dr. Li Qiang’s current managerial positions as executive Director, chief operation officer, secretary to the Board and joint company secretary, Dr. Li served as a non-executive Director of our Company from March 2019 to March 2020 and from December 2020 to June 2024.

**Mr. Zhao Jiehui (趙杰輝)** is the founder, executive Director, chairman of the Board and chief executive officer of our Company. For the biographical details of Mr. Zhao, see “— Directors — Executive Director”.

**Mr. Yang Lei (楊磊)** is the co-founder, an executive Director and president of our product and solution staff team (PSST). For the biographical details of Mr. Yang, see “— Directors — Executive Directors”.

**Dr. Li Qiang (李強)** is an executive Director, chief operating officer, secretary to the Board and joint company secretary of our Company. For the biographical details of Dr. Li, see “— Directors — Executive Directors”.

**Mr. Cao Lianfei (曹連飛)** is an executive Director and president of our sales and service system. For the biographical details of Mr. Cao, see “— Directors — Executive Directors”.

**Mr. Xue Genglei (薛更磊)**, aged 46, is the general manager of our financial operation center, which is mainly responsible for the financial management and reporting affairs of our Group.

Mr. Xue has over 18 years of experience in financial accounting and corporate management. He worked as an audit manager at ShineWing Certified Public Accountants (信永中和會計師事務所) from October 2006 to October 2015 and the group senior vice president at Guoxin Youyi Data Co., Ltd. (國信優易數據股份有限公司) from November 2015 to November 2022. He joined our Group in January 2023 and worked as our general manager of financial operation center since then.

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## DIRECTORS AND SENIOR MANAGEMENT

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Mr. Xue received his bachelor's degree in financial management from Hebei University of Economics and Business (河北經貿大學) in Hebei, the PRC, in July 2003, and was recognized as a Certified Public Accountant by the Ministry of Finance of the PRC in February 2006.

**Ms. Hong Le (紅樂)**, aged 37, is our chief marketing officer.

Ms. Hong worked as a responsible editor and reporter of Beijing Community News (北京社區報) from June 2010 to June 2013, a responsible editor and reporter of PR Magazine (國際公關雜誌) from June 2013 to April 2015, a director of brand public relations at Beijing Dongfang Cheyun Information Technology Co., Ltd. (北京東方車雲信息技術有限公司) from May 2015 to July 2016, a deputy director of public relations at Liangcheng Technology (Beijing) Co., Ltd. (量橙科技(北京)有限公司) from January 2017 to January 2020, and a public relations manager at Genkiforest Co., Ltd. (元氣森林(北京)食品科技集團有限公司) from May 2020 to July 2020. She joined our Group in February 2021 and has been serving as our chief marketing officer since then. Ms. Hong worked as the secretary to the Board of our Company from March 2025 to August 2025 and her appointment as our company secretary was from March 2025 to August 2025.

Ms. Hong received her bachelor's degree of management from Beijing University of Agriculture (北京農學院) in Beijing, the PRC, in June 2010 and graduated from Renmin University of China (中國人民大學) with a major in communication in Beijing, the PRC, in July 2013.

### JOINT COMPANY SECRETARIES

**Dr. Li Qiang (李強)** is an executive Director, chief operating officer, secretary to the Board and joint company secretary of our Company. For the biographical details of Dr. Li, see “— Directors — Executive Directors”.

**Ms. Yeung Siu Wai Kitty (楊小慧)** is our joint company secretary.

Ms. Yeung is a senior manager of company secretarial services of Tricor Services Limited (a member of Vistra group). Ms. Yeung has over 15 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as private and offshore companies. Ms. Yeung is a chartered secretary, a chartered governance professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Ms. Yeung received her bachelor's degree of social science in administration and public management from City University of Hong Kong (香港城市大學) in November 2006 and her master's degree in corporate governance from Hong Kong Metropolitan University (香港都會大學) (formerly known as The Open University of Hong Kong (香港公開大學)) in August 2017.

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## DIRECTORS AND SENIOR MANAGEMENT

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### CONFIRMATION FROM OUR DIRECTORS

#### Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 8, 2025; and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

#### Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he or she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

#### Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of our Directors (other than our independent non-executive Directors) had interests in any business, which competes or is likely to compete, either directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

### BOARD COMMITTEES

Our Company has established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles and the corporate governance practice under the Listing Rules, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

#### Audit Committee

We have established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Zhang Jielong, Dr. Yang Hongxia and Dr. Kong Xianguang. Mr. Zhang Jielong currently serves as the chairman of the Audit Committee and is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are as follows:

- (i) to make recommendations to the Board on the appointment, replacement and removal of an external auditor, consider and approve the remuneration and terms of engagement of an external auditor and any questions of its resignation or dismissal;

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## DIRECTORS AND SENIOR MANAGEMENT

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- (ii) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (iii) to develop and implement policies on engaging an external auditor to provide non-audit services;
- (iv) to review and supervise the truthfulness, completeness and correctness of financial statement, annual report and accounts and half-year report;
- (v) to review the financial policy, risk management and internal control evaluation system of the Company;
- (vi) to facilitate communications between the internal audit department and the external auditor; and
- (vii) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the Board.

### **Remuneration and Appraisal Committee**

We have established the Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Appraisal Committee consists of three Directors, namely Dr. Kong Xianguang, Dr. Yang Hongxia and Mr. Zhao. Dr. Kong Xianguang currently serves as the chairman of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee are as follows:

- (i) to organize and formulate the remuneration policy and plan of Directors and senior management with reference to their main duties, scope, importance, time commitment and salary level of relevant positions. The remuneration plan and policy mainly include but are not limited to performance evaluation standards, procedures and main evaluation systems, and main plans for rewards and punishments, and shall include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of their office or appointment);
- (ii) to make recommendations to the Board on the remuneration packages of the executive Directors and senior management;
- (iii) to make recommendations to the Board on the remuneration of non-executive Directors;

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## DIRECTORS AND SENIOR MANAGEMENT

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- (iv) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in our Group;
- (v) to study and make recommendations to the Board on the appraisal criteria for Directors and senior management, review the performance of Directors (excluding independent non-executive Directors) and senior management and conduct annual performance appraisals;
- (vi) to review and approve the compensation payable to the executive Directors and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;
- (vii) to review and approve the compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;
- (viii) to ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (ix) to supervise the implementation of the remuneration procedures and review the relevant remuneration policies on a regular basis; and
- (x) to review and/or approve relevant share schemes as set out in Chapter 17 of the Listing Rules.

### **Nomination Committee**

We have established the Nomination Committee in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of five Directors, namely Mr. Zhao, Mr. Yang, Dr. Yang Hongxia, Dr. Kong Xianguang and Mr. Zhang Jielong. Mr. Zhao Jiehui currently serves as the chairman of the Nomination Committee. The primary duties of the Nomination Committee are as follows:

- (i) to review the size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement our Company's corporate strategy;
- (ii) to formulate the corporate governance policies and standards, monitor the implementation, and make recommendations to the Board;
- (iii) to examine the select standards and procedures of directors and senior management and make recommendation to the Board, and supervise the training and development plan of directors and senior management;

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## DIRECTORS AND SENIOR MANAGEMENT

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- (iv) to identify individuals suitably qualified to become board members and select and make recommendations to the Board on the selection of individuals nominated for directorships;
- (v) to assess the independence of the independent non-executive Directors;
- (vi) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairman of the Board and the chief executive officer); and
- (vii) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares of the Company are listed and the requirements of the Articles of Association, and as authorized by the Board.

### **BOARD DIVERSITY POLICY**

We have adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent.

Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge, length of service and other related factors. We will also consider our own business model and special needs. The ultimate selection of Director candidates will be based on merits of the candidates and contribution that the candidates will bring to our Board.

Our Board currently consists of two female Directors and seven male Directors with a balanced mix of knowledge and skills, including but not limited to overall management and strategic development, finance, accounting and risk management. The Company is of the view that the Board satisfies our board diversity policy.

Our Nomination Committee is responsible for the implementation of our board diversity policy. Upon completion of the Listing, our Nomination Committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

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## DIRECTORS AND SENIOR MANAGEMENT

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### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management members receive remuneration in the forms of salaries, allowances, contribution to pension schemes, discretionary bonuses, share-based compensation and other benefits in kind.

The aggregate amount of remuneration (including salaries, allowances, contribution to pension schemes, discretionary bonuses and share-based compensation) and other benefits in kind paid to our Directors for the three years ended December 31, 2024 and the six months ended June 30, 2025 were approximately RMB11.9 million, RMB68.3 million, RMB4.9 million and RMB106.3 million, respectively, which included approximately RMB4.8 million, RMB62.9 million, nil and RMB104.2 million, respectively in the form of share-based payment expenses. Under the arrangement currently in force, we estimate the total remuneration before taxation, including estimated share-based payment expenses, to be accrued to our Directors for the year ending December 31, 2025 to be approximately RMB114.4 million, which included approximately RMB106.9 million in the form of share-based payment expenses. The actual remuneration of Directors in 2025 may be different from the expected remuneration.

The aggregate amount of fees, salaries, allowances, discretionary bonus, pension schemes contribution, share-based compensation and other benefits in kind (if applicable) paid to the five highest-paid individuals of our Group for the three years ended December 31, 2024 and the six months ended June 30, 2025 were approximately RMB13.6 million, RMB71.2 million, RMB5.8 million and RMB106.3 million, respectively. The five highest paid employees during the three years ended December 31, 2024 and the six months ended June 30, 2025 included 4, 4, 4 and 5 Directors, respectively. The aggregate amount of fees, salaries, allowances, discretionary bonus, pension schemes contribution and other benefits in kind (if applicable) paid to remaining highest paid employees for the three years ended December 31, 2024 and the six months ended June 30, 2025 were approximately RMB1.7 million, RMB2.8 million, RMB975 thousand and nil, respectively.

During the Track Record Period, there was no remuneration paid or payable by our Company to our Directors or the five highest-paid individuals as an inducement to join or upon joining our Company. During the Track Record Period, there was no compensation paid or payable by our Company to our Directors, former Directors or the five highest-paid individuals for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

During the Track Record Period, none of our Directors has waived or agreed to waive any remuneration or benefits in kind for the past three years. Save as disclosed above, there were no other payments paid or payable by our Company or any of our subsidiaries to our Directors or the five highest-paid individuals during the Track Record Period.

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## DIRECTORS AND SENIOR MANAGEMENT

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### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, save as disclosed below, we expect to comply with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the Listing.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer, and Mr. Zhao currently performs these two roles. Our Board believes that vesting the roles of both chairman of our Board and chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within our Group, (ii) enabling more effective and efficient overall strategic planning for our Group, and (iii) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of executive chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

### COMPLIANCE ADVISOR

We have appointed SPDB International Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

- (1) before the publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (3) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- (4) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

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## **DIRECTORS AND SENIOR MANAGEMENT**

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The term of the appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

### **CORE R&D TEAM MEMBERS**

For further details of the experience of our core R&D team members, see “Business — Research and Development — R&D Team.”

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

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### OUR CONTROLLING SHAREHOLDERS GROUP

Pursuant to the Existing WVR Structure adopted by our Company on November 7, 2020, each of the Shares held by Mr. Zhao and Mr. Yang was entitled to five votes, while each of the remaining Shares held by other Shareholders were entitled to one vote. Under the Existing WVR Structure, Mr. Zhao is entitled to exercise 45.41% voting rights attached to his 16.49% Shares held in the Company, and Mr. Yang is entitled to exercise 10.75% voting rights attached to his 3.90% Shares held in the Company. Pursuant to the Concert Party Agreement dated October 31, 2020 entered into between Mr. Zhao and Mr. Yang, Mr. Yang irrevocably agreed to, among others, act in concert with Mr. Zhao and follow his decisions in exercising his vote at the shareholders' meetings of our Company. The Concert Party Agreement came into effect on the date of execution and shall remain effective until the date when Mr. Yang no longer has any direct or indirect shareholding interest in the Company and no longer acts as a Director. Therefore, the Concert Party Agreement will remain effective after the proposed Listing. In addition, Deepexi Huachuang and Deepexi Huaying, being our employee shareholding platforms, held 12.43% and 2.12% of the equity interests of our Company, respectively. The general partner of each of Deepexi Huachuang and Deepexi Huaying is Deepexi Huichuang, which is controlled by Mr. Zhao. Accordingly, as of the Latest Practicable Date and under the Existing WVR Structure and the Concert Party Agreement, Mr. Zhao is entitled to exercise 64.17% voting rights attached to the 34.95% of the Shares in our Company.

In anticipation of the proposed Global Offering and in order to comply with relevant requirements of the Listing Rules, on April 9, 2025, the Shareholders of our Company entered into a supplemental agreement to the shareholders' agreement to, among others, terminate the Existing WVR Structure on the day immediately preceding the date of the Listing. In addition, the Articles of Association which contains no weighted voting rights structure was adopted and will become effective upon the Listing Date. Therefore, our Company will not have any weighted voting right arrangements or structure as defined under Rule 8A.02 of the Listing Rules upon Listing.

Immediately following the completion of the Global Offering, in light of the Concert Party Agreement between Mr. Zhao and Mr. Yang, Mr. Zhao will be entitled to exercise 32.10% of the voting rights of our Company, comprising: (i) 15.14% of our voting rights through Shares directly held by him, (ii) 3.59% of our voting rights through Shares directly held by Mr. Yang, and (iii) 13.37% of our voting rights through Shares held by Deepexi Huachuang and Deepexi Huaying through Deepexi Huichuang. Therefore, Mr. Zhao, Mr. Yang, Deepexi Huachuang, Deepexi Huaying and Deepexi Huichuang will constitute a group of Controlling Shareholders of our Company upon completion of the Global Offering holding in aggregate 32.10% of the voting rights of our Company.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

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### NO COMPETITION AND CLEAR BUSINESS DELINEATION

Each member of the Controlling Shareholders Group confirms that, as of the Latest Practicable Date, he/it did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

### INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from Controlling Shareholders Group and its respective close associates upon Listing.

#### Management Independence

Our business is managed and operated by our Board and senior management. For more details, see “Directors and Senior Management.” Notwithstanding that our executive Directors, Mr. Zhao and Mr. Yang, are members of the Controlling Shareholders Group and that Mr. Zhao is the executive director and manager of Deepexi Huichuang (being the general partner of our employee shareholding platforms without other business operation), our Directors consider that our Board and senior management team are able to manage our business independently from the Controlling Shareholders Group for the following reasons:

- (a) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, please refer to the section headed “Directors and Senior Management” in this prospectus;
- (b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as our Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting;
- (c) our Board has a balanced composition of executive Directors and independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Specifically, (i) our independent non-executive Directors are not associated with the Controlling Shareholders Group or each of their close associates; (ii) our independent non-executive Directors account for one-third of the Board; and (iii) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience as

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

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independent directors of listed companies and will be able to provide professional advice to our Company. In conclusion, our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole; and

- (d) we will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage potential conflicts of interest, if any, between our Group and Controlling Shareholders Group, which would support our independent management. For details, please see “— Corporate Governance” in this section.

### **Operational Independence**

Our Group does not rely on Controlling Shareholders Group and their respective close associates for our business development, staffing, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from members of the Controlling Shareholders Group and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

Our Group has independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of members of the Controlling Shareholders Group and their respective close associates.

### **Financial Independence**

Our Group has an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department in charge of our treasury function. We do not expect to rely on the Controlling Shareholders Group and their respective close associates for financing after Listing as we expect that our working capital will be funded by cash, cash equivalent on hand as well as the net proceeds from the Global Offering. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of members of the Controlling Shareholders Group and their respective close associates.

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

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We are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by members of the Controlling Shareholders Group and their respective close associates. As of the Latest Practicable Date, we confirm that there is no financial assistance provided by the Controlling Shareholders Group to our Group and vice versa.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on members of the Controlling Shareholders Group and their respective close associates upon Listing.

### CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

Our Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. We will adopt the following measures to ensure good corporate governance standards and avoid potential conflicts of interest between our Group and the Controlling Shareholders Group:

- (a) where a Shareholders’ meeting is held for considering proposed transactions in which the Controlling Shareholders Group has a material interest, the Controlling Shareholders Group shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (c) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and the Controlling Shareholders Group, members of the Controlling Shareholders Group shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;
- (d) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company’s cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules;

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS GROUP

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- (e) any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules; and
- (f) we have appointed SPDB International Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors' duties and corporate governance.

Based on the above, our Directors are satisfied that the corporate governance measures are sufficient to manage conflicts of interest that may arise between our Group and the Controlling Shareholders Group, and to protect our minority Shareholders' interests after the Listing.

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## SHARE CAPITAL

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### OUR SHARE CAPITAL

#### Immediately before the Global Offering

As of the Latest Practicable Date, the registered share capital of our Company was RMB300,000,000, comprising 300,000,000 ordinary Shares with a nominal value of RMB1.00 each.

#### Upon Completion of the Global Offering

Immediately after the Global Offering and Conversion of Unlisted Shares into H Shares, the share capital of the Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of the enlarged issued share capital after the Global Offering</u>
H Shares converted from Unlisted Shares . . . . .	300,000,000	91.85%
H Shares to be issued pursuant to the Global Offering . . . . .	<u>26,632,000</u>	<u>8.15%</u>
<b>Total</b> . . . . .	<b><u><u>326,632,000</u></u></b>	<b><u><u>100.0%</u></u></b>

### UNLISTED SHARES AND H SHARES

Upon the completion of the Global Offering and Conversion of Unlisted Shares into H Shares, the Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities (such as certain of our existing shareholders the Unlisted Shares held by whom will be converted into H Shares according to the filing information of the CSRC), H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons.

Unlisted Shares and H Shares shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

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## SHARE CAPITAL

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### CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Hong Kong Stock Exchange, such conversion, listing and trading will need the filing of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

#### **Filing with the CSRC for Full Circulation**

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies shall file with the CSRC for the conversion of unlisted shares into H shares for listing and circulation on the Hong Kong Stock Exchange. An unlisted domestic joint stock company may file for “full circulation” when applying for an overseas initial public offering.

We have filed with the CSRC an application for the conversion of 300,000,000 Unlisted Shares into H Shares on a one-for-one basis upon the completion of the Global Offering on April 18, 2025, and CSRC issued the filing notice in respect of the Global Offering dated September 23, 2025.

The Conversion of Unlisted Shares into H Shares will involve an aggregate of 300,000,000 Unlisted Shares held by all our existing Shareholders (the “**Full Circulation Participating Shareholders**”) as of the Latest Practicable Date.

#### **Listing Approval by the Hong Kong Stock Exchange**

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering, and the H Shares to be converted from 300,000,000 Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS.

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## SHARE CAPITAL

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### Domestic Procedures

The Full Circulation Participating Shareholders may only deal the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and listing:

- (i) We will appoint China Securities Depository and Clearing Corporation Limited (“CSDC”) as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at HKSCC in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;
- (ii) According to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share “Full circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for the H Share “Full circulation” at the Hong Kong Securities Company; and
- (iii) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the Conversion of Unlisted Shares into H Shares, the shareholding of the relevant Full Circulation Participating Shareholders in our Unlisted Shares shall be reduced by the number of the Unlisted Shares converted and the number of H Shares shall be increased by the number of converted H Shares.

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## SHARE CAPITAL

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### **RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING**

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the Global Offering will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

### **CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED**

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix V — Summary of the Articles of Association” in this prospectus.

### **SHAREHOLDERS’ APPROVAL FOR THE GLOBAL OFFERING**

Approval from holders of the Shares is required for the Company to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders’ general meeting held on April 8, 2025.

### **GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

Subject to the Global Offering becoming unconditional, our Directors will be granted general unconditional mandates to issue our Shares and repurchase our Shares. See “Appendix VI — Statutory and General Information — A. Further Information about our Group — 4. Resolutions of our Shareholders” for further details.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, the following persons are expected to have an interest in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of shareholder	Nature of interest	Number of Shares Held <sup>(1)</sup>	Approximate percentage of interest in our Company as of the Latest Practicable Date	Approximate percentage of interest in our Company immediately following the completion of the Global Offering <sup>(2)</sup>
Mr. Zhao <sup>(3)(4)</sup>	Beneficial interest	49,468,200 Shares	16.49%	15.14%
	Interest in controlled corporation	43,663,800 Shares	14.55%	13.37%
	Interest held jointly with other person	11,711,400 Shares	3.90%	3.59%
Zhuhai Deepexi No. 1 <sup>(3)</sup>	Interest in controlled corporation	43,663,800 Shares	14.55%	13.37%
Deepexi Huichuang <sup>(3)</sup>	Interest in controlled corporation	43,663,800 Shares	14.55%	13.37%
Deepexi Huachuang <sup>(3)</sup>	Beneficial interest	37,299,300 Shares	12.43%	11.42%
Zhicheng Changjiang <sup>(5)</sup>	Interest in controlled corporation	28,897,800 Shares	9.63%	8.85%
Tianjin Dehui <sup>(6)</sup>	Beneficial interest	19,815,600 Shares	6.61%	6.07%
CIIT AM <sup>(7)</sup>	Interest in controlled corporation	17,745,300 Shares	5.92%	5.43%
5Y Evolution Holding II <sup>(8)</sup>	Beneficial interest	17,714,700 Shares	5.90%	5.42%
Hillhouse Investment Management, Ltd. <sup>(9)</sup>	Interest in controlled corporation	17,343,900 Shares	5.78%	5.31%

*Notes:*

- (1) All interests stated are long position.
- (2) The calculation is based on the total number of 300,000,000 H Shares to be converted from Unlisted Shares in issue pursuant to the Conversion of Unlisted Shares into H Shares and 26,632,000 H Shares to be issued pursuant to the Global Offering.

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## SUBSTANTIAL SHAREHOLDERS

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- (3) As of the Latest Practicable Date, Deepexi Huachuang held 37,299,300 Shares of the Company and Deepexi Huaying held 6,364,500 Shares of the Company, accounting for 12.43% and 2.12% of the equity interests in the Company. The general partner of Deepexi Huachuang is Deepexi Huichuang, which is held as to 99% by Mr. Zhao and 1% by Mr. Cao Lianfei, our Director. The limited partners of Deepexi Huachuang, among others, are Mr. Zhao, who holds 18.30% of its interest, and Zhuhai Deepexi No. 1, which holds 77.59% of its interests. The general partner of Deepexi Huaying is Deepexi Huichuang, and its limited partners, among others, include Zhuhai Deepexi No. 1, which holds 89.57% of its limited partnership interests. The general partner of Zhuhai Deepexi No. 1 is Mr. Zhao, and none of its limited partners holds more than 30% of its limited partnership interests. Under the SFO, each of Mr. Zhao, Zhuhai Deepexi No. 1 and Deepexi Huichuang was deemed to be interested in the Shares held by each of Deepexi Huachuang and Deepexi Huaying.
- (4) As of the Latest Practicable Date, Mr. Yang held 11,711,400 Shares of the Company, holding 3.90% of the equity interests in the Company. Pursuant to the Concert Party Agreement, Mr. Yang irrevocably agreed to, among others, act in concert with Mr. Zhao and follow his instructions in exercising his vote at the shareholders' meetings of our Company. The Concert Party Agreement will remain effective after the Listing. Under the SFO, Mr. Zhao was deemed to be interested in the Shares held by Mr. Yang.
- (5) Under the SFO, each of Zhicheng Changjiang, Gaoling Zhicheng and Ms. Zhu Xiuhua was deemed to be interested in the Shares held by each of Zhuhai Zhike and Zhuhai Songheng. For details of the relationship among them, see "History, Development and Corporate Structure — Pre-IPO Investments — Information relating to our Key Pre-IPO Investors".
- (6) Under the SFO, each of Suzhou Hexie, Shenzhen Yueqi, Shenzhen Hexie, Xizang Hexie, Xizang Yueqi and Hexie Aiqi was deemed to be interested in the Shares held by Tianjin Dehui. For details of the relationship among them, see "History, Development and Corporate Structure — Pre-IPO Investments — Information relating to our Key Pre-IPO Investors".
- (7) Under the SFO, CIIT AM was deemed to be interested in the Shares held by each of Youxuan Fund, Xinyuan Fund and Jiequan Fund. For details of the relationship among them, see "History, Development and Corporate Structure — Pre-IPO Investments — Information relating to our Key Pre-IPO Investors".
- (8) Under the SFO, each of Evolution Fund I, L.P., Evolution Fund I Co-investment, L.P., 5Y Capital GP Limited and Liu Qin was deemed to be interested in the Shares held by 5Y Evolution Holding II. For details of the relationship among them, see "History, Development and Corporate Structure — Pre-IPO Investments — Information relating to our Key Pre-IPO Investors".
- (9) Under the SFO, Hillhouse Investment Management, Ltd. was deemed to be interested in the Shares held by each of HH AUT and CHH AUT. For details of the relationship among them, see "History, Development and Corporate Structure — Pre-IPO Investments — Information relating to our Key Pre-IPO Investors".

Save as disclosed herein, the Directors are not aware of any other person who will, immediately following the Global Offering and the Conversion of Unlisted Shares into H Shares, have an interest or short position in Shares or underlying Shares of the Company, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

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## FINANCIAL INFORMATION

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*You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountant's Report in Appendix I to this prospectus, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with HKFRS Accounting Standards.*

*The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed "Risk Factors" and "Business," and elsewhere in this Prospectus. For further details, see "Forward-Looking Statements."*

### OVERVIEW

We specialize in delivering enterprise large model AI application solutions, empowering enterprises to integrate their data, decisions and operations efficiently at scale. Our FastData Foil Data Fusion Platform and the Deepexi enterprise large model platform serve as the foundational infrastructure for deploying and implementing agentic AI applications. Our FastData enterprise data intelligence solution and FastAGI enterprise AI solution empower enterprises to integrate their data, decisions and operations efficiently at scale. Our solutions empower enterprises across industries to optimize decision-making, enhance operational efficiency and boost productivity.

We experienced strong growth in revenue and gross profit during the Track Record Period. Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023 and further increased by 88.3% to RMB242.9 million in 2024. Our revenue increased by 118.4% from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the same period of 2025. Our gross profit increased by 75.2% from RMB29.6 million in 2022 to RMB51.8 million in 2023 and further increased by 143.7% to RMB126.2 million in 2024. Our gross profit increased by 120.9% from RMB32.9 million in the six months ended June 30, 2024 to RMB72.7 million in the same period of 2025.

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## FINANCIAL INFORMATION

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### **BASIS OF PREPARATION**

Our historical financial information has been prepared in accordance with HKFRS Accounting Standards which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong. All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period and in the period covered by the Interim Comparative Financial Information.

The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each period of the Track Record Period.

### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

#### **Key Factors**

Our results of operations and financial condition have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

#### ***Our Ability to Maintain Technology Innovation and Competitive Edge.***

Our technology and R&D are critical to our results of operations and financial condition. Our commercialization-oriented technological capabilities are a core competitive advantage driving our future growth. As the use of open-source foundation model becomes a prominent trend, our strengths in data engineering, model engineering and application engineering solidify our competitive edge in enterprise large model AI application market. During the Track Record Period, we have made significant investments in our R&D activities including our FastData Foil Data Fusion Platform and Deepexi enterprise large model platform. See “Business — Overview — Our Technology Infrastructure.” In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, we incurred R&D expenses of RMB94.2 million, RMB82.3 million, RMB81.4 million, RMB24.1 million and RMB58.2 million, respectively.

We believe that our continuous investment in technological advancements will enable us to maintain our innovative capabilities, expand our coverage across verticals, and enhance our competitive edge in the enterprise large model AI application market in China. We plan to continuously strengthen the foundational capabilities of FastData Foil Data Fusion Platform, enhancing real-time storage, analysis and full-process value chain tracking of multi-modal, multi-dimensional and multi-indicator data. In addition, we aim to improve the industry applicability and intelligence of the Deepexi enterprise large model platform, providing more precise AI application support for enterprises. We expect that our ongoing investment in R&D will further enhance our competitive advantage and improve our financial performance.

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## FINANCIAL INFORMATION

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### *Our Solution Offerings.*

Our FastData enterprise data intelligence solution and FastAGI enterprise AI solution empower enterprises to integrate their data, decisions and operations efficiently at scale. Our solution extends far beyond basic AI capabilities such as simple data retrieval, office collaboration and simple chatbots. It directly tackles core business challenges by providing operational decision-making support and productivity enhancement tools. Our FastData solution enables enterprises to efficiently govern structured, unstructured and semi-structured multi-modal data, building high-quality knowledge base. Our FastAGI enterprise AI solution delivers multi-scenario Agentic AI applications tailored to various industries, including consumer goods, manufacturing, healthcare and transportation. Our revenue has grown significantly during the Track Record Period, primarily due to our solution upgrades with more features benefited from our enhanced commercialization-oriented proprietary technological capabilities, and our increasing penetration into existing customers and these verticals, as well as our continuous expansion of industries coverage. Furthermore, as our solutions become higher quality, and as our brand recognition increases, we are able to develop and provide more specialized, customized enterprise AI solutions based on customer needs, thereby expanding our market share. Our future success largely depends on our ability to further expand the industry coverage of our enterprise AI solutions, and to enhance the quality and efficiency of our existing solutions.

### *Our Ability to Expand Customer Base and To Deepen Relationships with Existing Customers.*

Our growth depends significantly on our ability to expand our customer base and deepen relationships with existing customers. The expansion of our customer base is a key driver of our revenue growth. During the Track Record Period, we primarily sold our solutions to customers in the PRC across sectors such as consumer goods, manufacturing, healthcare and transportation. See “Business — Customers.” We strive to maintain stable and long-term business relationships with our customers by delivering customer-centric solutions. The number of customers each year increased from 56 in 2022 to 71 in 2023 and further to 89 in 2024. The number of customers was 54 in the six months ended June 30, 2025. Cumulatively, we served 129, 178, 245 and 283 customers as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. In addition, as of December 31, 2024, we served 117 KA customers. From 2022 to 2024, revenue from KA customers grew from RMB83.5 million to RMB217.1 million. By serving these leading enterprise customers, we effectively accumulate deep industry insights, enhance industry-specific data processing capabilities and significantly boost our brand influence. Furthermore, our technological advantages allow us to swiftly implement solutions across different customers within the industry, thereby achieving efficient expansion of new customers in verticals.

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## FINANCIAL INFORMATION

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### *Our Ability to Effectively Manage Our Costs and Improve Operational Efficiency.*

Our profitability is partly contingent on our ability to effectively manage costs and enhance operational efficiency. The structure of our cost of sales is influenced by our solution portfolio, which may further impact our gross profit margin. For instance, we have incurred substantial on-site deployment costs in our cost of sales and research and development expenses for the development and deployment of our highly scalable and flexible solutions for our customers.

In addition, as percentages of our total revenues, our selling and marketing expenses, administrative expenses and R&D expenses in aggregate decreased from 2022 to 2024. Specifically, our selling and marketing expenses accounted for 119.6%, 80.1% and 36.7% of our revenue in 2022, 2023 and 2024, respectively. Our administrative expenses accounted for 84.3%, 110.8% and 20.3% of our revenue in 2022, 2023 and 2024, respectively. Our R&D expenses accounted for 93.7%, 63.8% and 33.5% of our revenue in 2022, 2023 and 2024, respectively. In the six months ended June 30, 2025, our selling and marketing expenses, administrative expenses, and R&D expenses, as a percentage of our total revenue were 37.3%, 110.1% and 44.1%, respectively. The relative higher administrative expenses as a percentage of revenue was due to the significant share-based payment expenses. Managing operating expenses to improve operational efficiency is crucial to our success. Leveraging our unified technology infrastructure, we can effectively and efficiently address customers' customized demands, thereby achieving significant overall cost and operational efficiency, as well as scalable commercialization of our data intelligence and AI solutions.

### *Seasonality.*

Our business and operational results are influenced by seasonality. During the Track Record Period, we typically recorded higher revenue and cost of sales in the second half of each year. This trend is primarily due to our customer base, which is concentrated in the consumer goods, manufacturing, healthcare and transportation. These customers generally initiate projects in the first three quarters of the year and complete contracts in the second half, based on their business plans and the progress of our solution development and deployment, which, according to Frost & Sullivan, aligns with industry practice.

### **General Factors**

Our business and operating results are also affected by general factors affecting the enterprise AI application solution market, which include:

- macroeconomic conditions in China and overseas;
- market demand for enterprise Agentic AI applications and solutions;
- the evolution of Agentic AI technologies;

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## FINANCIAL INFORMATION

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- the competitive landscape; and
- relevant laws and regulations, and governmental policies and initiatives.

### **MATERIAL ACCOUNTING POLICY INFORMATION**

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Notes 2 and 3 to the Accountant's Report in Appendix I to this prospectus.

#### **Revenue Recognition**

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between us and the customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the

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## FINANCIAL INFORMATION

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effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

### *Sale of Solutions*

FastData and FastAGI solutions consist primarily of deployment of software and standard warranty services. We deliver solutions for projects with business enterprises. These solutions are provided through integrating the software and services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer. Accordingly, the software and related services, i.e. the integrated solution, is accounted for as a single performance obligation.

Revenue is recognized at a point in time when the software platform and related services are delivered to the customer's designated place, inspected and accepted by the customer. Certain sales contracts that we provide solution services of which, recognized over the scheduled period on a straight-line basis since the customer simultaneously receives and consumes the benefits provided by us. Such service contracts are for periods of one-year and are billed based on the time incurred. The payment is generally due within three months from delivery.

### **Investments In an Associate**

An associate is an entity in which we have a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Our investments associate is stated in the consolidated statements of financial position at our share of net assets under the equity method of accounting, less any impairment losses.

If the investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, we measure and recognize any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

When there has been a change recognized directly in the equity of the associate, we recognize our share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between us and our associate are eliminated to the extent of our investment in the associate, except where unrealized losses provide evidence of an impairment of the assets transferred.

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## FINANCIAL INFORMATION

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### Fair Value Measurement

We measure our investment properties and financial instruments at fair value through other comprehensive income at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by us. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

We use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Historical Financial Information on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each period of the Track Record Period.

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## FINANCIAL INFORMATION

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### **Impairment of Non-Financial Assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises, within those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each Track Record Period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

### **Investments and Other Financial Assets**

#### ***Initial Recognition and Measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and our business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which we have applied the practical expedient of not adjusting the effect of a significant financing component, we initially measure a financial asset at its fair value, plus in the case

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## FINANCIAL INFORMATION

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of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which we have applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition” above.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding.

Our business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that we commit to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

### ***Subsequent Measurement***

The subsequent measurement of financial assets depends on their classification as follows:

#### *Financial assets at amortized cost (debt instruments)*

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

#### *Financial assets designated at fair value through other comprehensive income (equity investments)*

Upon initial recognition, we can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

## FINANCIAL INFORMATION

Gains and losses on these financial assets are never recycled to the consolidated statements of profit of loss and comprehensive income. Dividends are recognized as other income in the consolidated statements of profit of loss and comprehensive income when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to us and the amount of the dividend can be measured reliably, except when we benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
Revenue . . . . .	100,468	100	129,040	100	242,926	100	60,497	100.0	132,103	100.0
Cost of sales . . . . .	(70,909)	(70.6)	(77,267)	(59.9)	(116,749)	(48.1)	(27,579)	(45.6)	(59,397)	(45.0)
<b>Gross profit . . . . .</b>	<b>29,559</b>	<b>29.4</b>	<b>51,773</b>	<b>40.1</b>	<b>126,177</b>	<b>51.9</b>	<b>32,918</b>	<b>54.4</b>	<b>72,706</b>	<b>55.0</b>
Other income and gains, net . . .	40,153	40.0	5,978	4.6	8,622	3.5	2,829	4.7	1,853	1.4
Selling and marketing expenses . .	(120,178)	(119.6)	(103,312)	(80.1)	(89,096)	(36.7)	(45,712)	(75.6)	(49,311)	(37.3)
Administrative expenses . . . . .	(84,723)	(84.3)	(143,000)	(110.8)	(49,314)	(20.3)	(26,617)	(44.0)	(145,507)	(110.1)
Research and development expenses . . . . .	(94,168)	(93.7)	(82,342)	(63.8)	(81,399)	(33.5)	(24,146)	(39.9)	(58,244)	(44.1)
Impairment (losses)/gains on financial and contract assets, net . . . . .	(2,433)	(2.4)	(5,516)	(4.3)	(9,305)	(3.8)	(6,215)	(10.3)	1,189	0.9
Other expenses . . . . .	(3,404)	(3.4)	(4,594)	(3.6)	(2,695)	(1.1)	(1,620)	(2.7)	(2,327)	(1.8)
Finance costs . . . . .	(1,035)	(1.0)	(797)	(0.6)	(385)	(0.2)	(248)	(0.4)	(265)	(0.2)
Share of profits and losses of an associate . . . . .	2,668	2.7	14	0.0	(2,409)	(1.0)	(230)	(0.4)	-	-
Changes in fair value of financial liabilities at shares with preferential rights . . . . .	(421,570)	(419.6)	(221,023)	(171.3)	(1,155,186)	(475.5)	(551,923)	(912.3)	(128,265)	(97.1)
<b>Loss before tax . . . . .</b>	<b>(655,131)</b>	<b>(652.1)</b>	<b>(502,819)</b>	<b>(389.7)</b>	<b>(1,254,990)</b>	<b>(516.6)</b>	<b>(620,964)</b>	<b>(1,026.4)</b>	<b>(308,171)</b>	<b>(233.3)</b>
Income tax expense . . . . .	(95)	(0.1)	(76)	(0.1)	-	-	-	-	(50)	(0.0)
<b>Loss for the year/period . . . . .</b>	<b>(655,226)</b>	<b>(652.2)</b>	<b>(502,895)</b>	<b>(389.7)</b>	<b>(1,254,990)</b>	<b>(516.6)</b>	<b>(620,964)</b>	<b>(1,026.4)</b>	<b>(308,221)</b>	<b>(233.3)</b>

## FINANCIAL INFORMATION

### NON-HKFRS FINANCIAL MEASURE

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted net loss (Non-HKFRS measure) as additional financial measure, which is not required by, or presented in accordance with HKFRS. We believe this non-HKFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-HKFRS financial measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as substitute for analysis of our results of operations or financial condition as reported under HKFRS.

We define adjusted net loss (Non-HKFRS measure) for the periods as net loss for the periods adjusted by adding back (i) share-based payment expenses, (ii) changes in fair value of financial liabilities at shares with preferential rights, and (iii) listing expenses. The following table reconciles our adjusted net loss (Non-HKFRS measure) for the periods presented in accordance with HKFRS, which is net loss for the periods:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			<i>(Unaudited)</i>	
Net loss for the					
year/period . . . . .	(655,226)	(502,895)	(1,254,990)	(620,964)	(308,221)
Add:					
– Share-based payment					
expenses <sup>(1)</sup> . . . . .	9,756	92,885	2,784	834	108,017
– Changes in fair value					
of financial liabilities					
at shares with					
preferential rights <sup>(2)</sup> . .	421,570	221,023	1,155,186	551,923	128,265
– Listing expenses <sup>(3)</sup> . . .	–	–	631	–	19,749
<b>Adjusted net loss</b>					
<b>(Non-HKFRS</b>					
<b>measure) for the</b>					
<b>year/period . . . . .</b>	<b><u>(223,900)</u></b>	<b><u>(188,987)</u></b>	<b><u>(96,389)</u></b>	<b><u>(68,207)</u></b>	<b><u>(52,190)</u></b>

*Notes:*

- (1) Share-based payment expenses represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees.
- (2) Changes in fair value of financial liabilities at shares with preferential rights represent changes in fair value of the shares with preferential rights we issued to our Pre-IPO Investors. Shares with preferential rights that we issued to the Pre-IPO Investors will be re-classified from liabilities to equity as a result of the automatic conversion into Shares upon Listing.
- (3) Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering.

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## FINANCIAL INFORMATION

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Prior to the Track Record Period and as of January 1, 2022, we had accumulated losses of RMB1,444.5 million, primarily due to the net loss incurred in 2021. The year 2021 was still the initial stage of our commercialization process, during which revenue and gross profit were insufficient to cover relatively high operating expenses. These expenses were mainly attributable to market expansion activities and ongoing technology optimization efforts aimed at enhancing the maturity of our solutions. In addition, the increase in changes in fair value of financial liabilities at shares with preferential rights, driven by a rise in our valuation, further contributed to the net loss in 2021.

Our net losses decreased from RMB655.2 million in 2022 to RMB502.9 million in 2023, primarily due to a significant decrease in changes in fair value of financial liabilities at shares with preferential rights, partially offset by an increase in administrative expenses in relation to the Employee Incentive Scheme adopted by us in 2023 to recognize the contribution of employees, attract and retain talents. Our net losses increased from RMB502.9 million in 2023 to RMB1,255.0 million in 2024, primarily due to a significant increase in changes in fair value of financial liabilities at shares with preferential rights, partially offset by a decrease in administrative expenses in relation to the aforementioned Employee Incentive Scheme. Our net loss decreased from RMB621.0 million in the six months ended June 30, 2024 to RMB308.2 million in the same period of 2025, primarily due to a decrease changes in fair value of financial liabilities at shares with preferential rights, partially offset by an increase in administrative expenses in relation to the aforementioned Employee Incentive Scheme.

During the Track Record Period, we recorded adjusted net losses (Non-HKFRS measure) primarily because revenue and gross profit growth were insufficient to cover relatively high operating expenses, which were driven by continued investment in market expansion activities and ongoing technology optimization efforts aimed at enhancing the maturity of our solutions.

Our adjusted net loss (Non-HKFRS measure) decreased by 15.6% from RMB223.9 million in 2022 to RMB189.0 million in 2023, and further decreased by 49.0% to RMB96.4 million in 2024, mainly reflecting the continuous increase in our gross profit from RMB29.6 million in 2022 to RMB51.8 million in 2023 and RMB126.2 million in 2024. Our adjusted net loss (Non-HKFRS measure) decreased by 23.5% from RMB68.2 million in the six months ended June 30, 2024 to RMB52.2 million in the same period of 2025, mainly reflecting the increase in our gross profit from RMB32.9 million in the six months ended June 30, 2024 to RMB72.7 million in the same period of 2025.

## FINANCIAL INFORMATION

### DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

#### Revenue

During the Track Record Period, we derived revenue from sales of FastData enterprise data intelligence solution and FastAGI enterprise AI solution. The table below sets forth our revenue breakdown by business segment in amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>						<i>(Unaudited)</i>			
FastData enterprise data intelligence solution . . .	100,468	100.0	122,491	94.9	152,530	62.8	35,390	58.5	59,031	44.7
FastAGI enterprise AI solution . . . . .	-	-	6,549	5.1	90,396	37.2	25,107	41.5	73,072	55.3
<b>Total . . . . .</b>	<b>100,468</b>	<b>100.0</b>	<b>129,040</b>	<b>100.0</b>	<b>242,926</b>	<b>100.0</b>	<b>60,497</b>	<b>100.0</b>	<b>132,103</b>	<b>100.0</b>

#### *FastData enterprise data intelligence solution*

During the Track Record Period, revenue generated from sales of FastData enterprise data intelligence solution amounted to RMB100.5 million, RMB122.5 million, RMB152.5 million, RMB35,390 million and RMB59,031 million, respectively, accounting for 100.0%, 94.9%, 62.8%, 58.5% and 44.7% of our total revenue for the same periods, respectively. See “— Period-to-Period Comparison of Results of Operations.”

#### *FastAGI enterprise AI solution*

We started to generate revenue from sales of FastAGI enterprise AI solution in 2023. In 2023 and 2024, revenue generated from sales of FastAGI enterprise AI solution amounted to RMB6.5 million and RMB90.4 million, respectively, accounting for 5.1% and 37.2% of our total revenue for the same years, respectively. In the six months ended June 30, 2024 and 2025, revenue generated from sales of FastAGI enterprise AI solution amounted to RMB25.1 million and RMB73.1 million, respectively, accounting for 41.5% and 55.3% of our total revenue for the same periods, respectively. See “— Period-to-Period Comparison of Results of Operations.”

## FINANCIAL INFORMATION

The table below sets forth our revenue breakdown by downstream industries that customers operated in amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
Consumer goods . . .	32,208	32.1	46,219	35.8	29,769	12.3	8,101	13.4	18,884	14.3
Manufacturing . . .	27,048	26.9	41,664	32.3	123,263	50.7	34,430	56.9	69,931	52.9
Healthcare . . . . .	7,066	7.0	2,091	1.6	4,356	1.8	–	–	5,072	3.8
Transportation . . . .	8,571	8.5	47	0.0	31,841	13.1	8,199	13.6	20,289	15.4
Others <sup>(1)</sup> . . . . .	25,575	25.5	39,019	30.3	53,697	22.1	9,767	16.1	17,927	13.6
<b>Total . . . . .</b>	<b><u>100,468</u></b>	<b><u>100.0</u></b>	<b><u>129,040</u></b>	<b><u>100.0</u></b>	<b><u>242,926</u></b>	<b><u>100.0</u></b>	<b><u>60,497</u></b>	<b><u>100.0</u></b>	<b><u>132,103</u></b>	<b><u>100.0</u></b>

Note:

- (1) Others mainly refer to the public sector, energy, cultural and tourism. No single industry within others contributed more than 5% of our revenue in any given period during the Track Record Period.

The table below sets forth our revenue breakdown by type of customer in amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
System integrators . .	14,338	14.3	38,488	29.8	73,796	30.4	7,240	12.0	48,339	36.6
End users . . . . .	86,130	85.7	90,552	70.2	169,130	69.6	53,257	88.0	83,764	63.4
<b>Total . . . . .</b>	<b><u>100,468</u></b>	<b><u>100.0</u></b>	<b><u>129,040</u></b>	<b><u>100.0</u></b>	<b><u>242,926</u></b>	<b><u>100.0</u></b>	<b><u>60,497</u></b>	<b><u>100.0</u></b>	<b><u>132,103</u></b>	<b><u>100.0</u></b>

### Cost of Sales

Our cost of sales amounted to RMB70.9 million, RMB77.3 million, RMB116.7 million, RMB27.6 million and RMB59.4 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. During the Track Record Period, our cost of sales primarily consisted of (i) on-site deployment costs, mainly in relation with our on-premise deployment and implement of our solutions, (ii) software and hardware costs, which primarily represent procurement cost of software and hardware from third-party vendors, (iii) employee benefits

## FINANCIAL INFORMATION

expenses, (iv) traveling costs, and (v) warranty expenses. The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>										
<i>(Unaudited)</i>										
On-site deployment costs . . . . .	42,772	60.3	39,071	50.6	50,195	43.0	10,940	39.7	36,413	61.4
Software and hardware costs <sup>(1)</sup> . . . . .	-	-	5,673	7.3	35,783	30.6	7,210	26.1	14,355	24.2
Employee benefits expenses . . . . .	16,819	23.7	24,210	31.3	23,635	20.2	8,071	29.3	6,679	11.2
Traveling costs . . . . .	5,606	7.9	3,394	4.4	2,313	2.0	361	1.3	621	1.0
Warranty expenses . . . . .	2,606	3.7	1,474	1.9	535	0.5	218	0.8	298	0.5
Others <sup>(2)</sup> . . . . .	3,106	4.4	3,445	4.5	4,288	3.7	779	2.8	1,031	1.7
<b>Total</b> . . . . .	<b>70,909</b>	<b>100.0</b>	<b>77,267</b>	<b>100.0</b>	<b>116,749</b>	<b>100.0</b>	<b>27,579</b>	<b>100.0</b>	<b>59,397</b>	<b>100.0</b>

*Notes:*

- (1) We did not record software and hardware costs in 2022, because our FastAGI enterprise AI solution was launched after November 2023.
- (2) Others mainly represent tax and surcharge.

The following table sets forth a breakdown of our cost of sales by business segment in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>										
<i>(Unaudited)</i>										
FastData enterprise data intelligence solution . . . . .	70,909	100.0	71,558	92.6	70,736	60.6	15,767	57.2	26,656	44.9
FastAGI enterprise AI solution . . . . .	-	-	5,709	7.4	46,013	39.4	11,812	42.8	32,741	55.1
<b>Total</b> . . . . .	<b>70,909</b>	<b>100.0</b>	<b>77,267</b>	<b>100.0</b>	<b>116,749</b>	<b>100.0</b>	<b>27,579</b>	<b>100.0</b>	<b>59,397</b>	<b>100.0</b>

## FINANCIAL INFORMATION

Our cost of sales for FastData enterprise data intelligence solution amounted to RMB70.9 million, RMB71.6 million, RMB70.7 million, RMB15.8 million and RMB26.7 million, respectively, in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025. Meanwhile, our cost of sales for FastAGI enterprise AI solution amounted to RMB5.7 million and RMB46.0 million in 2023 and 2024, respectively. Our cost of sales for FastAGI enterprise AI solution amounted to RMB11.8 million and RMB32.7 million in the six months ended June 30, 2024 and 2025, respectively. See “— Period-to-Period Comparison of Results of Operations.”

### Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB29.6 million, RMB51.8 million, RMB126.2 million, RMB32.9 million and RMB72.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our gross profit margin was 29.4%, 40.1%, 51.9%, 54.4% and 55.0% in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
FastData enterprise data intelligence solution . . . . .	29,559	29.4	50,934	41.6	81,794	53.6	19,623	55.4	32,375	54.8
FastAGI enterprise AI solution . . . . .	-	-	839	12.8	44,383	49.1	13,295	53.0	40,331	55.2
<b>Total . . . . .</b>	<b><u>29,559</u></b>	<b><u>29.4</u></b>	<b><u>51,773</u></b>	<b><u>40.1</u></b>	<b><u>126,177</u></b>	<b><u>51.9</u></b>	<b><u>32,918</u></b>	<b><u>54.4</u></b>	<b><u>72,706</u></b>	<b><u>55.0</u></b>

See “— Period-to-Period Comparison of Results of Operations.”

## FINANCIAL INFORMATION

### Other Income and Gains, Net

During the Track Record Period, our other income and gains, net primarily included (i) interest income, (ii) government grants, (iii) foreign exchange gains, and (iv) gain on termination of a lease contract. The following table sets forth a breakdown of our other income and gains, net for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
<b>Other income</b>										
Interest income . . . . .	2,870	7.1	4,422	74.0	4,317	50.1	2,145	75.7	911	49.1
Investment income on financial assets at FVTPL . . . . .	-	-	-	-	-	-	-	-	168	9.1
Government grants . . . . .	2,569	6.4	1,419	23.7	3,521	40.8	279	9.9	274	14.8
Others . . . . .	431	1.2	31	0.5	189	2.2	95	3.4	500	27.0
<b>Sub-total . . . . .</b>	<b>5,870</b>	<b>14.7</b>	<b>5,872</b>	<b>98.2</b>	<b>8,027</b>	<b>93.1</b>	<b>2,519</b>	<b>89.0</b>	<b>1,853</b>	<b>100.0</b>
<b>Gains</b>										
Foreign exchange gains . . . . .	33,343	83.0	93	1.6	483	5.6	198	7.0	-	-
Gain on termination of lease contracts . . . . .	940	2.3	13	0.2	112	1.3	112	4.0	-	-
<b>Sub-total . . . . .</b>	<b>34,283</b>	<b>85.3</b>	<b>106</b>	<b>1.8</b>	<b>595</b>	<b>6.9</b>	<b>310</b>	<b>11.0</b>	<b>-</b>	<b>-</b>
<b>Total . . . . .</b>	<b>40,153</b>	<b>100.0</b>	<b>5,978</b>	<b>100.0</b>	<b>8,622</b>	<b>100.0</b>	<b>2,829</b>	<b>100.0</b>	<b>1,853</b>	<b>100.0</b>

### Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) employee benefits expenses, (ii) computing power and cloud service expenses, (iii) outsourcing fees, mainly including data labeling and solution testing fees, (iv) office expenses, (v) office rental, and (vi) share-based payment expenses. Our research and development expenses amounted to RMB94.2 million, RMB82.3 million, RMB81.4 million, RMB24.1 million and RMB58.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. During the Track Record Period, we did not capitalize R&D

## FINANCIAL INFORMATION

expenses. The following table sets forth a breakdown of our research and development expenses in absolute amounts and as a percentage of our total research and development expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
Employee benefits expenses . . .	80,638	85.6	56,925	69.1	38,254	47.0	18,297	75.8	15,124	26.0
Computing power and cloud service expenses . . . . .	–	–	2,576	3.1	24,860	30.5	1,425	5.9	24,238	41.7
Outsourcing fees . . . . .	956	1.0	292	0.4	6,853	8.4	701	2.9	14,589	25.0
Office and traveling expenses <sup>(1)</sup> .	1,499	1.6	2,746	3.3	6,090	7.5	798	3.3	1,615	2.8
Office rental <sup>(2)</sup> . . . . .	6,225	6.6	5,187	6.3	4,314	5.3	2,374	9.8	1,587	2.7
Share-based payment expenses .	1,729	1.8	13,094	15.9	144	0.2	78	0.3	727	1.2
Others <sup>(3)</sup> . . . . .	3,121	3.4	1,522	1.9	884	1.1	473	2.0	364	0.6
<b>Total</b> . . . . .	<b>94,168</b>	<b>100.0</b>	<b>82,342</b>	<b>100.0</b>	<b>81,399</b>	<b>100.0</b>	<b>24,146</b>	<b>100.0</b>	<b>58,244</b>	<b>100.0</b>

*Notes:*

- (1) Office expenses refer to (a) office supplies procurement fees incurred by our R&D department, and (b) technical service fees incurred for the upgrade of our own R&D system. Traveling expenses relate to business trips by our R&D teams across different cities to enhance R&D efficiency, including advancing R&D projects and optimizing business systems, thereby facilitating discussions and communication for R&D activities.
- (2) Office rental expenses refer to the amortized portion of office rent allocated to R&D personnel.
- (3) Others mainly include short term lease expenses and depreciation and amortization.

We have categorized our R&D expenses into FastData enterprise data intelligence solution and FastAGI enterprise AI solution. The following table sets forth a breakdown of our research and development expenses by business segment in absolute amounts and as a percentage of our total research and development expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
FastData enterprise data intelligence solution . . . . .	94,168	100.0	74,339	90.3	30,126	37.0	13,591	56.3	12,857	22.1
FastAGI enterprise AI solution <sup>(1)</sup> . . . . .	–	–	8,003	9.7	51,272	63.0	10,555	43.7	45,387	77.9
<b>Total</b> . . . . .	<b>94,168</b>	<b>100.0</b>	<b>82,342</b>	<b>100.0</b>	<b>81,399</b>	<b>100.0</b>	<b>24,146</b>	<b>100.0</b>	<b>58,244</b>	<b>100.0</b>

## FINANCIAL INFORMATION

*Note:*

- (1) The R&D activities related to FastAGI solution commenced in 2021. However, we did not recognize R&D expenses under the FastAGI solution before 2023, primarily due to the following considerations: (i) prior to 2023, we were exploring and incubating the foundational technologies underlying FastAGI solution, which had not yet matured into a standalone solution, nor had any formal R&D projects been initiated under the name of FastAGI solution, the notion of which only emerged in 2023 when the relevant technologies was relatively developed. Accordingly, related R&D expenses incurred during this period were not specifically attributed to FastAGI solution; (ii) the above mentioned foundational technology exploration related R&D activities were conducted under FastData solution framework. These efforts focused on the integration of data and artificial intelligence, representing both an extension of FastData solution and foundational work on key underlying technologies. Examples include the R&D of foundational capability of using natural language to conduct data analysis, knowledge base construction and complex document processing. These technological advancements not only laid the groundwork for FastAGI solution's future development but also contributed directly to enhancing the competitiveness of FastData solution.

Given the shared technical foundation between our two solutions, we allocated the aforementioned R&D expenses to FastData Solution before 2023.

### Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) employee benefits expenses, (ii) business development expenses, (iii) office rental, and (iv) traveling expenses. Our selling and marketing expenses amounted to RMB120.2 million, RMB103.3 million, RMB89.1 million, RMB45.7 million and RMB49.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our selling and marketing expenses in absolute amounts and as a percentage of our total selling and marketing expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
Employee benefits expenses . . . . .	85,343	71.0	76,232	73.8	63,500	71.3	31,968	70.0	36,183	73.4
Business development expenses . . . . .	22,837	19.0	14,536	14.1	16,947	19.0	9,662	21.1	5,910	12.0
Office rental . . . . .	6,096	5.1	5,226	5.1	4,306	4.8	2,244	4.9	2,062	4.2
Traveling expenses . . . . .	4,504	3.7	6,250	6.0	3,734	4.2	1,512	3.3	2,630	5.3
Share-based payment expenses . . . . .	-	-	-	-	-	-	-	-	1,482	3.0
Others <sup>(1)</sup> . . . . .	1,398	1.2	1,068	1.0	609	0.7	326	0.7	1,044	2.1
<b>Total . . . . .</b>	<b>120,178</b>	<b>100.0</b>	<b>103,312</b>	<b>100.0</b>	<b>89,096</b>	<b>100.0</b>	<b>45,712</b>	<b>100.0</b>	<b>49,311</b>	<b>100.0</b>

*Note:*

- (1) Others mainly represent equipment rental expenses.

## FINANCIAL INFORMATION

### Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) employee benefits expenses, (ii) office and traveling expenses, (iii) office rental, (iv) depreciation and amortization, (v) share-based payment expenses, (vi) professional fees, mainly legal and audit fees, and (vii) listing expenses. Our administrative expenses amounted to RMB84.7 million, RMB143.0 million, RMB49.3 million, RMB26.6 million and RMB145.5 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. The relatively higher administrative expenses in 2023 and in the six months ended June 30, 2025 were primarily attributable to the substantial increase in share-based payment expenses in the same period. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentage)</i>									
	<i>(Unaudited)</i>									
Employee benefits										
expenses . . . . .	57,306	67.6	44,574	31.2	31,527	63.9	19,721	74.1	12,060	8.3
Office and traveling expenses . .	4,101	4.8	3,938	2.8	4,971	10.1	1,681	6.3	2,325	1.6
Office rental. . . . .	3,366	4.0	4,019	2.8	3,536	7.2	2,176	8.2	1,090	0.7
Depreciation and amortization. .	4,146	4.9	3,614	2.5	3,281	6.7	1,659	6.2	825	0.6
Share-based payment expenses .	8,027	9.5	79,791	55.8	2,640	5.4	756	2.8	105,808	72.7
Professional fees . . . . .	3,590	4.2	1,431	1.0	1,270	2.6	53	0.2	1,198	0.8
Listing expenses. . . . .	-	-	-	-	631	1.3	-	-	19,749	13.6
Others <sup>(1)</sup> . . . . .	4,187	5.0	5,633	3.9	1,458	2.8	571	2.2	2,452	1.7
<b>Total . . . . .</b>	<b>84,723</b>	<b>100.0</b>	<b>143,000</b>	<b>100.0</b>	<b>49,314</b>	<b>100.0</b>	<b>26,617</b>	<b>100.0</b>	<b>145,507</b>	<b>100.0</b>

*Note:*

(1) Others mainly include operational IT expenses and recruitment expenses.

## FINANCIAL INFORMATION

### Impairment (Losses)/Gains on Financial and Contract Assets

During the Track Record Period, our impairment losses or gains on financial and contract assets included impairment losses or gains on (i) trade and bills receivables, (ii) contract assets, and (iii) other receivables. Our impairment losses on financial and contract assets amounted to RMB2.4 million, RMB5.5 million, RMB9.3 million and RMB6.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024, respectively. Our impairment gains on financial and contract assets amounted to RMB1.2 million in the six months ended June 30, 2025. The following table sets forth a breakdown of our impairment losses or gains on financial and contract assets in absolute amounts and as a percentage of our total impairment losses or gains on financial and contract assets for the periods indicated:

	Year ended December 31,						Six months ended June 30,				
	2022		2023		2024		2024		2025		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
	<i>(RMB in thousands, except for percentage)</i>										
	<i>(Unaudited)</i>										
<b>Impairment (losses)/gains on</b>											
Trade and bills receivables . . .	(1,985)	(81.6)	(5,657)	(102.6)	(8,726)	(93.8)	(5,829)	(93.7)	1,948	163.8	
Contract assets . . . . .	(172)	(7.1)	(154)	(2.8)	(406)	(4.4)	(358)	(5.8)	(187)	(15.7)	
Other receivables . . . . .	(276)	(11.3)	295	5.4	(173)	(1.8)	(28)	(0.5)	(572)	(48.1)	
<b>Total . . . . .</b>	<b>(2,433)</b>	<b>(100.0)</b>	<b>(5,516)</b>	<b>(100.0)</b>	<b>(9,305)</b>	<b>(100.0)</b>	<b>(6,215)</b>	<b>(100.0)</b>	<b>1,189</b>	<b>100.0</b>	

### Other Expenses

Our other expenses primarily consist of donations, lease-related defaults, fair value changes, losses on the disposal of investments in an associate, and provisions for inventory impairment. We recorded other expenses of RMB3.4 million, RMB4.6 million, RMB2.7 million, RMB1.6 million and RMB2.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

### Finance Costs

During the Track Record Period, our finance costs primarily included interest on lease liabilities and interest on bank loans. Our finance costs amounted to RMB1.0 million, RMB0.8 million, RMB0.4 million, RMB0.2 million and RMB0.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

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## FINANCIAL INFORMATION

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### **Changes in Fair Value of Financial Liabilities at Shares with Preferential Rights**

During the Track Record Period, our changes in fair value of financial liabilities at shares with preferential rights were mainly in relation to the shares with preferential rights we issued to our Pre-IPO Investors. Our changes in fair value of financial liabilities at shares with preferential rights amounted to RMB421.6 million, RMB221.0 million, RMB1,155.2 million, RMB551.9 million and RMB128.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

### **Share of Profits and Losses of An Associate**

During the Track Record Period, we recorded share of profits of an associate of RMB2.7 million and RMB14 thousand in 2022 and 2023, respectively, and share of losses of an associate of RMB2.4 million in 2024 and RMB0.2 million in the six months ended June 30, 2024. We did not record share of results of an associate in the six months ended June 30, 2025.

### **Income Tax Expense**

Our income tax expense amounted to RMB95 thousand, RMB76 thousand, nil, nil and RMB50 thousand in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operate. See Note 11 of the Accountant's Report in Appendix I to this prospectus.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("EIT") rate of the PRC subsidiaries was 25% during the Track Record Period, unless otherwise specified below. During the Track Record Period, our Company was qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15%. This qualification is subject to review by the relevant tax authority in the PRC for every three years. In addition, certain of our PRC subsidiaries are qualified as small and micro enterprises and are entitled to a preferential corporate income tax rate of 20% during the Track Record Period.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

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## FINANCIAL INFORMATION

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### PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

#### Six Months Ended June 30, 2025 Compared with Six Months Ended June 30, 2024

##### *Revenue*

Our revenue significantly increased from RMB60.5 million in the six months ended June 30, 2024 to RMB132.1 million in the same period of 2025, driven by increases in revenue from both our FastData enterprise data intelligence solution and FastAGI enterprise AI solution. In particular:

- our revenue from sales of FastData enterprise data intelligence solution increased by 66.8% from RMB35.4 million in the six months ended June 30, 2024 to RMB59.0 million in the same period of 2025, mainly due to the increased number of customers from 25 in the six months ended June 30, 2024 to 35 in the same period of 2025, driven by (i) our solution upgrades with more features and enhanced data processing capabilities, (ii) the increased need for more advanced data solution resulting from the rapid development of AI technology and application, and (iii) our ongoing and deepened cooperation with existing customers and our effort to expand customer base.
- our revenue from sales of FastAGI enterprise AI solution significantly increased from RMB25.1 million in the six months ended June 30, 2024 to RMB73.1 million in the same period of 2025, mainly due to the expansion of our customer base with the increased number of customers from seven in the six months ended June 30, 2024 to 27 in the same period of 2025, resulting from (i) the increased market need, (ii) the increased brand recognition, and (iii) the enhanced capabilities of our FastAGI enterprise AI solution.

##### *Cost of Sales*

Our cost of sales significantly increased from RMB27.6 million in the six months ended June 30, 2024 to RMB59.4 million in the same period of 2025, generally in line with our revenue growth of FastData enterprise data intelligence solution and FastAGI enterprise AI solution.

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## FINANCIAL INFORMATION

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### ***Gross Profit and Gross Profit Margin***

As a result of the foregoing, our gross profit significantly increased from RMB32.9 million in the six months ended June 30, 2024 to RMB72.7 million in the same period of 2025. Our gross profit margin remained relatively stable at 54.4% in the six months ended June 30, 2024 and 55.0% in the same period of 2025. In particular:

- the gross profit margin from sales of FastData enterprise data intelligence solution remained relatively stable at 55.4% in the six months ended June 30, 2024 and 54.8% in the same period of 2025.
- the gross profit margin from sales of FastAGI enterprise AI solution increased from 53.0% in the six months ended June 30, 2024 to 55.2% in the same period of 2025, primarily due to the economies of scale from the maturity of our business and technology, particularly the usability and adaptability of our solutions, with the improved delivery efficiency.

### ***Other Income and gains, Net***

Our other income and gains, net decreased by 34.5% from RMB2.8 million in the six months ended June 30, 2024 to RMB1.9 million in the same period of 2025, primarily attributable to the decrease in interest income in relation to our bank loans and structure deposits.

### ***Research and Development Expenses***

Our research and development expenses significantly increased from RMB24.1 million in the six months ended June 30, 2024 to RMB58.2 million in the same period of 2025, primarily attributable to (i) an increase in computing power and cloud service expenses driven by our strategy to train and fine-tune foundation models and enterprise-specific large models to enhance Agentic AI application capabilities, and (ii) an increase in our outsourced data labeling and solution testing fees as we increased investment in data labeling and solution testing activities to support the development of our solutions, in particular, our FastAGI enterprise AI solution, partially offset by a decrease in employee benefit expenses as we streamlined our R&D employee structure to optimize our R&D efficiency.

### ***Selling and Marketing Expenses***

Our selling and marketing expenses increased by 7.9% from RMB45.7 million in the six months ended June 30, 2024 to RMB49.3 million in the same period of 2025, primarily attributable to an increase in employee benefits expenses driven by our increased number of sales employees to support our business growth, partially offset by a decrease in business development expenses as we strategically reduced such spending after establishing a solid sales channel expansion through substantial investments made from 2022 to 2024, which helped us build a more stable customer base.

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## FINANCIAL INFORMATION

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### *Administrative Expenses*

Our administrative expenses increased significantly from RMB26.6 million in the six months ended June 30, 2024 to RMB145.5 million in the same period of 2025, primarily attributable to (i) an increase in share-based payment expenses mainly in relation to the Employee Incentive Scheme adopted by us in 2023 to recognize the contribution of employees, attract and retain talents, and (ii) an increase in listing expenses.

### *Impairment Losses/(Gains) on Financial and Contract Assets*

We recorded impairment losses on financial and contract assets of RMB6.2 million in the six months ended June 30, 2024 and impairment gains on financial and contract assets of RMB1.2 million in the same period of 2025, primarily because we recorded impairment gains on trade and bill receivables in the same period of 2025 due to our settlement of long-aging trade receivables due from certain customers, which had been previously recorded as impairment losses in the six months ended June 30, 2024.

### *Other Expenses*

Our other expenses increased from RMB1.6 million in the six months ended June 30, 2024 to RMB2.3 million in the same period of 2025, primarily attributable to an increase in donation, partially offset by a decrease in lease-related defaults following the termination of certain leases in 2024 that had resulted in higher defaults in the six months ended June 30, 2024.

### *Finance Costs*

Our finance costs remained relatively stable at RMB0.2 million in the six months ended June 30, 2024 and RMB0.3 million in the six months ended June 30, 2025.

### *Share of Losses of an Associate*

We recorded share of losses of an associate of RMB0.2 million in the six months ended June 30, 2024, and did not record share of results of an associate in the six months ended June 30, 2025, primarily due to net losses recorded by the associate in the six months ended June 30, 2025.

### *Changes in Fair Value of Financial Liabilities at Shares with Preferential Rights*

Our changes in fair value of financial liabilities at shares with preferential rights decreased from RMB551.9 million in the six months ended June 30, 2024 to RMB128.3 million in the same period of 2025, primarily attributable to the fair value change in the financial liabilities at shares with preferential rights we issued to our Pre-IPO Investors.

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## FINANCIAL INFORMATION

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### *Income Tax Expense*

We did not record any income tax expense in the six months ended June 30, 2024 and recorded RMB50 thousand income tax expense in the same period of 2025.

### *Loss for the Period*

As a result of the foregoing, our loss for the period decreased from RMB621.0 million in the six months ended June 30, 2024 to RMB308.2 million in the same period of 2025.

### **Year Ended December 31, 2024 Compared with Year Ended December 31, 2023**

#### *Revenue*

Our revenue increased by 88.3% from RMB129.0 million in 2023 to RMB242.9 million in 2024 driven by increases in revenue from both our FastData enterprise data intelligence solution and FastAGI enterprise AI solution. In particular:

- our revenue from sales of FastData enterprise data intelligence solution increased by 24.5% from RMB122.5 million in 2023 to RMB152.5 million in 2024, mainly due to the increased number of customers from 70 in 2023 to 80 in 2024, driven by (i) our solution upgrades with more features and enhanced data processing capabilities, (ii) the increased need for more advanced data solution resulting from the rapid development of AI technology and application in 2024, and (iii) our ongoing and deepened cooperation with existing customers and our effort to expand customer base.
- our revenue from sales of FastAGI enterprise AI solution significantly increased from RMB6.5 million in 2023 to RMB90.4 million in 2024, mainly due to the expansion of our customer base with the increased number of customers from two in 2023 to 20 in 2024 resulting from the increased brand recognition, and the broad commercialization of our FastAGI enterprise AI solution across multiple verticals in 2024.

#### *Cost of Sales*

Our cost of sales increased by 51.1% from RMB77.3 million in 2023 to RMB116.7 million in 2024 generally reflecting our business growth. In particular:

- our cost of sales from FastData enterprise data intelligence solution remained relatively stable at RMB71.6 million in 2023 and RMB70.7 million in 2024.
- our cost of sales from FastAGI enterprise AI solution significantly increased from RMB5.7 million in 2023 to RMB46.0 million in 2024, generally in line with the increase in revenue.

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## FINANCIAL INFORMATION

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### ***Gross Profit and Gross Profit Margin***

As a result of the foregoing, our gross profit significantly increased from RMB51.8 million in 2023 to RMB126.2 million in 2024. Our gross profit margin increased from 40.1% in 2023 to 51.9% in 2024, primarily attributable to the changes in mix of our revenue sources and their respective gross profit margins. In particular:

- the gross profit margin from sales of FastData enterprise data intelligence solution increased from 41.6% in 2023 to 53.6% in 2024, primarily due to (i) the economies of scale from the maturity of our business and technology, particularly the usability and adaptability of our solution, and (ii) the implementation of measures to reduce costs and enhance efficiency, such as (i) streamlining organizational structure, (ii) optimizing compensation frameworks, and (iii) leveraging AI and digital transformation to drive productivity.
- the gross profit margin from sales of FastAGI enterprise AI solution increased from 12.8% in 2023 to 49.1% in 2024, reflecting its shift from limited pilot deployments in 2023 to broader commercialization in 2024 as the number of customers increased from two in 2023 to 20 in 2024.

### ***Other Income and Gains, Net***

Our other income and gains, net increased by 44.2% from RMB6.0 million in 2023 to RMB8.6 million in 2024, primarily due to (i) an increase in government grants in relation to computing power subsidy, and (ii) an increase in foreign exchange gains incurred in 2024.

### ***Research and Development Expenses***

Our research and development expenses remained relatively stable at RMB82.3 million in 2023 and RMB81.4 million in 2024, mainly because we shifted our R&D focus with the commercialization of our FastAGI enterprise AI solution.

We reallocated expenditures from personnel to computing power and cloud service, which was used to train and fine-tune foundation models and enterprise-specific large models to enhance Agentic AI application capabilities, which led to (i) an increase in our computing power and cloud service expenses from RMB2.6 million in 2023 to RMB24.9 million in 2024 to enhance our computing power, (ii) an increase in our outsourced data labeling and solution testing fees from RMB0.3 million in 2023 to RMB6.9 million in 2024 as we transitioned these functions from in-house personnel to third-party service providers to improve operational efficiency and operational scalability, and (iii) a decrease in employee benefit expenses from RMB56.9 million in 2023 to RMB38.3 million in 2024 resulting from the downsizing of our R&D team in relation to our gradual strategic shift in R&D focus from data-centric solutions to data + AI centric solutions.

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## FINANCIAL INFORMATION

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### *Selling and Marketing Expenses*

Our selling and marketing expenses decreased by 13.8% from RMB103.3 million in 2023 to RMB89.1 million in 2024, primarily due to a decrease in employee benefit expenses from RMB76.2 million in 2023 to RMB63.5 million in 2024 mainly reflecting our optimization of the sales team to align with performance standards and improve operational efficiency.

### *Administrative Expenses*

Our administrative expenses decreased by 65.5% from RMB143.0 million in 2023 to RMB49.3 million in 2024, primarily due to the decrease in share-based payment expenses from RMB79.8 million in 2023 to RMB2.6 million in 2024. The relatively higher share-based payment expenses in 2023 were mainly in relation to the Employee Incentive Scheme adopted by us in 2023 to recognize the contribution of employees, attract and retain talents.

### *Impairment Losses on Financial and Contract Assets*

Our impairment losses on financial and contract assets increased from RMB5.5 million in 2023 to RMB9.3 million in 2024, primarily reflecting an increase in impairment losses on trade and bills receivables, which was generally in line with our revenue growth.

### *Other Expenses*

Our other expenses decreased by 41.3% from RMB4.6 million in 2023 to RMB2.7 million in 2024, primarily due to the shift from provision for inventories impairment of RMB4.1 million in 2023 to nil in 2024, mainly resulting from a decrease in impairment of contract assets during the same year, partially offset by an increase in donation in 2024.

### *Finance Costs*

Our finance costs decreased by 51.7% from RMB0.8 million in 2023 to RMB0.4 million in 2024, primarily due to a decrease in interest on lease liabilities resulting from the downsizing of a portion of our leased office facilities.

### *Share of Profits and Losses of an Associate*

We recorded share of profits of an associate of RMB14 thousand in 2023 and share of losses of an associate of RMB2.4 million in 2024, primarily due to the substantial research and development expenses incurred by the associate in 2024.

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## FINANCIAL INFORMATION

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### *Changes in Fair Value of Financial Liabilities at Shares with Preferential Rights*

Our changes in fair value of financial liabilities at shares with preferential rights significantly increased from RMB221.0 million in 2023 to RMB1,155.2 million 2024, primarily due to the fair value change in the financial liabilities at shares with preferential rights we issued to our Pre-IPO Investors.

### *Income Tax Expense*

Our income tax expenses were RMB76 thousand in 2023 and nil in 2024, primarily because one of our subsidiaries recorded net profit in 2023, which did not occur in 2024.

### *Loss for the Year*

As a result of the foregoing, in particular the significant amount of our changes in fair value of shares with preferential rights in 2024, our loss for the year increased from RMB502.9 million in 2023 to RMB1,255.0 million in 2024.

## **Year Ended December 31, 2023 Compared with Year Ended December 31, 2022**

### *Revenue*

Our revenue increased by 28.4% from RMB100.5 million in 2022 to RMB129.0 million in 2023 mainly driven by increased revenue from our FastData enterprise data intelligence solution. Our revenue from sales of FastData enterprise data intelligence solution increased by 21.9% from RMB100.5 million in 2022 to RMB122.5 million in 2023, mainly due to the increased number of customers from 56 in 2022 to 70 in 2023, driven by (i) our solution upgrades with more features and enhanced data processing capabilities, and (ii) our ongoing and deepened cooperation with existing customers and our effort to expand customer base.

We started to generate revenue, and recorded revenue of RMB6.5 million, from sales of our FastAGI enterprise AI solution in 2023.

### *Cost of Sales*

Our cost of sales increased by 9.0% from RMB70.9 million in 2022 to RMB77.3 million in 2023, in line with our business growth of FastData enterprise data intelligence solution.

### *Gross Profit and Gross Profit Margin*

As a result of the foregoing, our gross profit increased by 75.2% from RMB29.6 million in 2022 to RMB51.8 million in 2023. Our gross profit margin increased from 29.4% in 2022 to 40.1% in 2023, primarily driven by the increased gross profit margin in FastData enterprise data intelligence solution, mainly attributable to (i) the economies of scale from the maturity

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## FINANCIAL INFORMATION

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of our business and technology, particularly the usability and adaptability of our solution, and (ii) decreased on-site deployment costs per customer benefiting from our long-term customer relationship generating recurring revenue and our increasing brand awareness.

### *Other Income and Gains, Net*

Our other income and gains, net, decreased by 85.1% from RMB40.2 million in 2022 to RMB6.0 million in 2023, primarily due to a significant decrease in foreign exchange gains. We recorded substantial higher exchange gains in 2022 compared to 2023, mainly due to (i) the accumulation of approximately USD37.4 million in proceeds from our pre-IPO investment in 2022, coinciding with a sharp appreciation of the U.S. dollars, and (ii) the subsequent conversion of the majority of these U.S. dollar-denominated proceeds into Renminbi in 2023.

### *Research and Development Expenses*

Our research and development expenses decreased by 12.6% from RMB94.2 million in 2022 to RMB82.3 million in 2023, primarily due to a decrease in employee benefit expenses resulting from the downsizing of our R&D team in relation to our gradual strategic shift in R&D focus from data-centric solutions to data + AI centric solutions, partially offset by the increase in share-based payment expenses from RMB1.7 million in 2022 to RMB13.1 million in 2023, to recognize the contribution of our R&D personnel.

### *Selling and Marketing Expenses*

Our selling and marketing expenses decreased by 14.0% from RMB120.2 million in 2022 to RMB103.3 million in 2023, primarily due to (i) a decrease in employee expenses, mainly reflecting our optimization of the sales team to align with performance standards and improve operational efficiency, (ii) a decrease in business development expenses, as we streamlined promotional activities to improve operational efficiency, leveraging the increased brand recognition and expanded customer base we have achieved.

### *Administrative Expenses*

Our administrative expenses increased by 68.8% from RMB84.7 million in 2022 to RMB143.0 million in 2023, primarily due to an increase in share-based payment expenses from RMB8.0 million in 2022 to RMB79.8 million in 2023 in relation to the aforementioned Employee Incentive Scheme.

### *Impairment Losses on Financial and Contract Assets*

Our impairment losses on financial and contract assets significantly increased from RMB2.4 million in 2022 to RMB5.5 million in 2023, primarily due to an increase in impairment losses on trade and bills receivables, in line with the increase in the balance of our trade and bills receivables.

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## FINANCIAL INFORMATION

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### *Other Expenses*

Our other expenses significantly increased from RMB3.4 million in 2022 to RMB4.6 million in 2023, primarily due to an increase in provision for inventories impairment, mainly related to certain projects that recorded losses.

### *Finance Costs*

Our finance costs decreased by 23.0%, from RMB1.0 million in 2022 to RMB0.8 million in 2023, primarily due to a decrease in interest on lease liabilities, in line with the reduction in remaining lease terms.

### *Share of Profits of an Associate*

We recorded share of profits of an associate of RMB2.7 million and RMB14 thousand in 2022 and 2023, respectively.

### *Changes in Fair Values of Financial Liabilities at Shares with Preferential Rights*

Our changes in fair values of financial liabilities at shares with preferential rights decreased by 47.6% from RMB421.6 million in 2022 to RMB221.0 million 2023, primarily due to the fair value change in the shares with preferential liabilities we issued to our Pre-IPO Investors.

### *Income Tax Expense*

Our income tax expenses remained relatively stable at RMB95 thousand in 2022 and RMB76 thousand in 2023.

### *Loss for the Year*

As a result of the foregoing, our loss for the year decreased by 23.2% from RMB655.2 million in 2022 to RMB502.9 million in 2023.

## FINANCIAL INFORMATION

### DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Total current assets . . . . .	629,102	435,354	412,575	382,226
Total current liabilities . . . . .	2,668,385	2,884,003	4,099,125	4,293,046
<b>Net current liabilities . . . . .</b>	<b>(2,039,283)</b>	<b>(2,448,649)</b>	<b>(3,686,550)</b>	<b>(3,910,820)</b>
Total non-current assets . . . . .	32,366	29,622	12,241	16,956
Total non-current liabilities . . . . .	6,797	4,877	1,605	3,315
<b>Net liabilities . . . . .</b>	<b>(2,013,714)</b>	<b>(2,423,904)</b>	<b>(3,675,914)</b>	<b>(3,897,179)</b>
EQUITY				
Paid-in capital/Share capital . . . . .	50,137	50,137	50,333	300,000
Reserves . . . . .	(2,063,851)	(2,474,041)	(3,726,247)	(4,197,179)
<b>Total deficit . . . . .</b>	<b>(2,013,714)</b>	<b>(2,423,904)</b>	<b>(3,675,914)</b>	<b>(3,897,179)</b>

We recorded net liabilities throughout the Track Record Period. Our net liabilities increased from RMB1,371.0 million as of January 1, 2022 to RMB2,013.7 million as of December 31, 2022, primarily due to (i) loss and other comprehensive loss for the year of RMB654.7 million, and (ii) recognition of shares with preferential rights of RMB120.5 million, partially offset by issue of new shares of RMB122.7 million. Our net liabilities increased from RMB2,013.7 million as of December 31, 2022 to RMB2,423.9 million as of December 31, 2023, primarily due to loss and other comprehensive loss for the year of RMB503.1 million, partially offset by recognition of equity-settled share-based payment of RMB92.9 million. Our net liabilities increased from RMB2,423.9 million as of December 31, 2023 to RMB3,675.9 million as of December 31, 2024, primarily due to loss and other comprehensive loss for the year of RMB1,255.0 million. Our net liabilities increased from RMB3,675.9 million as of December 31, 2024 to RMB3,897.2 million as of June 30, 2025, primarily due to (i) loss and total comprehensive loss for the period of RMB308.2 million, and (ii) equity transfer between shareholders of RMB54.5 million, partially offset by (i) recognition of equity-settled share-based payment of RMB108.0 million, and (ii) capital contribution from shareholders of RMB33.5 million. Our net liabilities position would turn into net assets upon Listing.

## FINANCIAL INFORMATION

### Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
<b>Non-current assets</b>				
Property, plant and equipment . . . . .	8,983	7,232	3,252	5,190
Right-of-use assets . . . . .	15,883	15,535	5,799	8,695
Other intangible assets . . . . .	35	35	35	317
Investments in an associate . . . . .	1,495	2,409	–	–
Equity investments designated at fair value through other comprehensive income (“FVOCI”) . . . . .	1,180	–	–	–
Other non-current assets . . . . .	4,790	4,411	3,155	2,754
<b>Total non-current assets . . . . .</b>	<b><u>32,366</u></b>	<b><u>29,622</u></b>	<b><u>12,241</u></b>	<b><u>16,956</u></b>
<b>Non-current liabilities</b>				
Lease liabilities . . . . .	6,797	4,877	1,605	3,315
<b>Total non-current liabilities . . . . .</b>	<b><u>6,797</u></b>	<b><u>4,877</u></b>	<b><u>1,605</u></b>	<b><u>3,315</u></b>

### *Property, Plant and Equipment*

Our property, plant and equipment primarily consisted of electronic equipment, other equipment, leasehold improvements and construction in progress. Our property, plant and equipment decreased from RMB9.0 million as of December 31, 2022 to RMB7.2 million as of December 31, 2023 and further decreased to RMB3.3 million as of December 31, 2024, primarily due to increases in accumulated depreciation and impairment of our leasehold improvements and electronic equipment. Our property, plant and equipment increased from RMB3.3 million as of December 31, 2024 to RMB5.2 million as of June 30, 2025, primarily due to the purchase of electronic equipment and other equipment in line with our business growth.

### *Right-of-Use Assets*

Our right-of-use assets represent our leased office premises. Our right-of-use assets remained relatively stable at RMB15.9 million and RMB15.5 million as of December 31, 2022 and 2023, respectively. Our right-of-use assets further decreased by 62.7% from RMB15.5 million as of December 31, 2023 to RMB5.8 million as of December 31, 2024, primarily due to non-renewal of certain property leases upon expiration, and replacement of expired leases

## FINANCIAL INFORMATION

with more cost-effective alternatives. Our right-of-use assets increased by 49.9% from RMB5.8 million as of December 31, 2024 to RMB8.7 million as of June 30, 2025, primarily due to the new leases we entered into for office purposes.

### *Investments in an Associate*

Our investments in an associate primarily represent our investments in entities in which we do not have a controlling interest. Our investments in an associate increased from RMB1.5 million as of December 31, 2022 to RMB2.4 million as of December 31, 2023, primarily due to our capital injection into the associate in 2023. Our investments in an associate then decreased to nil as of December 31, 2024 and as of June 30, 2025, mainly because the associate incurred significant losses in 2024.

### *Equity investments Designated at FVOCI*

We recorded equity investments designated at FVOCI of RMB1.2 million as of December 31, 2022, which represent our unlisted equity investments at fair value in Jiangxi Galaxies Information Technology Co., Ltd. (“Galaxies”). In June 2021, we made an initial investment of RMB1 million in the form of capital increase in Galaxies. In February 2023, we disposed of our equity interest in Galaxies as this investment no longer coincided with our investment strategy. See Note 18 to the Accountant’s Report in Appendix I to this prospectus.

### **Current Assets and Liabilities**

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	
	<i>(RMB in thousands)</i>				<i>(unaudited)</i>
<b>Current assets</b>					
Inventories . . . . .	25,750	11,003	14,546	12,245	15,244
Trade and bills receivables . . . . .	41,034	74,367	166,233	146,795	161,962
Contract assets . . . . .	6,230	5,305	15,350	15,856	15,270
Prepayments, other receivables and other assets . . . . .	6,810	7,494	6,421	13,891	13,699
Financial assets at fair value through profit or loss (“FVTPL”) . . . . .	–	–	426	378	374
Pledged deposits . . . . .	140	387	1,282	1,272	1,272
Restricted cash . . . . .	–	–	–	8,404	8,404
Cash and cash equivalents . . . . .	549,138	336,798	208,317	183,385	140,245
<b>Total current assets . . . . .</b>	<b><u>629,102</u></b>	<b><u>435,354</u></b>	<b><u>412,575</u></b>	<b><u>382,226</u></b>	<b><u>356,470</u></b>

## FINANCIAL INFORMATION

	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	
	<i>(RMB in thousands)</i>				
	<i>(unaudited)</i>				
<b>Current liabilities</b>					
Trade payables . . . . .	16,920	30,033	83,623	52,932	61,526
Other payables and accruals . . . . .	59,761	41,175	54,413	44,926	33,368
Interest-bearing bank borrowings . . . . .	–	–	–	50,115	50,363
Lease liabilities . . . . .	11,001	11,164	4,272	5,478	5,530
Tax payable . . . . .	95	–	–	–	–
Shares with preferential rights . . . . .	2,580,608	2,801,631	3,956,817	4,139,595	5,190,823
<b>Total current liabilities . . . . .</b>	<b><u>2,668,385</u></b>	<b><u>2,884,003</u></b>	<b><u>4,099,125</u></b>	<b><u>4,293,046</u></b>	<b><u>5,341,610</u></b>
<b>Net current liabilities . . . . .</b>	<b><u>2,039,283</u></b>	<b><u>2,448,649</u></b>	<b><u>3,686,550</u></b>	<b><u>3,910,820</u></b>	<b><u>4,985,140</u></b>

We recorded net current liabilities throughout the Track Record Period. Our net current liabilities increased from RMB2,039.3 million as of December 31, 2022 to RMB2,448.6 million as of December 31, 2023, primarily due to (i) an increase of RMB221.0 million in shares with preferential rights we issued to our Pre-IPO Investors, and (ii) a decrease of RMB212.3 million in cash and cash equivalents.

Our net current liabilities increased from RMB2,448.6 million as of December 31, 2023 to RMB3,686.6 million as of December 31, 2024, primarily due to (i) an increase of RMB1,155.2 million in shares with preferential rights, and (ii) a decrease of RMB128.5 million in cash and cash equivalents.

Our net current liabilities increased from RMB3,686.6 million as of December 31, 2024 to RMB3,910.8 million as of June 30, 2025, primarily due to (i) an increase of RMB50.1 million in interest-bearing bank borrowings, (ii) a decrease of RMB24.9 million in cash and cash equivalents, and (iii) a decrease of RMB19.4 million in trade and bills receivables, partially offset by a decrease of RMB30.7 million in trade payables.

### ***Inventories***

Our inventories consisted of contract fulfillment costs in relation to the development and deployment of our solutions. Contract fulfillment costs represent the costs incurred to fulfill the obligations when and after the contracts are entered into, but before our solutions thereunder are delivered to users. Such costs primarily consist of employee benefit expenses and on-site deployment costs that are necessary to perform the contracts, which will be recognized to cost of sales mainly within twelve months when our related performance

## FINANCIAL INFORMATION

obligations are satisfied and upon which the related contract revenue is recognized. As of December 31, 2022, 2023, 2024 and June 30, 2025, our inventories amounted to RMB25.8 million, RMB11.0 million, RMB14.5 million and RMB12.2 million, respectively.

Our inventories decreased from RMB25.8 million as of December 31, 2022 to RMB11.0 million as of December 31, 2023, primarily due to the recognition of contract fulfillment costs as cost of sales along with the project acceptance of the majority of projects in 2023. Our inventories remained at a relatively stable level at RMB11.0 million as of December 31, 2023, RMB14.5 million as of December 31, 2024 and RMB12.2 million as of June 30, 2025.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Within one year . . . . .	9,355	10,306	13,785	11,676
One to two years . . . . .	15,113	66	574	569
Two to three years . . . . .	1,282	122	66	–
Over three years . . . . .	–	509	121	–
<b>Total</b> . . . . .	<b>25,750</b>	<b>11,003</b>	<b>14,546</b>	<b>12,245</b>

Our inventories aged one to two years were relatively higher as of December 31, 2022 compared to as of December 31, 2023 and 2024, primarily due to extended implementation and delivery process for certain projects caused by COVID-19-related restrictions. As of December 31, 2023, 2024 and June 30, 2025, the majority of our inventories were aged within one year.

As of August 31, 2025, RMB0.3 million, or 2.7% of inventories as of June 30, 2025, had been used, consumed or sold.

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Inventory turnover days <sup>(1)</sup> . . .	153	91	41	40

*Note:*

- (1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories (excluding provision for impairment) for a year/period divided by cost of sales for the relevant year/period and multiplied by 360/180 days.

## FINANCIAL INFORMATION

Our inventory turnover days decreased from 153 days in 2022 to 91 days in 2023, and further decreased to 41 days in 2024, primarily due to the shortened solution development and deployment period resulting from our increased development and deployment efficiency with the continuously enhanced compatibility and adaptability of our solution during the relevant periods. Our inventory turnover days remained stable at 41 days in 2024 and 40 days the six months ended June 30, 2025, respectively.

Our inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method. The net realizable value is estimated based on current market situation and historical experience of similar inventories. We assessed impairment to inventories from time to time during the Track Record Period and may make provision to write down our inventories to the net realizable value if the inventories' prices went down, and their realizable value substantially decreases.

We have been closely monitoring the recoverability of these inventories. We believe that there are no recoverability issues for our inventories because (i) our management is of the view that the risk of failure to satisfy our related performance obligations is remote considering that the fast growth of business and the continued improved financial conditions, (ii) our management is of the view that the risk of material loss under our solutions is remote considering our high profile client base and, to the best knowledge of our management, their healthy financial conditions in general, (iii) our inventory turnover days continued to decrease from 153 days in 2022 to 91 days in 2023, 41 days in 2024 and 40 days the six months ended June 30, 2025, respectively, (iv) approximately 66.4% of inventories as of December 31, 2024 had been settled as of June 30, 2025, and (v) we had not experienced any recoverability issues for our contract fulfillment costs throughout the Track Record Period.

However, in accordance with the principle of prudence, we conducted a comprehensive impairment assessment and recognized sufficient impairment provision for the inventories with total impairment charge of RMB1.2 million, RMB1.3 million, nil and nil, respectively, as of December 31, 2022, 2023, 2024 and June 30, 2025, to ensure the financial statements reflect our economic value accurately.

### *Trade and Bills Receivables*

Our trade and bills receivables mainly relate to the amounts due from our customers who purchased our solutions. The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Bills receivables . . . . .	–	1,208	1,510	943
Trade receivables . . . . .	45,475	83,257	183,547	162,728
Less: impairment allowance. .	(4,441)	(10,098)	(18,824)	(16,876)
<b>Total . . . . .</b>	<b><u>41,034</u></b>	<b><u>74,367</u></b>	<b><u>166,233</u></b>	<b><u>146,795</u></b>

## FINANCIAL INFORMATION

Our trade and bills receivables increased by 81.2% from RMB41.0 million as of December 31, 2022, to RMB74.4 million as of December 31, 2023, and further significantly increased to RMB166.2 million as of December 31, 2024, primarily driven by the growth of our business during the Track Record Period. Our trade and bills receivables decreased by 11.7% from RMB166.2 million as of December 31, 2024 to RMB146.8 million as of June 30, 2025, primarily due to the decrease in trade receivables as we generally complete the project acceptance and recognize the revenue in the fourth quarter, resulting in the addition of the trade receivables at year-end. We did not have bills receivables in 2022. Our bills receivables were all bank acceptance bills and commercial acceptance bills aged less than six months.

The following table sets out an aging analysis of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Within one year . . . . .	21,177	55,695	144,754	133,488
One to two years . . . . .	15,958	7,479	14,551	6,106
Two to three years . . . . .	3,899	11,193	1,596	4,579
Over three years . . . . .	—	—	5,332	2,622
<b>Total . . . . .</b>	<b><u>41,034</u></b>	<b><u>74,367</u></b>	<b><u>166,233</u></b>	<b><u>146,795</u></b>

We typically set forth the trading terms with our customers in the relevant sales contracts. During the Track Record Period, we believe that we have implemented effective credit management systems and policies. We normally provide our customers with a credit term of less than three months subject to the creditworthiness of the relevant customers according to our customer credit management system. Some of our customers were granted credit periods over three months, primarily based on factors such as their creditworthiness and the strategic value they bring to our business growth. We seek to maintain strict control over our outstanding receivables and our credit control department is responsible for minimizing credit risks. Overdue balances are reviewed regularly by our senior management.

We do not anticipate any recoverability issues with trade and bills receivables primarily because (i) we assess our customers' credit quality carefully and regularly, taking into account their business background, the general risks associated with their industries, their financial position, past experience and other factors, (ii) we did not experience any material recoverability issues for our trade and bills receivables throughout the Track Record Period because our trade and bills receivables are mainly due from customers with good credit profiles and no history of material defaults on their payment obligations was noted in the past, (iii) over 90.9% of our trade and bills receivables as of June 30, 2025 are aged within one year, (iv) we have arranged specific repayment schedules with major customers who have trade and bills receivables over one year and such repayments are proceeding as scheduled, (v) as of June 30,

## FINANCIAL INFORMATION

2025, RMB9.3 million or 30.8% of our trade and bills receivables aged over one year as of December 31, 2024 had been settled, (vi) we have dedicated credit control team which are responsible for close and regular monitoring of the credit profiles, operating and financial conditions of our customers and taking appropriate proactive follow-up actions to ensure the customers' payments are made as scheduled, and (vii) we also closely monitor the recoverability status of trade and bills receivables, especially for those long-aging trade receivables, and enhance our collection efforts as appropriate.

In addition, an impairment analysis was performed as of December 31, 2022, 2023, 2024 and June 30, 2025, using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

We write off trade and bills receivables when there is information indicating that the counterparty is in severe financial difficulties and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner, also taking into account legal advice where appropriate. See Note 20 to the Accountant's Report in Appendix I to this prospectus.

Based on the foregoing, our Directors are of the view that there is no recoverability issue for trade and bills receivables, and sufficient provision has been made, by taking into account our comprehensive credit risk management measures, historical experience in transacting with relevant customers, and their financial position.

The following table sets forth our trade and bills receivables turnover days for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
Trade and bills receivables turnover days <sup>(1)</sup> . . . . .	146	181	199	237

*Note:*

- (1) Trade and bill receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables (excluding impairment allowance) for a year/period divided by revenue for the relevant year/period and multiplied by 360/180 days.

## FINANCIAL INFORMATION

Our trade and bills receivables turnover days increased from 146 days in 2022 to 181 days in 2023, and further increased to 199 days in 2024, primarily because (i) the balance of our trade and bills receivables increased along with our revenue growth, and (ii) we served more KA customers with relatively longer credit terms to rapidly expand our business. Our trade and bills receivables turnover days increased from 199 days in 2024 to 237 days in the six months ended June 30, 2025, primarily due to (i) the relatively higher balance of our trade and bills receivables as of December 31, 2024, which elevated the average balance in the six months ended June 30, 2025, and (ii) our customers' payment cycles, as a higher proportion of receivables are typically settled in the second half of each year.

As of August 31, 2025, RMB32.3 million, or 19.7% of our trade and bills receivables as of June 30, 2025, had been settled, and as of the same date, RMB130.1 million, or 70.3% of our trade and bills receivables as of December 31, 2024, had been settled.

### *Prepayments, Other Receivables and Other Assets*

Our prepayments, other receivables and other assets primarily consisted of (i) deposits and other receivables, (ii) deductible value-added tax, (iii) other current assets, and (iv) impairment allowance. The following table sets out a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Deposits and other receivables . . . . .	6,492	6,357	5,776	6,007
Deductible value-added tax . .	4,545	4,466	2,964	4,387
Deferred listing expenses . . .	–	–	111	6,438
Other current assets . . . . .	1,519	1,743	1,559	1,219
<b>Sub-total . . . . .</b>	<b>12,556</b>	<b>12,566</b>	<b>10,410</b>	<b>18,051</b>
Less: impairment allowance . .	(956)	(661)	(834)	(1,406)
Other non-current assets . . . .	(4,790)	(4,411)	(3,155)	(2,754)
<b>Total current portion . . . . .</b>	<b>6,810</b>	<b>7,494</b>	<b>6,421</b>	<b>13,891</b>

Our prepayments, other receivables and other assets increased by 10.0% from RMB6.8 million as of December 31, 2022 to RMB7.5 million as of December 31, 2023 due to an increase in other current assets. Our prepayments, other receivables and other assets decreased by 14.3% from RMB7.5 million as of December 31, 2023, to RMB6.4 million as of December 31, 2024, primarily due to a decrease in deductible value-added tax. Our prepayments, other receivables and other assets significantly increased from RMB6.4 million as of December 31, 2024 to RMB13.9 million as of June 30, 2025, primarily due to an increase in deferred listing expenses in relation to the capitalization of the listing expenses.

## FINANCIAL INFORMATION

As of August 31, 2025, RMB6.1 million, or 33.6% of our prepayments and other receivables as of June 30, 2025, had been settled.

### *Contract Assets*

Our contract assets represent our rights to receive consideration for obligations performed under some of our sales contracts. These considerations are not yet payable by the customers as they are subject to certain conditions under the relevant contracts, such as lapse of the warranty period. The following table sets out a breakdown of our contract assets as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Warranty retention receivables . . . . .	6,585	5,814	16,265	16,958
Impairment of contract assets . . . . .	(355)	(509)	(915)	(1,102)
<b>Total . . . . .</b>	<b><u>6,230</u></b>	<b><u>5,305</u></b>	<b><u>15,350</u></b>	<b><u>15,856</u></b>

Our contract assets decreased by 14.8% from RMB6.2 million as of December 31, 2022, to RMB5.3 million as of December 31, 2023, primarily due to the reclassification to trade receivables upon the expiration of warranty period for certain of our contracts. Our contract assets significantly increased from RMB5.3 million as of December 31, 2023, to RMB15.4 million as of December 31, 2024, in line with our business growth. Our contract assets remained relatively stable at RMB15.4 million as of December 31, 2024 and RMB15.9 million as of June 30, 2025.

As of August 31, 2025, RMB1.7 million, or 10.0% of our contract assets as of June 30, 2025, had been settled.

### *Trade Payables*

Our trade payables represent our obligation to pay for goods or services that have been purchased from suppliers in the ordinary course of business.

Our trade payables increased by 77.5% from RMB16.9 million as of December 31, 2022, to RMB30.0 million as of December 31, 2023, and further significantly increased to RMB83.6 million as of December 31, 2024, primarily due to the significant growth of our business, which resulted in increasing procurement amount and hence higher balance of payables to our

## FINANCIAL INFORMATION

suppliers. Our trade payables decreased by 36.7% from RMB83.6 million as of December 31, 2024 to RMB52.9 million as of June 30, 2025, primarily because we fulfilled certain purchase payment obligations to our suppliers in accordance with the contracts in the six months ended June 30, 2025.

The following table sets out an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Within one year . . . . .	12,646	24,673	75,174	45,142
One to two years . . . . .	3,892	2,434	4,869	3,322
Two to three years . . . . .	327	2,599	1,592	2,556
Over three years . . . . .	55	327	1,988	1,912
<b>Total</b> . . . . .	<b><u>16,920</u></b>	<b><u>30,033</u></b>	<b><u>83,623</u></b>	<b><u>52,932</u></b>

The following table sets forth our trade payables turnover days for the periods indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Trade payables turnover days <sup>(1)</sup> . . . . .	77	109	175	206

*Note:*

- (1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 360/180 days.

Our trade payables turnover days increased from 77 days in 2022 to 109 days in 2023 and 175 days in 2024, and further increased to 206 days in the six months ended June 30, 2025, primarily because we built trust with our suppliers and gained more bargaining power as our business developed, and thus we were able to negotiate for longer settlement terms in the transactions in connection with our solutions.

As of August 31, 2025, RMB13.0 million, or 24.5% of our trade payables as of June 30, 2025, had been settled.

## FINANCIAL INFORMATION

### *Other Payables and Accruals*

Our other payables and accruals consisted of (i) payroll and welfare payables, (ii) contract liabilities, primarily arising from the advance payments made by our customers while the underlying services are yet to be provided, (iii) other tax payables, (iv) other payables, (v) accrued listing expenses, and (vi) accrued operating expenses. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Payroll and welfare payables . . . . .	29,836	22,624	14,872	13,322
Contract liabilities . . . . .	22,890	8,172	3,693	4,411
Other tax payables . . . . .	2,393	7,707	13,295	3,801
Other payables . . . . .	4,290	1,970	20,291	7,380
Accrued listing expenses . . . . .	–	–	849	14,784
Accrued operating expenses . . . . .	352	702	1,413	1,228
<b>Total . . . . .</b>	<b><u>59,761</u></b>	<b><u>41,175</u></b>	<b><u>54,413</u></b>	<b><u>44,926</u></b>

Our other payables and accruals decreased by 31.1% from RMB59.8 million as of December 31, 2022 to RMB41.2 million as of December 31, 2023, primarily due to (i) a decrease in contract liabilities, as a significant portion of these liabilities as of December 31, 2022, was recognized as revenue in 2023, and (ii) a decrease in payroll and welfare payables, resulting from a reduction in the number of employees. Our other payables and accruals subsequently increased by 32.2% to RMB54.4 million as of December 31, 2024, primarily due to (i) an increase in other payables in relation to our procurement of computing power and cloud services, and (ii) an increase in other tax payables mainly in relation to VAT payables resulting from our business growth in 2024. Our other payables and accruals decreased from RMB54.4 million as of December 31, 2024 to RMB44.9 million as of June 30, 2025, primarily due to (i) a decrease in other payables resulting from the settlement of payments in relation to our procurement of computing power and cloud services in 2024, and (ii) a decrease in other tax payables resulting from of the decrease in VAT payables mainly due to relatively high revenue in 2024, and the majority of VAT for 2024 was paid in the six months ended June 30, 2025, partially offset by an increase in accrued listing expenses.

As of August 31, 2025, RMB29.3 million, or 65.3% of our other payables and accruals as of June 30, 2025, had been settled.

## FINANCIAL INFORMATION

### *Shares with Preferential Rights*

Our shares with preferential rights represent the redeemable shares we issued to our Pre-IPO Investors. Our shares with preferential rights increased from RMB2,580.6 million as of December 31, 2022 to RMB2,801.6 million as of December 31, 2023, and further increased to RMB3,956.8 million as of December 31, 2024, primarily due to the increase in our valuation. Our shares with preferential rights further increased to RMB4,139.6 million as of June 30, 2025, primarily due to the increase in our valuation, and Series Equity Transfer Shares. See Note 27 of the Accountant’s Report in Appendix I to this prospectus.

### LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations and capital contribution from shareholders. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations, bank borrowings, equity financing and the net proceeds from the Global Offering. We do not anticipate any changes to the availability of financing to fund our operations in the future.

### Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>				
	<i>(Unaudited)</i>				
Net cash flows used in					
operating activities . . . . .	(257,049)	(194,768)	(117,679)	(72,754)	(100,919)
Net cash flows used in					
investing activities . . . . .	(4,467)	(2,603)	(912)	(1,070)	(171)
Net cash flows from/(used					
in) financing activities . . .	98,591	(15,062)	(10,373)	(5,964)	76,312
Cash and cash equivalents					
at beginning of					
year/period . . . . .	678,720	549,138	336,798	336,798	208,317
Effect of foreign exchange					
rate changes, net . . . . .	33,343	93	483	198	(154)
<b>Cash and cash equivalents</b>					
<b>at end of year/period . . .</b>	<b><u>549,138</u></b>	<b><u>336,798</u></b>	<b><u>208,317</u></b>	<b><u>257,208</u></b>	<b><u>183,385</u></b>

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## FINANCIAL INFORMATION

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### *Net Cash Flows Used in Operating Activities*

We had net operating cash outflow of RMB257.0 million, RMB194.8 million, RMB117.7 million and RMB100.9 million, in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, primarily due to our losses before tax as we incurred significant operating expenses for the provision of our solutions, carrying out R&D and selling and marketing activities, as well as administrative management.

In the six months ended June 30, 2025, we had net cash flows used in operating activities of RMB100.9 million, which represents our loss before taxation of RMB308.2 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of fair values of financial liabilities at shares with preferential rights of RMB128.3 million and equity-settled share-based payment of RMB108.0 million, and (ii) movements in working capital, primarily comprising of a decrease in trade payables of RMB30.7 million, partially offset by a decrease in trade and bill receivables of RMB21.4 million.

In 2024, we had net cash flows used in operating activities of RMB117.7 million, which represents our loss before taxation of RMB1,255.0 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of fair value changes of financial liabilities at shares with preferential rights of RMB1,155.2 million, and (ii) movements in working capital, primarily comprising of an increase in trade and bills receivables of RMB102.0 million, partially offset by an increase in trade payables of RMB53.6 million.

In 2023, we had net cash flows used in operating activities of RMB194.8 million, which represents our loss before taxation of RMB502.8 million, as adjusted by (i) non-cash and non-operating items, primarily comprised of fair value changes of financial liabilities at shares with preferential rights of RMB221.0 million and equity-settled share option expense of RMB92.9 million, and (ii) movements in working capital, primarily comprised of an increase in trade and bills receivables of RMB39.0 million and a decrease in contract liabilities of RMB14.7 million, partially offset by a decrease in inventories of RMB14.7 million and an increase in trade payables of RMB13.1 million.

In 2022, we had net cash flows used in operating activities of RMB257.0 million, which represents our loss before taxation of RMB655.1 million, as adjusted by (i) non-cash and non-operating items, primarily comprising of fair value changes of financial liabilities at shares with preferential rights of RMB421.6 million and foreign exchange gains, net of RMB33.3 million, and (ii) movements in working capital, primarily comprising of a decrease in other payables and accruals of RMB32.9 million and an increase in trade and bills receivables of RMB9.2 million, partially offset by a decrease in inventories of RMB10.2 million.

We intend to improve our net operating cash outflow position as of the end of the Track Record Period primarily by implementing measures to drive revenue growth, increase gross profit, and enhance operating efficiency. For example, we plan to (i) pursue strategic market expansion based on rigorous analysis of market potential and competitive landscape, supported by performance-driven sales incentives and intensive sales campaigns; (ii) capitalize on

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## FINANCIAL INFORMATION

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historical R&D results and deployment experience to customers in established verticals to shorten deployment and innovation cycles and rapidly adapt to market demands by deploying sophisticated product representatives to key account customers. See “Business — Business Sustainability.”

In addition, to better manage our working capital, we will also continue to implement our credit management systems and policies, including (a) performing credit history check to minimize our credit and collection risk; (b) performing regular reconciliation with our customers and follow-up with them on overdue trade receivables and closely monitoring the collection status of our trade receivables and actively following up with our customers for settlement; and (c) negotiating better payment and credit terms with our suppliers as we continue to scale our business and increase our procurement from such suppliers.

### *Net Cash Flows Used in Investing Activities*

In the six months ended June 30, 2025, our net cash flows used in investing activities was RMB0.2 million, which was attributable to (i) purchases of financial assets at FVPTL of RMB179.8 million, and (ii) purchases of items of property, plant and equipment of RMB45 thousand, partially offset by proceeds from disposal of financial assets at FVTPL of RMB180.0 million.

In 2024, our net cash flows used in investing activities was RMB0.9 million, which was attributable to purchases of items of property, plant and equipment of RMB1.1 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB0.2 million.

In 2023, our net cash flows used in investing activities was RMB2.6 million, which was attributable to purchases of items of property, plant and equipment of RMB2.7 million and investments in associates of RMB0.9 million, partially offset by proceeds from disposal of equity investments designated at fair value through other comprehensive income of RMB1.0 million.

In 2022, our net cash flows used in investing activities was RMB4.5 million, which was primarily attributable to the purchase of items of property, plant and equipment of RMB6.3 million, partially offset by proceeds from disposal of associates of RMB1.8 million.

### *Net Cash Flows From/Used in Financing Activities*

In the six months ended June 30, 2025, our net cash flows generated from financing activities was RMB76.3 million, attributable to (i) new bank borrowings of RMB50.0 million, and (ii) capital contribution from shareholders of RMB33.5 million, partially offset by (i) lease payments of RMB4.0 million, and (ii) payment of listing expense of RMB3.1 million.

## FINANCIAL INFORMATION

In 2024, our net cash used in financing activities were RMB10.4 million, attributable to lease payment of RMB10.6 million, offset by proceeds from issue of shares of RMB0.2 million.

In 2023, our net cash flows used in financing activities were RMB15.1 million, attributable to principal portion of lease payments of RMB15.1 million.

In 2022, our net cash flows from financing activities were RMB98.6 million, primarily attributable to proceeds from issue of shares RMB112.2 million, offset by lease payments of RMB13.6 million.

### CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			<i>(Unaudited)</i>	
Workforce					
employment <sup>(1)</sup> . . . . .	12,959	20,632	27,058	12,556	11,213
Direct production					
costs, including					
materials <sup>(2)</sup> . . . . .	40,603	24,472	41,680	29,710	19,557
R&D costs <sup>(3)</sup> . . . . .	98,261	74,297	63,906	28,241	76,062
Solution marketing <sup>(4)</sup> . . . . .	<u>121,631</u>	<u>107,294</u>	<u>88,577</u>	<u>46,271</u>	<u>46,865</u>
<b>Total</b> . . . . .	<b><u>273,454</u></b>	<b><u>226,695</u></b>	<b><u>221,221</u></b>	<b><u>116,778</u></b>	<b><u>153,697</u></b>

*Notes:*

- (1) Workforce employment represents staff costs mainly including salaries and wages under cost of sales.
- (2) Direct production costs, including materials represents the costs of sales (excluding non-cash items under cost of sales) adjusted by changes in working capital relating to production as of previous and current year end.
- (3) R&D costs represents R&D expenses (excluding share-based payment expenses and non-cash items under R&D expenses) adjusted for changes in working capital relating to R&D activities as of previous and current year end.
- (4) Solution marketing represents selling and marketing expenses (excluding non-cash items under selling and marketing expenses) adjusted for changes in working capital relating to sales and marketing activities as of previous and current year end.

## FINANCIAL INFORMATION

### INDEBTEDNESS

As of December 31, 2022, 2023, 2024 and June 30, 2025 and August 31, 2025, our indebtedness included lease liabilities, shares with preferential rights and interest-bearing bank borrowings. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
<b>Current</b>					
Lease liabilities . . . . .	11,001	11,164	4,272	5,478	5,530
Interest-bearing bank borrowings . . . . .	–	–	–	50,115	50,363
Shares with preferential rights . . . . .	2,580,608	2,801,631	3,956,817	4,139,595	5,190,823
<b>Non-current</b>					
Lease liabilities . . . . .	6,797	4,877	1,605	3,315	2,491
<b>Total . . . . .</b>	<b><u>2,598,406</u></b>	<b><u>2,817,672</u></b>	<b><u>3,962,694</u></b>	<b><u>4,198,503</u></b>	<b><u>5,249,207</u></b>

### Lease Liabilities

As of December 31, 2022, 2023, 2024 and June 30, 2025 and August 31, 2025, our total lease liabilities (including current and non-current portions) amounted to RMB17.8 million, RMB16.0 million, RMB5.9 million, RMB8.8 million and RMB8.0 million, respectively.

Our total lease liabilities remained relatively stable at RMB17.8 million as of December 31, 2022 and RMB16.0 million as of December 31, 2023, and decreased to RMB5.9 million as of December 31, 2024, mainly due to the downsizing of a portion of our leased office facilities following the reduction in the number of employees. Our total lease liabilities increased by 49.6% from RMB5.9 million as of December 31, 2024 to RMB8.8 million as of June 30, 2025, primarily due to the renewal of the existing leases in Beijing and Guangzhou. Our total lease liabilities remained relatively stable at RMB8.8 million as of June 30, 2025 and RMB8.0 million as of August 31, 2025.

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## FINANCIAL INFORMATION

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### **Interest-bearing Bank Borrowings**

As of December 31, 2022, 2023, 2024 and June 30, 2025 and August 31, 2025, we had net interest-bearing bank borrowings of nil, nil, nil, RMB50.1 million and RMB50.4 million, respectively. As of June 30, 2025, all of our interest-bearing bank borrowings were denominated in RMB. As of June 30, 2025, the interest rate of our unsecured and secured interest-bearing bank borrowings ranged from 2.6% to 3.0%. As of June 30, 2025, we did not have unutilized committed bank facilities. Subsequent to August 31, 2025 and up to the Latest Practicable Date, we secured additional bank borrowings of RMB10.0 million at an interest rate of 2.9%.

### **Shares with Preferential Rights**

Our shares with preferential rights represent the redeemable shares we issued to our Pre-IPO Investors. Our shares with preferential rights increased from RMB2,580.6 million as of December 31, 2022 to RMB2,801.6 million as of December 31, 2023, and further increased to RMB3,956.8 million as of December 31, 2024, primarily due to the increase in our valuation. Our shares with preferential rights further increased to RMB4,139.6 million and RMB5,190.8 million as of June 30 and August 31, 2025, primarily due to the increase in our valuation, and Series Equity Transfer Shares. See Note 27 of the Accountant's Report in Appendix I to this prospectus.

### **No Other Outstanding Indebtedness**

Save as disclosed above, we did not have outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of August 31, 2025, being our indebtedness statement date. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material change in our indebtedness since August 31, 2025.

## FINANCIAL INFORMATION

### CONTINGENT LIABILITIES

As of December 31, 2022, 2023, 2024 and June 30, 2025, we did not have any material contingent liabilities.

### KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods/as of the dates indicated:

	As of/For the Year ended December 31,			As of/For the six months ended June 30,
	2022	2023	2024	2025
Revenue growth (%) . . . . .	N/A	28.4	88.3	118.4 <sup>(1)</sup>
Gross profit growth (%) . . . . .	N/A	75.2	143.7	120.9 <sup>(1)</sup>
Gross profit margin (%) . . . . .	29.4	40.1	51.9	55.0
Net loss margin (%) . . . . .	(652.2)	(389.7)	(516.6)	(233.3)
Adjusted net loss margin (Non-HKFRS measure) (%) . . . . .	(222.9)	(146.5)	(39.7)	(39.5)

*Note:*

(1) The revenue growth and gross profit growth for the six months ended June 30, 2025 are compared with those for the same period of 2024.

See “— Description of Major Components of Our Results of Operations.”

### R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure primarily consisted of R&D expenses adjusted by adding back intangible assets acquired from a third party and capitalized in connection with R&D software and deducting amortization expenses of capitalized intangible assets included in R&D expenditure. The table below sets forth our total R&D expenditure for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
<b>R&amp;D expenses</b> . . . . .	94,168	82,342	81,399	58,244
<b>Adjustments:</b>				
Add: Intangible assets acquired from a third party and capitalized in connection with R&D software . . . . .	—	—	—	—

## FINANCIAL INFORMATION

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Less: Amortization expenses of capitalized intangible assets include in R&D expenditure . . . . .	—	—	—	—
<b>Annual/semi-annual R&amp;D expenditure . . . . .</b>	<u>94,168</u>	<u>82,342</u>	<u>81,399</u>	<u>58,244</u>
<b>Total R&amp;D expenditure . . .</b>				<u><b>316,153<sup>(1)</sup></b></u>

*Note:*

(1) Total R&D expenditure for the three and a half financial years prior to Listing.

The table below sets forth our total operating expenditure for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
<b>R&amp;D expenses . . . . .</b>	94,168	82,342	81,399	58,244
<b>Selling and marketing expenses . . . . .</b>	120,178	103,312	89,096	49,311
<b>Administrative expenses . .</b>	84,723	143,000	49,314	145,507
<b>Adjustments:</b>				
Add: Intangible assets acquired from a third party and capitalized in connection with R&D software . . . . .	—	—	—	—
Less: Amortization expenses of capitalized intangible assets include in R&D expenditure . . . . .	—	—	—	—
<b>Annual/semi-annual total operating expenditure . .</b>	<u>299,069</u>	<u>328,654</u>	<u>219,809</u>	<u>253,062</u>
<b>Total operating expenditure . . . . .</b>				<u><b>1,100,594<sup>(1)</sup></b></u>

*Note:*

(1) Total operating expenditure for the three and a half financial years prior to Listing.

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## FINANCIAL INFORMATION

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The table below sets forth our R&D expenditure ratio and total R&D expenditure ratio for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
<b>Annual/semi-annual R&amp;D expenditure ratio<sup>(1)</sup></b> . . . . .	<u>31.5%</u>	<u>25.1%</u>	<u>37.0%</u>	<u>23.0%</u>
<b>Total R&amp;D expenditure ratio</b> . . . . .				<u><b>28.7%</b></u> <sup>(2)</sup>

*Notes:*

- (1) Calculated by dividing annual R&D expenditure by annual/semi-annual total operating expenditure.
- (2) Calculated by dividing total R&D expenditure for the three and a half financial years prior to Listing by total operating expenditure for the three and a half financial years prior to Listing.

### CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of expenditures on property, plant and equipment for office refurbishment and procurement of servers, and intangible assets. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our capital expenditures were RMB6.3 million, RMB2.7 million, RMB1.1 million, RMB1.1 million and RMB0.3 million, respectively. We funded these expenditures mainly with cash generated from our daily business operations and our pre-IPO investment.

Following the Global Offering, we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations, bank borrowings, equity financing, and the net proceeds received from the Global Offering. See “Future Plans and Use of Proceeds.” We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

### CAPITAL COMMITMENTS

As of December 31, 2022, 2023, 2024 and June 30, 2025, we did not have any significant contractual commitments.

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## FINANCIAL INFORMATION

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### RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 33 to the Accountant's Report in Appendix I to this prospectus.

Our Directors are of the view that each of the related party transactions set out in Note 33 to the Accountant's Report in Appendix I to this prospectus was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or R&D services with us.

### FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 37 of the Accountant's Report in Appendix I to this prospectus.

#### Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and USD in which we conduct business may affect our financial condition and results of operations.

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## FINANCIAL INFORMATION

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The following table demonstrates the sensitivity at the end of each period of the Track Record Period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of our loss before tax (due to changes in the fair value of monetary assets and liabilities) and our equity.

	Increase/(decrease) in USD/RMB rate	Increase/(decrease) in loss before tax/equity
	(%)	(RMB in thousands)
<b>Year ended December 31, 2022</b>		
If the RMB weakens against the USD . . . . .	10	(26,063)
If the RMB strengthens against the USD . . . . .	(10)	26,063
<b>Year ended December 31, 2023</b>		
If the RMB weakens against the USD . . . . .	10	(3,182)
If the RMB strengthens against the USD . . . . .	(10)	3,182
<b>Year ended December 31, 2024</b>		
If the RMB weakens against the USD . . . . .	10	(3,272)
If the RMB strengthens against the USD . . . . .	(10)	3,272
<b>Six months ended June 30, 2025</b>		
If the RMB weakens against the USD . . . . .	10	(2,973)
If the RMB strengthens against the USD . . . . .	(10)	2,973

### Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant.

For the analysis of the maximum exposure to credit risk based on our credit policy and the credit quality, see Note 37 to the Accountant’s Report in Appendix I to this prospectus.

### Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows.

For the analysis of the maturity profile of our financial liabilities based on the contractual undiscounted payments, see Note 37 to the Accountant’s Report in Appendix I to this prospectus.

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## FINANCIAL INFORMATION

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### IMPACT OF COVID-19 PANDEMIC

Since the end of December 2019, the COVID-19 pandemic has materially and adversely affected the global economy. In response, countries and regions worldwide, including mainland China, implemented various measures to contain the virus's spread, such as social distancing, travel restrictions, quarantine, and remote work.

Although the recurrence of the pandemic in 2022 temporarily affected the mobility of certain operations — such as the extended implementation and delivery processes — and prompted us to undertake measures to mitigate the impact on our business and financial condition, including temporary office closures, remote work arrangements, and additional support for R&D activities, we believe that COVID-19 did not have any material adverse impact on our business and financial condition during the Track Record Period and up to the Latest Practicable Date. This assessment is primarily based on the following considerations: (i) we did not encounter difficulties in securing timely and sufficient supplies; (ii) we did not experience significant disruption in the development and deployment of our solutions to customers; and (iii) there was no material labor shortage attributable to the COVID-19 pandemic. As the COVID-19 pandemic has subsided since early 2023, we do not anticipate any further material impact from COVID-19 going forward.

### DIVIDENDS AND DIVIDEND POLICY

As of December 31, 2022, 2023, 2024 and June 30, 2025, no dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

### WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents, we have sufficient working capital for our present requirements, that is at least 12 months from the date of this prospectus.

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## FINANCIAL INFORMATION

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Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) purchase of items of property, plant and equipment, and (iii) lease payment. Our historical cash burn rate was RMB23.1 million, RMB17.7 million, RMB10.8 million and RMB17.5 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, mainly representing our expenditure in selling and marketing activities, R&D activities and administrative management activities throughout the Track Record Period. We had relatively higher cash burn rates in 2022 and 2023, primarily due to relatively higher selling and marketing expenses in 2022 and the share-based payments in 2023.

Our cash burn rate in 2024 is more representative compared to that in 2022, 2023, as it reflects our operational and cost structure in the latest full year, particularly following the launch of our FastAGI enterprise AI solution in November 2023, after which our business model gradually stabilized.

We had cash and cash equivalents, financial assets at fair value through profit or loss and pledged deposits of RMB185.0 million as of June 30, 2025. We estimate that we will receive net proceeds of approximately HK\$609.8 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming an Offer Price of HK\$26.66 per Offer Share. Assuming that the average cash burn rate going forward will be similar to the cash burn rate level in 2024 for the sake of prudence although the cash burn rate is subject to change due to various factors including but not limited to the business development, industry trend and customers' requirement, based on the underlying assumptions that (i) our workforce growth will generally align with our business expansion, (ii) we do not expect substantial capital investment, and (iii) we do not expect significant acquisitions of fixed assets, we estimate that our cash and cash equivalents, financial assets at fair value through profit or loss and pledged cash as of June 30, 2025 will be able to maintain our financial viability for 17 months or, if we take into account 10% of the estimated net proceeds from the Listing (namely, the portion allocated for our working capital and other general corporate purposes), 22 months or, if we also take into account the estimated net proceeds from the Listing, 69 months.

We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, bank facilities and external financings. We do not expect to have next round of financing before the Global Offering.

### **DISTRIBUTABLE RESERVES**

As of June 30, 2025, we did not have any distributable reserves.

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## **FINANCIAL INFORMATION**

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### **LISTING EXPENSES**

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB91.5 million (assuming an Offer Price of HK\$26.66 per Offer Share), representing 14.2% of the gross proceeds of the Global Offering. During the Track Record Period, we incurred listing expenses of RMB26.9 million. We expect to incur additional listing expenses of approximately RMB64.6 million, of which approximately RMB26.8 million is expected to be recognized in the consolidated statements of profit or loss as general and administrative expenses and approximately RMB37.8 million is expected to be recognized as a deduction in equity directly upon the Listing. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our listing expenses are composed of (i) underwriting commission of approximately RMB40.5 million, and (ii) non-underwriting related expenses of approximately RMB51.0 million, which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB21.4 million and other fees and expenses of approximately RMB29.6 million.

### **UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

See “Appendix II — Unaudited Pro Forma Financial Information.”

### **NO MATERIAL ADVERSE CHANGE**

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

### **DISCLOSURE REQUIRED UNDER THE LISTING RULES**

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

See “Business — Our Strategies” in this prospectus for a detailed description of our future plans.

### USE OF PROCEEDS

After deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, and assuming an Offer Price of HK\$26.66 per Share, we estimate that we will receive net proceeds of approximately HK\$609.8 million from the Global Offering. We intend to use the proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 40% of the net proceeds, or HK\$243.9 million, will be used for enhancing our R&D capabilities in the next five years. In particular,

**Investments in R&D of our FastData Foil Data Fusion Platform, Deepexi enterprise large model platform, and our FastData enterprise data intelligence solution and FastAGI enterprise AI solution.**

- approximately 10.0% of the net proceeds, or HK\$61.0 million, will be used for enhancing the foundational capabilities of our FastData Foil Data Fusion Platform. We plan to enhance the real-time storage, analysis, and full value chain data tracking capabilities of our FastData Foil Data Fusion Platform for multi-modal, multi-dimensional, and multi-indicator data, further solidifying our technological strengths;
- approximately 10.0% of the net proceeds, or HK\$61.0 million, will be used for enhancing the foundational capabilities of our Deepexi enterprise large model platform. We plan to improve the platform’s industry applicability and intelligence level, equipping it with industry-specific reasoning capabilities to deliver more precise AI application support for our enterprise customers. Additionally, we plan to enhance the platform’s multi-system access and data interaction capabilities, thereby improving deployment efficiency;
- approximately 10.0% of the net proceeds, or HK\$61.0 million, will be used for enhancing the R&D of our FastData enterprise data intelligence solution and FastAGI enterprise AI solution. We plan to upgrade our solutions, enhance agentic application capabilities, and expand industry application scenarios to provide more efficient AI transformation support tailored to diverse technical systems and market needs at various stages. This will also involve building a collaborative framework that integrates enterprise data, knowledge logic, and business systems with multiple intelligent agents, enabling multi-model collaboration; and

## FUTURE PLANS AND USE OF PROCEEDS

To implement the above plans, over the next five years, we intend to (i) expand our R&D and industry expert teams by recruiting technology experts, industry experts, architects, and professional engineers from globally in the fields of AI, data intelligence, and software development; (ii) procure and upgrade software and hardware to support our R&D initiatives. Specifically, we plan to: (a) collaborate with leading GPU providers in China to acquire large-scale model training and inference all-in-one machines, which will deliver efficient and reliable computing power for customized model training and intelligent applications; (b) obtain professional programming tools to facilitate software development activities; and (c) implement R&D management tools to enhance project oversight and improve defect tracking efficiency; and (iii) invest in other R&D related activities.

The details of our implementation plan in relation to staff recruitment are set forth as below:

Position	Roles and functions	Experience and qualification required	Estimated No. of Staff to be recruited <sup>(1)</sup>
AI algorithm technology experts . . .	<ul style="list-style-type: none"> <li>• develop AI-powered algorithms;</li> <li>• optimize model performance including multi-modal models, model miniaturization; and</li> <li>• collaborate with industry experts to align technical solutions with business needs</li> </ul>	<ul style="list-style-type: none"> <li>• rich experience in AI research and development and AI industry application</li> </ul>	2026:2 2027:3 2028:5 2029:3 2030:2 <b>Total:15</b>
Industry experts (R&D) . . .	<ul style="list-style-type: none"> <li>• identify and interpret industry-specific pain points; and</li> <li>• validate the business value of AI solutions</li> </ul>	<ul style="list-style-type: none"> <li>• rich experience in a vertical industry, with leadership in digital transformation initiatives; and</li> <li>• familiarity with industry data standards</li> </ul>	2026:2 2027:4 2028:4 2029:4 2030:1 <b>Total:15</b>

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## FUTURE PLANS AND USE OF PROCEEDS

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Position	Roles and functions	Experience and qualification required	Estimated No. of Staff to be recruited <sup>(1)</sup>
System architects	<ul style="list-style-type: none"> <li>• design scalable AI system architectures; and</li> <li>• balance system performance, cost-efficiency, and maintainability</li> <li>• optimize heterogeneous computing</li> </ul>	<ul style="list-style-type: none"> <li>• rich experience in AI architecture design</li> </ul>	2026:2 2027:3 2028:4 2029:2 2030:2 <b>Total:13</b>
Professional engineers	<ul style="list-style-type: none"> <li>• build data infrastructure;</li> <li>• deploy production-grade models</li> <li>• develop monitoring tools and optimize inference engine</li> <li>• implement architectural designs from the architect</li> </ul>	<ul style="list-style-type: none"> <li>• major in Computer Science, Software Engineering; and</li> <li>• development experience with Python, Java, or Scala</li> </ul>	2026:2 2027:3 2028:5 2029:3 2030:2 <b>Total:15</b>

*Note:*

- (1) Our plan to recruit approximately 58 R&D personnel over the next five years is not in conflict with the downward trend during the Track Record Period, as: (i) the decrease in R&D staff from 2022 to 2024 was primarily driven by (a) a strategic shift, team restructuring, and resource reallocation from FastData solution to FastAGI solution, Data+AI and other emerging technologies, and (b) the outsourcing of certain R&D functions, such as data annotation and testing, to improve operational efficiency; (ii) the planned recruitment does not overlap with the R&D roles reduced during the Track Record Period in terms of areas of expertise and professional background; and (iii) the new hires will support breakthroughs in core technologies, enhance product performance, and enable the deployment of industry-specific solutions.

## FUTURE PLANS AND USE OF PROCEEDS

### Investments in joint R&D with independent third-party laboratories.

- approximately 2.5% of the net proceeds, or HK\$15.2 million, will be used for strengthening joint R&D with renowned domestic and international university laboratories. The research focus will include (i) model security and AI agent optimization, and (ii) the enhancement of the Deepnova knowledge platform, aimed at increasing our community influence and promoting technology dissemination. Through deep collaboration with academic institutions, we aim to accelerate the industrialization of scientific research outcomes, continuously explore diversified hybrid technology stacks, and strengthen our solution capabilities.

### Investments in building our computing power platform.

- approximately 7.5% of the net proceeds, or HK\$45.7 million, will be used for building our computing power platform. We plan to (i) build our computing power platform through cloud services leasing to support training and inference applications for our Deepexi enterprise large model platform, and (ii) optimize the computing power scheduling mechanism to improve the utilization efficiency of heterogeneous computing resources. Supported by an efficient computing power platform, we aim to establish a solid foundation for the training and deployment of enterprise-specific large models, reducing computing power costs and enhancing the accessibility of AI applications.

The following table sets forth a breakdown of details of our proposed allocation of net proceeds for enhancing our R&D capabilities from 2026 to 2030, based on our current estimation, which is subject to changes based on our actual needs and market conditions at the relevant time.

	Year ending December 31,					Total
	2026	2027	2028	2029	2030	
	<i>(HKD in million)</i>					
FastData Foil Data Fusion Platform . . . . .	4.2	8.4	16.3	16.6	15.4	<b>61.0</b>
Deepexi enterprise large model platform . . . . .	4.2	8.4	16.3	16.6	15.4	<b>61.0</b>
R&D of our FastData enterprise data intelligence solution and FastAGI enterprise AI solution . . . . .	4.2	8.4	16.3	16.6	15.4	<b>61.0</b>
Joint R&D with independent third-party laboratories . . . . .	1.5	2.3	3.8	3.8	3.8	<b>15.2</b>
Computing power platform . . . . .	<u>4.6</u>	<u>6.9</u>	<u>11.4</u>	<u>11.4</u>	<u>11.4</u>	<u>45.7</u>
<b>Total . . . . .</b>	<b><u>18.8</u></b>	<b><u>34.3</u></b>	<b><u>64.1</u></b>	<b><u>65.2</u></b>	<b><u>61.4</u></b>	<b><u>243.9</u></b>

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## FUTURE PLANS AND USE OF PROCEEDS

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- approximately 30% of the net proceeds, or HK\$182.9 million, will be used for the expansion of our sales network and customer base in China, enhancing our commercialization capabilities. In particular,
  - approximately 10% of the net proceeds, or HK\$61.0 million, will be used for strengthening the penetration of our solutions in the cities where we currently operate. We plan to (i) expand our sales, technical support, and delivery teams in existing cities such as Beijing and Shenzhen to improve our responsiveness and localized customization services, while also deepening our engagement with our leading enterprise customers, primarily operating in manufacturing, consumer goods and electronics sectors, (ii) establish vertical channel networks in key industries such as consumer goods, manufacturing, healthcare and transportation industries by cultivating dedicated channel partners and providing them with professional technical training, sales support, and marketing resources, and (iii) develop industry-standardized solutions for our growth-oriented enterprise customers to enhance the sales and delivery capabilities of channel partners;
  - approximately 10% of the net proceeds, or HK\$61.0 million, will be used for expanding our business coverage in new cities through the establishment of offices or sales subsidiaries. We plan to (i) set up approximately three new sales offices and approximately two technical support centers in major second- and third-tier cities across the provinces of Hubei, Hunan and Henan, each staffed with approximately 25 to 35 employees and equipped to provide customer conference support, to better serve regional key customers primarily engaging in healthcare and energy sectors, (ii) build a multi-level customer coverage network to improve the regional sales management system in China, and (iii) establish a regional channel partner network, supported by localized channel strategies and incentive policies;
  - approximately 5% of the net proceeds, or HK\$30.5 million, will be used for establishing an experienced team of professional expansion support experts for the consumer goods, manufacturing, healthcare and transportation industries. We plan to recruit industry experts with a global perspective to support the cross-regional business expansion and solution adaptation. This will involve (i) leveraging our experience with existing leading enterprise customers to expand into other key players in the consumer goods industry, (ii) addressing the digital transformation needs of enterprises in intelligent and precision manufacturing within the manufacturing industry, (iii) focusing on the application expansion of scenarios such as medical imaging analysis and clinical auxiliary diagnosis in the healthcare industry, and (iv) targeting the transportation industry by developing solutions for intelligent transportation systems, urban public transit optimization, and smart fleet management; and

## FUTURE PLANS AND USE OF PROCEEDS

- approximately 5% of the net proceeds, or HK\$30.5 million, will be used for exploring different industries. We plan to (i) conduct market research and application scenario analysis in potential industries such as finance, energy, and education to broaden our industry coverage, (ii) establish a sales channel system tailored to different industries, and (iii) form an industry solution expert team to build industry-specific knowledge and enhance the replicability of our solutions.

To implement the above plans, over the next five years, we intend to (i) recruit 30 sales personnel, (ii) recruit 30 technical support and delivery engineers, (iii) recruit 22 industry experts, and (iv) recruit 22 sales channel talents.

Position	Roles and functions	Experience and qualification required	Estimated No. of Staff to be recruited
Sales personnel	<ul style="list-style-type: none"> <li>• client acquisition; and</li> <li>• client relationship management</li> </ul>	<ul style="list-style-type: none"> <li>• AI and industry expertise; and</li> <li>• software and technical solution sales experience</li> </ul>	2026:4
			2027:5
			2028:7
			2029:7
			2030:7
<b>Total:30</b>			
Technical support and delivery engineers	<ul style="list-style-type: none"> <li>• project implementation;</li> <li>• solution presentation; and</li> <li>• training</li> </ul>	<ul style="list-style-type: none"> <li>• major in AI, data intelligence, and computer science; and</li> <li>• experience in project implementation and deployment</li> </ul>	2026:4
			2027:5
			2028:7
			2029:7
			2030:7
<b>Total:30</b>			
Industry experts (marketing)	<ul style="list-style-type: none"> <li>• locate and apply technology to solve industry pain points; and</li> <li>• provide industry support to sales team</li> </ul>	<ul style="list-style-type: none"> <li>• rich industry operations or research experience</li> </ul>	2026:2
			2027:4
			2028:5
			2029:5
			2030:6
<b>Total:22</b>			
Sales channel talents	<ul style="list-style-type: none"> <li>• manage channel partner relationship;</li> <li>• develop channel strategy; and</li> <li>• recruit channel partners</li> </ul>	<ul style="list-style-type: none"> <li>• experience in sales channel setup and management.</li> </ul>	2026:2
			2027:4
			2028:5
			2029:5
			2030:6
<b>Total:22</b>			

## FUTURE PLANS AND USE OF PROCEEDS

The following table sets forth a breakdown of details of our proposed allocation of net proceeds for the expansion of our sales network and customer base in China from 2026 to 2030, based on our current estimation, which is subject to changes based on our actual needs and market conditions at the relevant time.

	Year ending December 31,					Total
	2026	2027	2028	2029	2030	
	<i>(HKD in million)</i>					
Strengthening the penetration of our solutions in the cities where we currently operate . . .	4.2	8.4	16.3	16.6	15.4	<b>61.0</b>
Expanding our business coverage in new cities through the establishment of offices or sales subsidiaries . . . . .	4.2	8.4	16.3	16.6	15.4	<b>61.0</b>
Establishing an experienced team of professional expansion support experts for the consumer goods, manufacturing, healthcare and transportation industries . . . . .	2.1	4.2	8.1	8.3	7.7	<b>30.5</b>
Exploring different industries . . .	<u>2.1</u>	<u>4.2</u>	<u>8.1</u>	<u>8.3</u>	<u>7.7</u>	<b><u>30.5</u></b>
<b>Total . . . . .</b>	<b><u>12.7</u></b>	<b><u>25.2</u></b>	<b><u>48.9</u></b>	<b><u>49.9</u></b>	<b><u>46.2</u></b>	<b><u>182.9</u></b>

- approximately 15% of the net proceeds, or HK\$91.5 million, will be used for overseas business expansion.
  - approximately 10% of the net proceeds, or HK\$61.0 million, will be used for the establishment of approximately two new overseas branches and offices, each staffed with approximately 25 to 35 employees and equipped to provide customer conference support. Leveraging our successful experience in Hong Kong, we will further solidify our presence in the Hong Kong market and subsequently expand in a structured manner into key regions along the Belt and Road, including Southeast Asia and the Middle East. We plan to set up an overseas marketing headquarter in Hong Kong to develop global market expansion strategies and coordinate regional marketing resources.

We intend to adopt a series of measures to obtain orders from overseas customers and compete with local market players: (i) build a pipeline of potential clients through industry databases, trade fair directories, and other professional channels, supported by market research and needs analysis to develop targeted engagement strategies; (ii) identify two to three representative enterprises in the target market to initiate pilot projects and

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## FUTURE PLANS AND USE OF PROCEEDS

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demonstrate the effectiveness of our solutions; and (iii) collaborate with local system integrators and IT service providers to leverage their customer networks and market presence.

In addition, we will prioritize solution localization and technical adaptation by establishing local technical teams to customize our solutions based on regional industry characteristics, ensuring alignment with local business processes and data structures. Our solutions will support local language interfaces and comply with applicable cybersecurity, and regulatory requirements in each jurisdiction.

- approximately 5% of the net proceeds, or HK\$30.5 million, will be used for overseas marketing and promotion activities. To enhance our international visibility and brand recognition, we plan to (i) launch marketing and promotional campaigns abroad, including active participation in leading international AI technology exhibitions and forums to showcase our technological capabilities and strengthen our global brand presence, (ii) implement digital marketing initiatives by publishing customer success stories and expert interviews on industry media platforms to build brand credibility; (iii) pursue technical certifications and industry awards from reputable international institutions to enhance market trust and demonstrate the quality and reliability of our solutions; and (iv) establish collaborative relationships with local research institutions and industry associations overseas to gain policy support, participate in the development of industry standards, and strengthen our influence in overseas markets.

To implement the above plans, over the next five years, we intend to (i) recruit 14 sales personnel, (ii) recruit 14 technical support and delivery engineers, (iii) recruit 11 industry experts, and (iv) recruit 11 sales channel talents. The following tables set forth a detailed implementation plans for overseas business expansion from 2026 to 2030.

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### Three-phase Expansion Strategy

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Phase I (2026-2027) . . . . .	We intend to expand our local office, with a strategic focus on serving customers in healthcare industry, by leveraging our successful pilot deployments in Hong Kong.
Phase II (2027-2028) . . . . .	We plan to target Belt and Road Initiative markets in Southeast Asia and the Middle East by establishing one new overseas office.
Phase III (2029-2030) . . . . .	We plan to expand our presence to additional Belt and Road regions, growing to approximately two overseas offices.

## FUTURE PLANS AND USE OF PROCEEDS

Position	Roles and functions	Experience and qualification required	Estimated No. of Staff to be recruited
Sales personnel . . .	<ul style="list-style-type: none"> <li>• business development in overseas market;</li> <li>• client acquisition; and</li> <li>• client relationship management</li> </ul>	<ul style="list-style-type: none"> <li>• AI and industry expertise; and</li> <li>• overseas enterprise sales experience</li> </ul>	2026:2
			2027:2
			2028:3
			2029:3
			2030:4
<b>Total:14</b>			
Technical support and delivery engineers . . .	<ul style="list-style-type: none"> <li>• overseas project implementation;</li> <li>• adapt solutions to meet local requirements; and</li> <li>• solution presentation</li> </ul>	<ul style="list-style-type: none"> <li>• major in AI, data intelligence, and computer science; and</li> <li>• overseas experience in project implementation and deployment</li> </ul>	2026:2
			2027:2
			2028:3
			2029:3
			2030:4
<b>Total:14</b>			
Industry experts . . . .	<ul style="list-style-type: none"> <li>• provide overseas industry expertise to adapt solutions to meet local requirements; and</li> <li>• provide industry support to sale teams</li> </ul>	<ul style="list-style-type: none"> <li>• overseas experience in target industry operations or research</li> </ul>	2026:1
			2027:1
			2028:2
			2029:3
			2030:4
<b>Total:11</b>			
Sales channel talents . . . .	<ul style="list-style-type: none"> <li>• establish international channel partner networks; and</li> <li>• develop region-specific channel programs</li> </ul>	<ul style="list-style-type: none"> <li>• overseas experience in sales channel setup and management</li> </ul>	2026:1
			2027:1
			2028:2
			2029:3
			2030:4
<b>Total:11</b>			

According to Frost & Sullivan, the market size of the Southeast Asia and the Middle East enterprise large model AI application solution, in terms of revenue, is expected to increase from US\$0.6 billion in 2024 to US\$5.7 billion in 2029, representing a CAGR of 111.8% from 2024 to 2029. Both Southeast Asia and the Middle East are undergoing rapid digital transformation, supported by strategic government initiatives such as ASEAN’s Digital Economy Framework Agreement and the UAE AI Strategy 2031. These programs are designed to foster innovation, drive economic diversification, and stimulate demand for AI-powered solutions, thereby creating a favorable environment for market entry and expansion. Additionally, the linguistic diversity across both regions has generated strong demand for multilingual LLMs that are attuned to local languages and cultural contexts. Existing global models, which are predominantly trained in English, often fall short in meeting these regional needs. This presents a clear opportunity for Chinese providers to offer

## FUTURE PLANS AND USE OF PROCEEDS

localized solutions. With established competitive strength in AI, particularly in the development of LLMs, Chinese companies are well-positioned to capture market opportunities as they expand into these regions.

As of June 30, 2025, we have secured agreements with two international customers, representing a total order value of approximately RMB12.0 million, for which revenue has not yet been recognized. As of the same date, we were in commercial negotiations with an additional four international customers.

The following table sets forth a breakdown of details of our proposed allocation of net proceeds for overseas business expansion from 2026 to 2030, based on our current estimation, which is subject to changes based on our actual needs and market conditions at the relevant time.

	Year ending December 31,					Total
	2026	2027	2028	2029	2030	
	<i>(HKD in million)</i>					
Establishment of overseas branches and offices . . . . .	2.7	6.0	10.7	16.9	24.6	<b>61.0</b>
Overseas marketing and promotion activities . . . . .	<u>1.4</u>	<u>3.0</u>	<u>5.4</u>	<u>8.5</u>	<u>12.3</u>	<b>30.5</b>
<b>Total . . . . .</b>	<b><u>4.1</u></b>	<b><u>9.0</u></b>	<b><u>16.1</u></b>	<b><u>25.4</u></b>	<b><u>36.9</u></b>	<b><u>91.5</u></b>

- approximately 5% of the net proceeds, or HK\$30.5 million, will be used for potential investment, merger, and acquisition opportunities aimed at further strengthening our core technological capabilities and solidifying our technological strengths. Our focus for potential investments and acquisitions will be on companies with complementary solutions that align with our existing offerings to create synergies, as well as suitable targets with innovative technologies that are compatible and complementary to our technology platform.

Specifically, our evaluation criteria include: (i) businesses with technologies that complement our existing solutions, ranging from advanced technologies that enhance our overall technological capabilities, to specialized offerings that improve the efficiency and completeness of our solution deployment; (ii) businesses with established industry expertise in industries where we have a strong presence and aim to deepen market penetration, as well as in industries we may enter in the future; and (iii) businesses that hold leading positions within their industries, supported by a substantial user base and a consistent record of financial stability. For example, we will prioritize target companies with annual revenue exceeding RMB100 million in their latest fiscal year. Our Directors believe that there is a sufficient number of potential targets we could choose from. According to Frost & Sullivan, there were over 100 specialist technology companies or AI application companies as of December 31, 2024 in the market that would meet our

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## FUTURE PLANS AND USE OF PROCEEDS

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acquisition criteria, representing suitable strategic opportunities for our expansion plans. As of the Latest Practicable Date, we had not identified any investment or acquisition target or enter into any definitive investment or acquisition agreement.

As a result of our investment, merger, and acquisition plans, our cash used in investing activities may increase. However, we believe this impact will be offset by our business growth, as these initiatives are expected to enhance our technical capabilities, expand our product offerings, and attract customers from new industries.

- approximately 10% of the net proceeds, or HK\$61.0 million, as working capital and for general corporate uses.

To the extent that the net proceeds from the Global Offering are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

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## UNDERWRITING

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### HONG KONG UNDERWRITERS

CLSA Limited  
CMBC Securities Company Limited  
Guotai Junan Securities (Hong Kong) Limited  
SPDB International Capital Limited  
BOCOM International Securities Limited  
Livermore Holdings Limited  
Yellow River Securities Limited

### UNDERWRITING ARRANGEMENTS AND EXPENSES

#### Hong Kong Public Offering

##### *Hong Kong Underwriting Agreement*

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering 1,331,600 Hong Kong Offer Shares (subject to re-allocation described below) for subscription by the public in Hong Kong on, and subject to, the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to:

- (a) the Listing Committee granting the listing of, and permission to deal in, our H Shares to be issued as mentioned in this prospectus and such listing and permission not subsequently being revoked; and
- (b) certain other conditions set out in the Hong Kong Underwriting Agreement,

the Hong Kong Underwriters have agreed severally, and not jointly, to subscribe for, or procure subscribers for, the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering, on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been entered into and becoming unconditional and not having been terminated.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the reallocation mechanism as disclosed in this prospectus), or change to the Offer Price, or if our Company becomes aware that there has been a significant adverse change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be made in this prospectus if it had arisen before this

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## UNDERWRITING

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prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer on FINI and issue a supplemental prospectus or a new prospectus.

### *Grounds for Termination*

The respective obligations of the Hong Kong Underwriters to subscribe for, or procure subscribers for, the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. The Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion terminate the Hong Kong Underwriting Agreement with immediate effect upon giving notice orally or in writing to our Company at any time prior to 8:00 a.m. on the Listing Date (the “**Termination Time**”) if any of the following events shall occur prior to the Termination Time:

- (a) there develops, occurs, exists or comes into effect:
  - (i) any new law or regulation or any change or development or announcement or publication involving a prospective change or any event or circumstance likely to result in a change or a development or announcement or publication involving a prospective change in any existing law or regulation, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent governmental authority in or affecting Hong Kong, the PRC, Singapore, the United States, the United Kingdom, the European Union (or any member thereof) or any other jurisdiction relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively “**Relevant Jurisdictions**”); or
  - (ii) any change or development involving a prospective change or development, or any event or circumstances or series of events likely to result in or representing a change or development, in any local, national, regional or international financial, political, military, industrial, economic, exchange control, currency market, fiscal, legal, regulatory or market conditions or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, credit markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States or a change of the Hong Kong dollars or of the RMB against any foreign currencies) or the implementation of any exchange control in or affecting any Relevant Jurisdictions or affecting an investment in the Offer Shares; or
  - (iii) any event or series of events, whether in continuation, or circumstances in the nature of force majeure (including, without limitation, acts of government, calamity, crisis, or, labour disputes, strikes, lock-outs, fire, explosion,

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## UNDERWRITING

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earthquake, flooding, tsunami, volcanic eruption, civil commotion, riots, rebellion, public disorder, acts of war (whether declared or undeclared), acts of terrorism (whether or not responsibility has been claimed), acts of God, accident or interruption in transportation, destruction of power plant, outbreak, escalation, mutation or aggravation of diseases, epidemics or pandemics including, without limitation, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS), COVID-19 and such related/mutated forms, economic sanction, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in whatever form) political change, paralysis of government operations, interruption or delay in transportation, or any industry action in, or directly or indirectly affecting any Relevant Jurisdiction; or

- (iv) the imposition or declaration of (A) any moratorium, suspension, restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Beijing Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange or the stock exchange in any other member of the European Union, or (B) any moratorium on, or disruption in, banking activities (commercial or otherwise) in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at the U.S. Federal or New York State level or by any other competent authority), London, the PRC, the European Union (or any member thereof) or any of the other Relevant Jurisdictions (declared by the relevant competent authorities) or foreign exchange trading or securities settlement or clearing services, procedures or matter in or affecting any of the Relevant Jurisdictions; or
- (v) any (A) change or prospective change in exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a change of the Hong Kong dollars or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollars is linked to that of the United States dollars or RMB is linked to any foreign currency or currencies), or (B) any change or prospective change in Taxation in any Relevant Jurisdiction adversely affecting an investment in the H Shares; or
- (vi) the other than with the prior written consent of the Joint Sponsors and the Overall Coordinators, the issue or requirement to issue by the Company of a supplemental or amendment to this prospectus, preliminary offering circular or offering circular or other documents in connection with the offer and sale of

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## UNDERWRITING

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the H Shares pursuant to the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules, or the CSRC Rules or upon any requirement or request of the Stock Exchange, the SFC or the CSRC; or

- (vii) any change or development involving a prospective change which has the effect of materialization of any of the risks set out in the section headed “Risk Factors” in this prospectus; or
- (viii) any litigation, dispute, legal action, regulatory investigation or claim being threatened or instigated against any subsidiary or the commencement by any governmental authority or other regulatory or law enforcement agency or organization in any Relevant Jurisdiction of any action or investigation against any Director or any member of the Controlling Shareholders Group, including being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (ix) a Governmental Authority or a regulatory body or organisation in any Relevant Jurisdiction commencing any investigation or other action or proceedings, or announcing an intention to investigate or take other action or proceedings, against any subsidiary, any Director or any warrantors; or
- (x) any contravention by any subsidiary or any Director or any member of the senior management of the Company of the Companies Ordinance, the PRC Company Law, the Listing Rules or any other applicable laws; or
- (xi) the Chairman of the Board or any executive Director named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or
- (xii) any executive Director or any member of senior management of the Company named in this prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
- (xiii) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

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## UNDERWRITING

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- (xiv) any material adverse change or prospective material adverse change in the assets, business, prospects, general affairs, management, shareholder's equity, earnings, profits, losses, properties, results of operations, in the position or condition (financial or otherwise) or prospects of any subsidiary (including any litigation or claim of any third party being threatened or instigated against any subsidiary); or
- (xv) any order or petition for, or any demand by creditors for repayment of indebtedness or a petition being presented for the winding-up or liquidation of any subsidiary, or any subsidiary making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any subsidiary or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any subsidiary or anything analogous thereto occurs in respect of any subsidiary; or
- (xvi) the imposition of comprehensive sanctions under any sanctions laws in, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdictions on or relevant to the Company or any subsidiary; or
- (xvii) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity,

which, in any such case (whether individually or in the aggregate) and in the sole and absolute opinion of the Joint Sponsors and Overall Coordinator (for themselves and on behalf of the Hong Kong Underwriters):

(A) has or will have or is likely to have a material adverse effect namely, prejudicially affects, the assets, liabilities, business, general affairs, management, shareholder's equity, profit, losses, earning, results of operations, performance, position or condition (financial or otherwise), or prospects of the Company or the Group as a whole; or (B) has or will have or may have a material adverse effect on the success or marketability of the Global Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares and/or has made or is likely to make or may make it impracticable or inadvisable or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the level of interest under the International Offering or the Global Offering to be performed or implemented as envisaged; or (C) makes or will make it or may make it inexpedient, impracticable or inadvisable or incapable to proceed with the Hong Kong Public Offering and/or International Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or (D) has or will or may have the effect of making a part of

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## UNDERWRITING

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the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents or delays the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

- (b) there has come to the notice of the Joint Sponsors and the Overall Coordinator (for themselves and on behalf of the Hong Kong Underwriters):
- (i) that any statement contained in the Hong Kong Public Offering Documents, the Disclosure Package, CSRC Filings, Operative Documents, the Preliminary Offering Circular, the Offering Circular and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or approved by, for or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto) (the “**Offer Related Documents**”) was, when it was issued or has become untrue, incomplete or incorrect in any material respects, inaccurate or misleading or deceptive or any forecasts, estimate, expressions of opinion, intention or expectation expressed or contained in any of the Offering Documents and/or any notices, announcements, advertisements, communications so issued or used are not fair and honest in any material respects and not made on reasonable grounds or, where appropriate, based on reasonable assumptions with reference to the facts and circumstances then subsisting, when taken as a whole; or
  - (ii) non-compliance of this prospectus, the CSRC Filings or any other documents used in connection with the contemplated subscription and sale of the Offer Shares or any aspect of the Global Offering with any applicable Laws (including, without limitation, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFO, the Listing Rules and the CSRC Rules) in any material respects; or
  - (iii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus constitute a material omission from, or material misstatement in, any of the Offer Related Documents issued or used by, for or on behalf of the Company in connection with the Global Offering (including any supplement or amendment thereto), not having been disclosed in the Offering Documents, and/or constitutes an material omission therefrom; or
  - (iv) either (i) there has been a breach of any of the representations, warranties, undertakings or provisions of either the Hong Kong Underwriting Agreement or the International Underwriting Agreement by any of the Company and any warrantors or (ii) any of the representations, warranties and undertakings given by the warrantors in the Hong Kong Underwriting Agreement or the

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## UNDERWRITING

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International Underwriting Agreement, as applicable, is or any event or circumstance rendering (or would when repeated be) untrue, incorrect, incomplete or misleading; or

- (v) any event, act or omission which gives or is likely to give rise to any liability of the warrantors pursuant to the indemnities given by the Company under the Hong Kong Underwriting Agreement or the International Underwriting Agreement (including any supplement or amendment thereto), as applicable; or
- (vi) any breach of any of the obligations of the Company and the warrantors under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (vii) any breach of, or any event rendering any of the Warranties untrue or incorrect or misleading in any material respect; or
- (viii) a significant portion of the orders in the bookbuilding process at the time of the International Underwriting Agreement is entered into, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise; or
- (ix) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect; or
- (x) any Expert, whose consent is required for the issue of this prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its consent; or
- (xi) admission is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the admission is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (xii) the Company has withdrawn the Offering Documents (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or
- (xiii) a prohibition on the Company for whatever reason from allotting or issuing the Offer Shares pursuant to the terms of the Global Offering.

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## UNDERWRITING

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### **Undertakings given to the Stock Exchange pursuant to the Listing Rules**

#### ***By our Controlling Shareholders Group***

Pursuant to Rules 10.07 and 18C.13 of the Listing Rules, our Controlling Shareholders Group has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, they shall not and shall procure that the relevant registered Shareholder(s) controlled by them shall not, in the period commencing on the date by reference to which disclosure of their shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in accordance with Note (2) to Rule 10.07(2) of the Listing Rules, or a share lending arrangement entered into by them pursuant to Rule 10.07(3) of the Listing Rules).

In addition, in accordance with Note 3 to Rule 10.07(2) of the Listing Rules, the Controlling Shareholders Group has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of their shareholdings in our Company are made in this prospectus and ending on the date which is 12 months from the Listing Date, they will:

- (a) when they pledge or charge, either individually or jointly, any securities in our Company beneficially owned by them in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and
- (b) when they receive indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by any of them will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by our Controlling Shareholders Group and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

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## UNDERWRITING

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### *By the Key Persons*

Pursuant to Rule 18C.14(1) of the Listing Rules, each of the key persons and their close associates (the “**Key Persons**”), comprising Mr. Zhao, Deepexi Huachuang, Deepexi Huaying, Mr. Yang, have irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, it/he/she shall not and shall procure that its/his/her respective close associates and the relevant registered Shareholder(s) controlled by it/him/her shall not, in the period commencing on the date by reference to which disclosure of its/his/her shareholdings (or its/his/her respective close associate’s shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it/he/she (or its/his/her respective close associate, if applicable) is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Key Persons has further irrevocably and unconditionally undertaken to us and the Stock Exchange, and shall procure its/his/her respective close associates, that within the period commencing on the date by reference to which disclosure of its/his/her shareholdings (or its/his/her respective close associate’s shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she will:

- (a) when it/he/she (or its/his/her respective close associate) pledges or charges any securities in our Company beneficially owned by it/him/her (or by its/his/her respective close associate) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and
- (b) when it/he/she (or its/his/her respective close associate) receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him/her (or by its/his/her respective close associate) will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of the Key Persons and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

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## UNDERWRITING

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### *By Pathfinder SIIs*

Pursuant to Rule 18C.14(2) of the Listing Rules, each of the Pathfinder SIIs has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, it shall not, and shall procure that the relevant registered holder(s) shall not, in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Pathfinder SIIs has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it will:

- (a) when it pledges or charges any securities in our Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and
- (b) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities beneficially owned by it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in paragraphs (a) and (b) above by any of the Pathfinder SIIs and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

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## UNDERWRITING

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### Undertakings given to the Hong Kong Underwriters

#### *By our Company*

Our Company has undertaken to each of the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that except for the offer and sale of the Offer Shares pursuant to the Global Offering, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is 6 months after the Listing Date (the “**First Six-Month Period**”), we will not, without the prior written consent of the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) and unless in compliance with the requirements of the Listing Rules:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create a mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind (“**Encumbrance**”) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any shares or other securities of our Company); or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of H Shares or any other shares or securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any shares or other securities of our Company); or
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

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## UNDERWRITING

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in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or such other securities of our Company, or in cash or otherwise (whether or not the issue of H Shares or such other securities will be completed within the First Six-Month Period).

In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), our Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall ensure that it will not create a disorderly or false market in the securities of our Company. Each of the warrantors (being our Controlling Shareholders Group) undertakes to each of the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries to procure our Company to comply with the undertakings in the Hong Kong Underwriting Agreement.

### *By our Controlling Shareholders Group*

Our Controlling Shareholders Group has undertaken to each of our Company, the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, except as pursuant to the Global Offering without the prior written consent of the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) and unless in compliance with the requirements of the Listing Rules (including Rule 10.07(3) of the Listing Rules and Note (2) to Rule 10.07(2) of the Listing Rules), each of them will not, and will procure that the relevant registered holder(s) will not, at any time during the 12 months from the Listing Date,

- (a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create any mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind (an “**Encumbrance**”) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares, or any such other securities or any interest in any of the foregoing, as applicable) (the “**Relevant H Shares**”) or any interest in any company or entity holding, directly or indirectly, any of the Relevant H Shares (the “**Holding Entity**”);

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## UNDERWRITING

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- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant H Shares or the interest in any Holding Entity;
- (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or
- (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or such other securities of our Company, as applicable, or in cash or otherwise (whether or not the issue of H Shares or such other securities will be completed within the aforesaid period).

Notwithstanding anything to the contrary set out above, our Controlling Shareholders Group shall not be prevented from conducting any of the actions in relation to any Relevant H Shares as set out in the above if they would remain as the sole beneficial owner (whether direct or indirect) of such Relevant H Shares as a result of any such action.

Our Controlling Shareholders Group has further undertaken to each of our Company, the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, within the period commencing on the date of this prospectus and ending on the date which is 12 months after the Listing Date, he will immediately inform our Company, the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators and the Joint Global Coordinators of:

- (i) any pledges or charges of any H Shares or other securities (including any interests therein) of our Company beneficially owned by him, together with the number of H Shares or other securities (including any interests therein) of our Company so pledged or charged and the purpose for which such pledge or charge is to be created; and
- (ii) any indication received by him, either verbal or written, from the pledgee or chargee of any H Shares or other securities (including any interests therein) of our Company pledged or charged that such H Shares or other securities (including any interests therein) of our Company so pledged or charged will be disposed of.

Notwithstanding anything to the contrary set out above, our Controlling Shareholders Group shall not be prevented from the disposal of any of the Shares in respect of which anyone of them is shown in this prospectus to be a beneficial owner (whether direct or indirect) in the following circumstances: (i) pursuant to a pledge or charge in favor of any authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), as security for a bona fide commercial loan; (ii) pursuant to a power of sale under the pledge or charge (granted pursuant to (i) above); or (iii) in any other exceptional circumstances to which the Stock Exchange has given its prior approval.

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## UNDERWRITING

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### *Underwriters' interest in our Group*

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, as of the Latest Practicable Date, none of the Underwriters was interested directly or indirectly in any of our Shares or securities or any shares or securities of any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any of our Shares or securities or any shares or securities of any other member of our Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of our H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and International Underwriting Agreement.

### **The Joint Sponsors' Independence**

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

### **The International Offering**

#### *International Underwriting Agreement*

In connection with the International Offering, we expect to enter into the International Underwriting Agreement on October 24, 2025 with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally and not jointly, agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares initially being offered pursuant to the International Offering. See “Structure and Conditions of the Global Offering — The International Offering” in this prospectus.

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## UNDERWRITING

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### **Total Commission and Expenses**

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 3.75% of the aggregate Offer Price of all the Offer Shares (the “**Fixed Fees**”). Our Company may, at our sole and absolute discretion, pay to all the Underwriters and the Capital Market Intermediaries an incentive fee not exceeding 2.5% of the Offer Price of all the Offer Shares (collectively, the “**Discretionary Fees**”).

The ratio of Fixed Fees and Discretionary Fees payable to all Underwriters and the Capital Market Intermediaries is therefore approximately 60%:40%. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters (and not the Hong Kong Underwriters). No additional fee will be payable by our Company to the Underwriters and the Capital Market Intermediaries. The Joint Sponsors will, in addition, receive a fee acting as the sponsor to the Listing and will be reimbursed for their expenses.

Based on an Offer Price of HK\$26.66, the aggregate commissions and estimated expenses, together with the Stock Exchange listing fee, SFC transaction levy, AFRC transaction levy, Stock Exchange trading fee, legal and other professional fees, printing and other fees and expenses, payable by our Company relating to the Global Offering, are estimated to amount to, in aggregate, HK\$91.5 million in total and are payable by us.

### **Indemnity**

We have undertaken to indemnify and keep indemnified on demand (on an after-tax basis) and hold harmless each of the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries (for themselves and on trust for its directors, supervisors, officers, employees, agents, assignees and affiliates) from and against certain losses which they may suffer, including liabilities under the U.S. Securities Act, losses arising from their performance of their obligations under the Underwriting Agreements and any breach by us of the Underwriting Agreements, as the case may be.

### **Restrictions on the Offer Shares**

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

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## UNDERWRITING

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### Activities by Syndicate Members

The Hong Kong Underwriters and the International Underwriters (together, the “**Syndicate Members**”) and their respective affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting process.

The Syndicate Members and their respective affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members or their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities relating to our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group’s loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members or their respective affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (the financing of which may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members or their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their respective affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

It should be noted that when engaging in any of these activities, the Syndicate Members or their respective affiliates will be subject to certain restrictions, including the following:

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## UNDERWRITING

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- (a) the Syndicate Members or their respective affiliates must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
  
- (b) the Syndicate Members or their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO which includes the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, derivative and other services to us and our affiliates, for which the Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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### THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- the Hong Kong Public Offering of initially 1,331,600 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the paragraph headed “The Hong Kong Public Offering”; and
- the International Offering of initially 25,300,400 Offer Shares (subject to reallocation as described below) outside the United States (including to professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for the Offer Shares in Hong Kong) in offshore transactions in reliance on Regulation S as described below in the paragraph headed “The International Offering”.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The 26,632,000 Offer Shares in the Global Offering will represent approximately 8.15% of our enlarged share capital immediately after the completion of the Global Offering.

References to applications, application monies or procedure for applications relate solely to the Hong Kong Public Offering.

### THE HONG KONG PUBLIC OFFERING

#### Number of Offer Shares initially offered

We are initially offering for subscription by the public in Hong Kong 1,331,600 Offer Shares, representing 5% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the Hong Kong Public Offering will represent approximately 0.41% of our enlarged issued share capital immediately after completion of the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set forth below in “— Conditions of the Global Offering”.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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### Allocation

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary depending on the number of Hong Kong Offer Shares validly applied for by applicants. We may, if necessary, allocate the Hong Kong Offer Shares on the basis of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Offer Shares available under the Hong Kong Public Offering is to be divided equally into two pools (subject to the reallocation of the Offer Shares between the Hong Kong Public Offering and the International Offering referred to below):

- Pool A: The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million or less (excluding brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable); and
- Pool B: The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million and up to the total value of pool B (excluding brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly. For the purpose of this subsection only, the “subscription price” for the Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 665,800 Hong Kong Offer Shares will be rejected.

### Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. Paragraph 4.2 of Practice Note 18 of the Listing Rules (as modified by Rule 18C.09 of the Listing Rules) requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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total number of Offer Shares offered under the Global Offering if the International Offer Shares are fully subscribed or over-subscribed and certain prescribed total demand levels are reached. In accordance with paragraph 4.2 of Practice Note 18 of the Listing Rules (as modified by Rule 18C.09 of the Listing Rules), if the number of Shares validly applied for under the Hong Kong Public Offering represents (i) 10 times or more but less than 50 times, and (ii) 50 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 2,663,200 Offer Shares, and 5,326,400 Offer Shares, respectively, representing 10% (in the case of (i)) and 20% (in the case of (ii)), respectively, of the total number of Offer Shares initially available under the Global Offering. In each case, the number of Offer Shares to be allocated to the International Offering will be correspondingly reduced and the additional Offer Shares will be allocated between Pool A and Pool B in such manner as the Overall Coordinators deem appropriate.

The Overall Coordinators may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B in accordance with Chapter 4.14 of the Guide for New Listing Applicants as follows: if (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are oversubscribed by less than 10 times of the number of Offer Shares initially available under the Hong Kong Public Offering, provided that the Offer Price would be fixed at HK\$26.66 per Offer Share, up to 1,331,600 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 2,663,200 Offer Shares, representing double of the number of the Offer Shares initially available under the Hong Kong Public Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may be reallocated as between these offerings at the discretion of the Overall Coordinators (for themselves and on behalf of the Underwriters). The Overall Coordinators may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering, in such proportions as the Overall Coordinators may, in their sole and absolute discretion, determine, subject to the requirements under Chapter 4.14 of the Guide for New Listing Applicants.

If the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators may, in their sole and absolute discretion, determine.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

### **Applications**

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application in the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK\$26.66 per Offer Share in addition to brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% on each Offer Share, amounting to a total of HK\$5,385.77 for one board lot of 200 H Shares.

## **THE INTERNATIONAL OFFERING**

### **Number of Offer Shares Initially Offered**

We will be initially offering for subscription under the International Offering 25,300,400 Offer Shares, representing 95% of the Offer Shares under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the International Offering will represent approximately 7.75% of our enlarged issued share capital immediately after completion of the Global Offering.

### **Allocation**

The International Offer Shares will conditionally be offered to selected professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional, institutional and other investors will be required to specify the number of the International Offer Shares under the International Offering they would be

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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prepared to acquire either at different prices or at a particular price. This process, known as “*book-building*,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

Allocation of the International Offer Shares pursuant to the International Offering will be determined by the Overall Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell its H Shares, after the Listing. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any applications of Offer Shares under the International Offering.

### **Reallocation**

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement as described above in “— The Hong Kong Public Offering — Reallocation” and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

### **PRICING AND ALLOCATION**

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “*book-building*,” is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering and publish an announcement or supplemental prospectus on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our websites at [www.deepexi.com](http://www.deepexi.com) (the contents of the websites do not form a part of this prospectus). Upon issue of such an announcement, the revised number of Offer Shares and/or Offer Price will be

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## **STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING**

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final and conclusive and the Offer Price, if agreed upon by the Overall Coordinators and us, will be fixed at the revised Offer Price. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also confirm or revise, as appropriate, the working capital statement, the use of proceeds, the Global Offering statistics as currently set out in “Summary”, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the number of Offer Shares and/or the Offer Price will not be reduced.

If you have already submitted an application for the Hong Kong Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, you will not be allowed to subsequently withdraw your application.

The results of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of the Hong Kong Offer Shares are expected to be made available in a variety of channels in the manner described in “How to Apply for Hong Kong Offer Shares — B. Publication of Results”.

### **CONDITIONS OF THE GLOBAL OFFERING**

Acceptance of all applications for Offer Shares is conditional on:

- the Listing Committee granting approval for the listing of, and permission to deal in our H Shares in issue and to be issued as described in this prospectus;
- the execution and delivery of the International Underwriting Agreement on or about October 14, 2025; and
- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than Wednesday, November 19, 2025, being the 30th day after the date of this prospectus.

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## **STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING**

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The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, each other offering becoming unconditional and not having been terminated in accordance with its respective terms. If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our websites at [www.deepexi.com](http://www.deepexi.com) on the next day following such lapse. In such an event, all application monies will be returned, without interest, on the terms set out in “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

### **UNDERWRITING AGREEMENTS**

The Hong Kong Public Offering is underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement.

We expect to enter into the International Underwriting Agreement relating to the International Offering on October 24, 2025.

Certain terms of the underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in “Underwriting”.

### **APPLICATION FOR LISTING ON THE STOCK EXCHANGE**

We have applied to the Listing Committee for the listing of, and permission to deal in, the Offer Shares being offered under the Global Offering.

### **ADMISSION OF THE H SHARES INTO CCASS**

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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## STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

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### DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, October 28, 2025, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, October 28, 2025.

The H Shares will be traded in board lots of 200 H Shares each.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) under the “HKEXnews > New Listings > New Listing Information” section, and our websites at [www.deepexi.com](http://www.deepexi.com).

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

#### A. APPLICATION FOR HONG KONG OFFER SHARES

##### 1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (*for the HK eIPO White Form service only*).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director, supervisor or any of his/her close associates.

##### 2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, October 20, 2025 and end at 12:00 noon on Thursday, October 23, 2025 (Hong Kong time).

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service . . . . .	<a href="http://www.hkeipo.hk">www.hkeipo.hk</a>	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, October 20, 2025 to 11:30 a.m. on Thursday, October 23, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, October 23, 2025, Hong Kong time.
HKSCC EIPO channel . . .	Your broker or custodian who is a HKSCC Participant will submit <b>electronic application instructions</b> on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants	For Corporate Applicants
<ul style="list-style-type: none"><li>• Full name(s)<sup>2</sup> as shown on your identity document</li><li>• Identity document's issuing country or jurisdiction</li><li>• Identity document type, with order of priority:<ul style="list-style-type: none"><li>i. HKID card; or</li><li>ii. National identification document; or</li><li>iii. Passport; and</li></ul></li><li>• Identity document number</li></ul>	<ul style="list-style-type: none"><li>• Full name(s)<sup>2</sup> as shown on your identity document</li><li>• Identity document's issuing country or jurisdiction</li><li>• Identity document type, with order of priority:<ul style="list-style-type: none"><li>i. Legal entity identifier ("LEI") registration document; or</li><li>ii. Certificate of incorporation; or</li><li>iii. Business registration certificate; or</li><li>iv. Other equivalent document; and</li></ul></li><li>• Identity document number</li></ul>

*Notes:*

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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3. If the applicant is a trustee, the client identification data (“CID”) of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document’s issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above

“Unlisted company” means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney’s authority.

Failing to provide any required information may result in your application being rejected.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### 4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . . 200 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . . Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK\$26.66 per H Share.

If you are applying through the HKSCC EIPO channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Public Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

## HOW TO APPLY FOR HONG KONG OFFER SHARES

No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable <sup>(2)</sup> on application/ successful allotment
<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>	
200	5,385.77	3,000	80,786.60	40,000	1,077,154.64	180,000	4,847,195.90
400	10,771.55	4,000	107,715.47	50,000	1,346,443.30	200,000	5,385,773.22
600	16,157.31	5,000	134,644.33	60,000	1,615,731.97	300,000	8,078,659.84
800	21,543.10	6,000	161,573.20	70,000	1,885,020.63	400,000	10,771,546.45
1,000	26,928.87	7,000	188,502.06	80,000	2,154,309.29	500,000	13,464,433.06
1,200	32,314.64	8,000	215,430.93	90,000	2,423,597.95	665,800 <sup>(1)</sup>	17,929,239.06
1,400	37,700.42	9,000	242,359.80	100,000	2,692,886.61		
1,600	43,086.18	10,000	269,288.66	120,000	3,231,463.93		
1,800	48,471.96	20,000	538,577.33	140,000	3,770,041.25		
2,000	53,857.73	30,000	807,865.98	160,000	4,308,618.58		

- (1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

### 5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply”. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The H Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practice Note**”) issued by the Federation of Share Registrars Limited.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

### 6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinator, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (vi) agree that the Relevant Persons<sup>Note</sup>, the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under “— G. Personal Data — 3. Purposes” and “— G. Personal Data — 4. Transfer of personal data”;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in “— B. Publication of Results”;
- (x) confirm that you are aware of the situations specified in “— C. Circumstances in Which You Will Not Be Allocated Hong Kong Offer Shares”;
- (xi) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xiii) confirm that (a) your application or HKSCC Nominees’ application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and the **HK eIPO White Form** Service Provider and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

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*Note:* The Relevant Persons would include the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their or the Company's respective directors, supervisors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### B. PUBLICATION OF RESULTS

#### Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

<u>Platform</u>	<u>Date/Time</u>
Applying through the <b>HK eIPO White Form</b> service or HKSCC EIPO channel:	
Website . . . . . From “Allotment Results” page at the designated results of allocations website at <a href="http://www.tricor.com.hk/ipo/result">www.tricor.com.hk/ipo/result</a> or <a href="http://www.hkeipo.hk/IPOResult">www.hkeipo.hk/IPOResult</a> with a “search by ID” function.	24 hours, from 11:00 p.m. on Monday, October 27, 2025 to 12:00 midnight on Sunday, November 2, 2025 (Hong Kong time)
The full list of (i) wholly or partially successful applicants using the <b>HK eIPO White Form</b> service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at <a href="http://www.hkeipo.hk/IPOResult">www.hkeipo.hk/IPOResult</a> (alternatively: <a href="http://www.tricor.com.hk/ipo/result">www.tricor.com.hk/ipo/result</a> ).	
The Stock Exchange’s website at <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> and our websites at <a href="http://www.deepexi.com">www.deepexi.com</a> which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, October 27, 2025 (Hong Kong time)
Telephone . . . . . +852 3691 8488 – the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Tuesday, October 28, 2025 to Monday, November 3, 2025 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Friday, October 24, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, October 24, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### Allocation Announcement

We expect to announce the results of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of the Hong Kong Offer Shares on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and our websites at [www.deepexi.com](http://www.deepexi.com) by no later than 11:00 p.m. on Monday, October 27, 2025 (Hong Kong time).

### C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

**1. If your application is revoked:**

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**2. If we or our agents exercise our discretion to reject your application:**

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

**3. If the allocation of Hong Kong Offer Shares is void:**

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

**4. If:**

- you make multiple applications or suspected multiple applications. You may refer to “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

### 5. If there is money settlement failure for allotted H Shares

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

**There is a risk of money settlement failure.** In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

### D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid at 8:00 a.m. on Tuesday, October 28, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
<b>Despatch/collection of H Share certificate(s)</b>		
<b>For application of 500,000 Hong Kong Offer Shares or more . . .</b>	Collection in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account
	<b>Time:</b> 9:00 a.m. to 1:00 p.m. on Tuesday, October 28, 2025 (Hong Kong time)	No action by you is required

If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.

Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.

*Note:* If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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	HK eIPO White Form service	HKSCC EIPO channel
<b>For application of less than 500,000 Hong Kong Offer Shares . . . . .</b>	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk	
<b>Date:</b> Monday, October 27, 2025		
<b>Refund mechanism for surplus application monies paid by you</b>		
<b>Date . . . . .</b>	Tuesday, October 28, 2025	Subject to the arrangement between you and your broker or custodian
<b>Responsible party . . . . .</b>	H Share Registrar	Your broker or custodian
<b>Application monies paid through single bank account . . . . .</b>	<b>HK eIPO White Form</b> e-Auto Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
<b>Application monies paid through multiple bank accounts . . . . .</b>	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

*Note:* Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an “extreme conditions” announcement issued after a super typhoon in force in Hong Kong in the morning on Monday, October 27, 2025 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— E. Severe Weather Arrangements”.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### E. SEVERE WEATHER ARRANGEMENTS

#### The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, October 23, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions, (collectively, “Severe Weather Signals”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, October 23, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in “Expected Timetable”, an announcement will be made and published on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and our websites at [www.deepexi.com](http://www.deepexi.com) of the revised timetable.

If a **Severe Weather Signal** is hoisted on Monday, October 27, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Tuesday, October 28, 2025.

If a Severe Weather Signal is hoisted on Monday, October 27, 2025, for application of less than 500,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Monday, October 27, 2025 or on Tuesday, October 28, 2025).

If a Severe Weather Signal is hoisted on Tuesday, October 28, 2025, for application of 500,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar’s office after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Tuesday, October 28, 2025 or on Thursday, October 30, 2025).

**Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.**

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### **F. ADMISSION OF THE H SHARES INTO CCASS**

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

### **G. PERSONAL DATA**

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

#### **1. Personal Information Collection Statement**

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

#### **2. Reasons for the collection of your personal data**

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

### 3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### **4. Transfer of personal data**

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

### **5. Retention of personal data**

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

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## HOW TO APPLY FOR HONG KONG OFFER SHARES

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### **6. Access to and correction of personal data**

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in “Corporate information” or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

*The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*



Ernst & Young  
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Quarry Bay, Hong Kong

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**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF DEEPEXI TECHNOLOGY CO., LTD., CITIC SECURITIES (HONG KONG) LIMITED, CMBC INTERNATIONAL CAPITAL LIMITED, GUOTAI JUNAN CAPITAL LIMITED, SPDB INTERNATIONAL CAPITAL LIMITED AND BOCOM INTERNATIONAL (ASIA) LIMITED**

**Introduction**

We report on the historical financial information of Deepexi Technology Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-81, which comprises the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023, and 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-81 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 20 October 2025 (the “Prospectus”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

**Directors' Responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**Reporting Accountants' Responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 30 June 2025, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

**Review of interim comparative financial information**

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of*

*Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

***Dividends***

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

**Ernst & Young**

*Certified Public Accountants*

Hong Kong

20 October 2025

**I HISTORICAL FINANCIAL INFORMATION****Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
REVENUE . . . . .	5	100,468	129,040	242,926	60,497	132,103
Cost of sales . . . . .		(70,909)	(77,267)	(116,749)	(27,579)	(59,397)
Gross profit . . . . .		29,559	51,773	126,177	32,918	72,706
Other income and gains . . . . .	6	40,153	5,978	8,622	2,829	1,853
Selling and marketing expenses . . . . .		(120,178)	(103,312)	(89,096)	(45,712)	(49,311)
Administrative expenses . . . . .		(84,723)	(143,000)	(49,314)	(26,617)	(145,507)
Research and development expenses . . . . .		(94,168)	(82,342)	(81,399)	(24,146)	(58,244)
Impairment (losses)/gains on financial and contract assets, net . . . . .		(2,433)	(5,516)	(9,305)	(6,215)	1,189
Other expenses . . . . .		(3,404)	(4,594)	(2,695)	(1,620)	(2,327)
Finance costs . . . . .	8	(1,035)	(797)	(385)	(248)	(265)
Share of profits and losses of an associate . . . . .		2,668	14	(2,409)	(230)	-
Changes in fair values of financial liabilities at shares with preferential rights . . . . .	27	(421,570)	(221,023)	(1,155,186)	(551,923)	(128,265)
LOSS BEFORE TAX . . . . .	7	(655,131)	(502,819)	(1,254,990)	(620,964)	(308,171)
Income tax expense . . . . .	11	(95)	(76)	-	-	(50)
LOSS FOR THE YEAR/PERIOD . . . . .		<u>(655,226)</u>	<u>(502,895)</u>	<u>(1,254,990)</u>	<u>(620,964)</u>	<u>(308,221)</u>
Attributable to:						
Owners of the parent . . . . .		<u>(655,226)</u>	<u>(502,895)</u>	<u>(1,254,990)</u>	<u>(620,964)</u>	<u>(308,221)</u>
OTHER COMPREHENSIVE INCOME						
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:						
Equity investment designated at fair value through other comprehensive income:						
Changes in fair value . . . . .		526	(180)	-	-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX . . . . .		<u>526</u>	<u>(180)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD . . . . .		<u>(654,700)</u>	<u>(503,075)</u>	<u>(1,254,990)</u>	<u>(620,964)</u>	<u>(308,221)</u>
Total comprehensive loss attributable to:						
Owners of the parent . . . . .		<u>(654,700)</u>	<u>(503,075)</u>	<u>(1,254,990)</u>	<u>(620,964)</u>	<u>(308,221)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB) . . . . .	13	<u>(3.24)</u>	<u>(2.45)</u>	<u>(6.11)</u>	<u>(3.02)</u>	<u>(1.12)</u>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at
		2022	2023	2024	30 June
		RMB'000	RMB'000	RMB'000	2025
				RMB'000	
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment . . . . .	14	8,983	7,232	3,252	5,190
Right-of-use assets . . . . .	15	15,883	15,535	5,799	8,695
Other intangible assets . . . . .		35	35	35	317
Investment in an associate . . . . .	17	1,495	2,409	–	–
Equity investment designated at fair value through other comprehensive income . . . . .	18	1,180	–	–	–
Other non-current assets . . . . .	21	4,790	4,411	3,155	2,754
Total non-current assets . . . . .		<u>32,366</u>	<u>29,622</u>	<u>12,241</u>	<u>16,956</u>
<b>CURRENT ASSETS</b>					
Inventories . . . . .	19	25,750	11,003	14,546	12,245
Trade and bills receivables . . . . .	20	41,034	74,367	166,233	146,795
Contract assets . . . . .	22	6,230	5,305	15,350	15,856
Prepayments, other receivables and other assets . . . . .	21	6,810	7,494	6,421	13,891
Financial assets at fair value through profit or loss (“FVTPL”) . . . . .		–	–	426	378
Pledged deposits . . . . .	23	140	387	1,282	1,272
Restricted cash . . . . .	23	–	–	–	8,404
Cash and cash equivalents . . . . .	23	549,138	336,798	208,317	183,385
Total current assets . . . . .		<u>629,102</u>	<u>435,354</u>	<u>412,575</u>	<u>382,226</u>
<b>CURRENT LIABILITIES</b>					
Trade payables . . . . .	24	16,920	30,033	83,623	52,932
Other payables and accruals . . . . .	25	59,761	41,175	54,413	44,926
Interest-bearing bank borrowings . . . . .	26	–	–	–	50,115
Lease liabilities . . . . .	15	11,001	11,164	4,272	5,478
Tax payable . . . . .		95	–	–	–
Shares with preferential rights . . . . .	27	2,580,608	2,801,631	3,956,817	4,139,595
Total current liabilities . . . . .		<u>2,668,385</u>	<u>2,884,003</u>	<u>4,099,125</u>	<u>4,293,046</u>
NET CURRENT LIABILITIES . . . . .		<u>(2,039,283)</u>	<u>(2,448,649)</u>	<u>(3,686,550)</u>	<u>(3,910,820)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .		<u>(2,006,917)</u>	<u>(2,419,027)</u>	<u>(3,674,309)</u>	<u>(3,893,864)</u>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities . . . . .	15	6,797	4,877	1,605	3,315
Total non-current liabilities . . . . .		<u>6,797</u>	<u>4,877</u>	<u>1,605</u>	<u>3,315</u>
Net liabilities . . . . .		<u>(2,013,714)</u>	<u>(2,423,904)</u>	<u>(3,675,914)</u>	<u>(3,897,179)</u>
<b>EQUITY</b>					
Paid-in capital/Share capital . . . . .	29	50,137	50,137	50,333	300,000
Reserves . . . . .	30	(2,063,851)	(2,474,041)	(3,726,247)	(4,197,179)
Total deficits . . . . .		<u>(2,013,714)</u>	<u>(2,423,904)</u>	<u>(3,675,914)</u>	<u>(3,897,179)</u>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital/Share capital	Capital reserve*	Share-based payment reserve*	Other reserves*	Fair value reserve of financial assets at fair value through other comprehensive income*	Accumulated losses*	Total deficits
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2022</b> . . .	46,417	1,353,682	57,577	(1,383,850)	(346)	(1,444,465)	(1,370,985)
Loss and other comprehensive loss for the year . . . . .	-	-	-	-	526	(655,226)	(654,700)
Issue of new shares with preferential rights (note 29 and 30) . . . . .	3,720	118,945	-	-	-	-	122,665
Recognition of shares with preferential rights (note 27) . . . . .	-	-	-	(120,450)	-	-	(120,450)
Recognition of equity- settled share-based payment (note 31) . . . . .	-	-	9,756	-	-	-	9,756
<b>As at 31 December 2022 and 1 January 2023</b> . . .	50,137	1,472,627	67,333	(1,504,300)	180	(2,099,691)	(2,013,714)
Loss and other comprehensive loss for the year . . . . .	-	-	-	-	(180)	(502,895)	(503,075)
Recognition of equity- settled share-based payment (note 31) . . . . .	-	-	92,885	-	-	-	92,885
<b>As at 31 December 2023 and 1 January 2024</b> . . .	50,137	1,472,627	160,218	(1,504,300)	-	(2,602,586)	(2,423,904)
Loss and other comprehensive loss for the year . . . . .	-	-	-	-	-	(1,254,990)	(1,254,990)
Capital contribution from shareholder (note 29) . . .	196	-	-	-	-	-	196
Recognition of equity- settled share-based payment (note 31) . . . . .	-	-	2,784	-	-	-	2,784
<b>As at 31 December 2024</b> . .	<u>50,333</u>	<u>1,472,627</u>	<u>163,002</u>	<u>(1,504,300)</u>	<u>-</u>	<u>(3,857,576)</u>	<u>(3,675,914)</u>

	Paid-in capital/Share capital	Capital reserve	Share-based payment reserve	Other reserves	Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated losses	Total deficits
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2024</b> . . .	50,137	1,472,627	160,218	(1,504,300)	-	(2,602,586)	(2,423,904)
Loss and total comprehensive loss for the period (unaudited) . .	-	-	-	-	-	(620,964)	(620,964)
Recognition of equity- settled share-based payment (unaudited) . . .	-	-	834	-	-	-	834
<b>As at 30 June 2024</b> <b>(Unaudited)</b> . . . . .	<u>50,137</u>	<u>1,472,627</u>	<u>161,052</u>	<u>(1,504,300)</u>	<u>-</u>	<u>(3,223,550)</u>	<u>(3,044,034)</u>

	Paid-in capital/Share capital	Capital reserve*	Share-based payment reserve*	Other reserves*	Fair value reserve of financial assets at fair value through other comprehensive income*	Accumulated losses*	Total deficits
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2025</b> . . .	50,333	1,472,627	163,002	(1,504,300)	-	(3,857,576)	(3,675,914)
Loss and total comprehensive loss for the period . . . . .	-	-	-	-	-	(308,221)	(308,221)
Capital contribution from shareholders (note 29) . .	22,924	10,528	-	-	-	-	33,452
Equity transfer between shareholders (note 27) . .	-	-	-	(54,513)	-	-	(54,513)
Conversion into joint stock company . . . . .	226,743	(917,314)	-	-	-	690,571	-
Recognition of equity- settled share-based payment (note 31) . . . .	-	-	108,017	-	-	-	108,017
<b>As at 30 June 2025</b> . . . .	<u>300,000</u>	<u>565,841</u>	<u>271,019</u>	<u>(1,558,813)</u>	<u>-</u>	<u>(3,475,226)</u>	<u>(3,897,179)</u>

\* These reserve accounts comprise the consolidated deficits of RMB2,063,851,000, RMB2,474,041,000, RMB3,726,247,000 and RMB4,197,179,000 in the consolidated statement of financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Loss before tax . . . . .		(655,131)	(502,819)	(1,254,990)	(620,964)	(308,171)
Adjustments for:						
Finance costs . . . . .	8	1,035	797	382	245	265
Changes in fair values of financial liabilities at shares with preferential rights . . . . .	27	421,570	221,023	1,155,186	551,923	128,265
Fair value loss on financial assets at FVTPL . . . . .		–	–	836	–	48
Investment income on financial assets at FVTPL . . . . .	6	–	–	–	–	(168)
Share of profits and losses of an associate . . . . .		(2,668)	(14)	2,409	230	–
Covid-19-related rent concessions from lessors . . . . .	15	(508)	(154)	–	–	–
Loss on disposal of items of property, plant and equipment . . . . .	14	72	–	208	2	1
Gain on disposal of items of right of use asset . . . . .	6	(940)	(13)	(112)	(112)	–
Loss on disposal of items of intangible assets . . . . .		24	–	–	–	–
Equity-settled share-based payment . . . . .	7	9,756	92,885	2,784	834	108,017
Depreciation of property, plant and equipment . . . . .	14	4,425	4,153	4,434	2,255	1,338
Depreciation of right-of-use assets . . . . .	15	14,301	13,023	9,871	5,498	3,873
Amortisation of other intangible assets . . . . .	7	5	–	–	–	12
Impairment losses/(gains) on financial and contract assets, net . . . . .	7	2,433	5,516	9,305	6,215	(1,189)
Foreign exchange (gains)/loss, net . . . . .	7	(33,343)	(93)	(483)	(198)	154
Loss on disposal of an associate . . . . .	7	1,190	–	–	–	–
		(237,779)	(165,696)	(70,170)	(54,072)	(67,555)
Decrease/(increase) in inventories . . . . .		10,206	14,747	(3,543)	(4,585)	2,301
(Increase)/decrease in trade and bills receivables . . . . .		(9,232)	(38,990)	(102,012)	(14,181)	21,386
Decrease/(increase) in other receivables, prepayments and other assets . . . . .		9,265	(389)	1,185	2,467	(4,504)
(Increase)/decrease in contract assets . . . . .		(7,710)	1,150	(9,195)	(3,165)	(693)
Increase/(decrease) in trade payables . . . . .		3,146	13,113	53,590	5,883	(30,691)
(Decrease)/increase in other payables and accruals . . . . .		(32,900)	(3,567)	17,840	(15,347)	(13,437)
Increase/(decrease) in contract liabilities . . . . .		8,080	(14,718)	(4,479)	11,128	718
(Increase)/decrease in pledged bank deposits . . . . .		–	(247)	(895)	(882)	10
Increase in restricted cash . . . . .		–	–	–	–	(8,404)
Decrease in government grants . . . . .		(125)	–	–	–	–
Cash used in operations . . . . .		(257,049)	(194,597)	(117,679)	(72,754)	(100,869)
Income tax paid . . . . .		–	(171)	–	–	(50)
Net cash flows used in operating activities . . . . .		(257,049)	(194,768)	(117,679)	(72,754)	(100,919)

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchases of items of property, plant and equipment . . . . .		(6,276)	(2,703)	(1,070)	(1,070)	(45)
Purchase of intangible assets . . . . .		–	–	–	–	(294)
Purchases of financial assets at FVPTL . . . . .		–	–	–	–	(179,800)
Proceeds from disposal of financial assets at FVTPL . . . . .		–	–	158	–	179,968
Proceeds from disposal of items of property, plant and equipment . . . . .		9	–	–	–	–
Proceeds from disposal of equity investment designated at fair value through other comprehensive income . . . . .		–	1,000	–	–	–
Investment in an associate . . . . .		–	(900)	–	–	–
Proceeds from disposal of an associate . . . . .		1,800	–	–	–	–
Net cash flows used in investing activities . . . . .		<u>(4,467)</u>	<u>(2,603)</u>	<u>(912)</u>	<u>(1,070)</u>	<u>(171)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from issue of shares with preferential rights . . . . .		112,215	–	–	–	–
Capital contribution from shareholders . . . . .		–	–	196	–	33,452
New bank borrowings . . . . .		–	–	–	–	50,000
Payment of listing expense . . . . .		–	–	–	–	(3,137)
Lease payments . . . . .	15(b)	<u>(13,624)</u>	<u>(15,062)</u>	<u>(10,569)</u>	<u>(5,964)</u>	<u>(4,003)</u>
Net cash flows from/(used in) financing activities . . . . .		<u>98,591</u>	<u>(15,062)</u>	<u>(10,373)</u>	<u>(5,964)</u>	<u>76,312</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS . . . . .		(162,925)	(212,433)	(128,964)	(79,788)	(24,778)
Cash and cash equivalents at beginning of year/period . . . . .		678,720	549,138	336,798	336,798	208,317
Effect of foreign exchange rate changes, net . . . . .		<u>33,343</u>	<u>93</u>	<u>483</u>	<u>198</u>	<u>(154)</u>
Cash and cash equivalents at end of year/period . . . . .	23	<u>549,138</u>	<u>336,798</u>	<u>208,317</u>	<u>257,208</u>	<u>183,385</u>

## STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

Information about the statements of financial position of the Company at the end of each of the Relevant Periods is as follows:

	Notes	As at 31 December			As at
		2022	2023	2024	30 June
		RMB'000	RMB'000	RMB'000	2025
				RMB'000	
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment . . . . .	14	2,394	7,128	3,234	1,903
Right-of-use assets . . . . .	15	1,169	15,535	5,799	8,290
Other intangible assets . . . . .		35	35	35	317
Investments in subsidiaries . . . . .	16	131,875	143,678	143,625	135,815
Investment in an associate . . . . .	17	1,495	2,409	–	–
Equity investments designated at fair value through other comprehensive income . . . . .		1,180	–	–	–
Long-term receivables from subsidiaries . . . . .	1	94,016	144,000	97,013	97,018
Other non-current assets . . . . .	21	1,209	4,411	3,132	2,731
Total non-current assets . . . . .		<u>233,373</u>	<u>317,196</u>	<u>252,838</u>	<u>246,074</u>
<b>CURRENT ASSETS</b>					
Inventories . . . . .	19	16,376	10,040	14,333	11,906
Trade and bills receivables . . . . .	20	41,013	74,046	165,944	146,601
Amounts due from subsidiaries . . . . .	33	206	206	–	–
Prepayments, other receivables and other assets . . . . .	21	530,688	523,112	578,918	566,862
Financial assets at fair value through profit or loss (“FVTPL”) . . . . .		–	–	426	378
Contract assets . . . . .	22	5,858	5,279	15,320	15,827
Pledged deposits . . . . .	23	140	387	1,282	1,272
Restricted cash . . . . .	23	–	–	–	5,134
Cash and cash equivalents . . . . .	23	507,571	336,188	197,789	168,426
Total current assets . . . . .		<u>1,101,852</u>	<u>949,258</u>	<u>974,012</u>	<u>916,406</u>
<b>CURRENT LIABILITIES</b>					
Trade payables . . . . .	24	14,994	23,948	67,245	51,699
Amounts due to subsidiaries . . . . .	33	4,593	11,235	28,047	20,659
Other payables and accruals . . . . .	25	31,653	44,979	53,125	38,409
Interest-bearing bank borrowings . . . . .		–	–	–	45,975
Lease liabilities . . . . .	15	1,137	11,164	4,272	5,331
Shares with preferential rights . . . . .	27	2,580,608	2,801,631	3,956,817	4,139,595
Total current liabilities . . . . .		<u>2,632,985</u>	<u>2,892,957</u>	<u>4,109,506</u>	<u>4,301,668</u>
NET CURRENT LIABILITIES . . . . .		<u>(1,531,133)</u>	<u>(1,943,699)</u>	<u>(3,135,494)</u>	<u>(3,385,262)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .		<u>(1,297,760)</u>	<u>(1,626,503)</u>	<u>(2,882,656)</u>	<u>(3,139,188)</u>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities . . . . .	15	106	4,877	1,605	3,071
Total non-current liabilities . . . . .		<u>106</u>	<u>4,877</u>	<u>1,605</u>	<u>3,071</u>
Net liabilities . . . . .		<u>(1,297,866)</u>	<u>(1,631,380)</u>	<u>(2,884,261)</u>	<u>(3,142,259)</u>
<b>EQUITY</b>					
Paid-in capital/Share capital . . . . .	29	50,137	50,137	50,333	300,000
Reserves . . . . .	30	(1,348,003)	(1,681,517)	(2,934,594)	(3,442,259)
Total deficits . . . . .		<u>(1,297,866)</u>	<u>(1,631,380)</u>	<u>(2,884,261)</u>	<u>(3,142,259)</u>

## II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

## 1. CORPORATE INFORMATION

Deepexi Technology Co., Ltd. (the “Company”) was incorporated in the People’s Republic of China (“PRC”) on 3 May 2018, as a limited liability company under the Companies Law of the PRC. The registered office of the Company is located at Room 1001-1002, 10th Floor, Building 1, No. 62 Courtyard, Xueyuan South Road, Haidian District, Beijing, China. The Company was restructured from a limited company to a joint-stock company on 8 April 2025.

During the Relevant Periods, the Group is principally engaged in the sale of FastData and FastAGI products and solutions consisting primarily of deployment of software and standard warranty services.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are as follows:

Entity name	Notes	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
				%	%	
Hangzhou Deepexi Technology Co., Ltd. 杭州滴普科技有限公司*	(a)	PRC/Mainland China, 2 December 2020	RMB10,000,000	100	–	Information transmission, software and information technology services
Shenzhen Deepexi Intelligent Technology Co., Ltd. 深圳滴普智能科技有限公司*	(a)	PRC/Mainland China, 28 April 2019	RMB10,000,000	100	–	Information transmission, software and information technology services
Shanghai Deepexi Technology Co., Ltd. 上海滴普科技有限公司*	(a)	PRC/Mainland China, 5 August 2020	RMB10,000,000	100	–	Scientific research and technical services
Deepexi Guangzhou Technology Co., Ltd. 廣州滴普科技有限公司*	(a)	PRC/Mainland China, Guangzhou City, 11 June 2019	RMB30,000,000	100	–	Information transmission, software and information technology services
Chengdu Deepexi Technology Co., Ltd. 成都滴普科技有限公司*	(a)	PRC/Mainland China, 30 April 2019	RMB50,000,000	100	–	Information transmission, software and information technology services
Sichuan Deepexi Intelligent Technology Co., Ltd. 四川滴普智能科技有限公司*	(b)	PRC/Mainland China, 9 December 2024	RMB20,000,000	100	–	Scientific research and technical services
Beijing Deepexi Intelligent Technology Co., Ltd. 北京滴普智能科技有限公司*	(b)	PRC/Mainland China, 25 July 2024	RMB1,000,000	100	–	Scientific research and technical services
Deepexi Zhiyun (Beijing) Technology Co., Ltd. 滴普智雲(北京)科技有限公司*	(b)	PRC/Mainland China, 12 June 2024	RMB5,000,000	100	–	Scientific research and technical services

Entity name	Notes	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
Hong Kong Deepexi Technology Limited . . . .	(b)	Hong Kong/Hong Kong 1 June 2023	HKD10,000	100	–	Scientific research and technical services
Wuxi Deepexi Technology Co., Ltd. 無錫滴普科技有限公司* . . . . .	(b)	PRC/Mainland China, 22 May 2025	RMB10,000,000	100	–	Scientific research and technical services
Suzhou Deepexi Zhiyun Technology Co., Ltd. 蘇州滴普智雲科技有限公司* . . . . .	(b)	PRC/Mainland China, 23 May 2025	RMB10,000,000	100	–	Scientific research and technical services
Shenzhen Deepexi Zhiyun Technology Co., Ltd. 深圳滴普智雲科技有限公司* . . . . .	(b)	PRC/Mainland China, 13 June 2025	RMB10,000,000	100	–	Scientific research and technical services

\* The English names of these companies represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

(a) The statutory auditors of these entities were Beijing Dehao International Certified Public Accountants (Limited Liability Partnership) (北京德皓國際會計師事務所(特殊普通合夥)) for the years ended 31 December 2022 and 2023. No audited financial statements have been prepared for these entities for the year ended 31 December 2024.

(b) No audited financial statements have been prepared for these entities for the years ended 31 December 2022, 2023 and 2024.

The investments in subsidiaries and long-term receivables from subsidiaries in the Company's statements of financial position represent:

	Year ended 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investments, at cost . . . . .	67,907	80,010	80,010	71,879
Investments, deemed investments arising from share-based payment . . . . .	63,968	63,668	63,615	63,936
Long-term receivables from subsidiaries . . . . .	94,016	144,000	97,013	97,018
	225,891	287,678	240,638	232,833
Less: Impairment . . . . .	–	–	–	–
Total . . . . .	225,891	287,678	240,638	232,833

## 2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong.

All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025 together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information. The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net current liabilities of RMB3,910,820,000 and net liabilities of RMB3,897,179,000 as at 30 June 2025, which is primarily due to shares with preferential rights (the “Shares with Preferential Rights”) totalling RMB4,139,595,000 are classified as liabilities.

However, in April 2025, the Company and the holders of the Shares with Preferential Rights have entered into a supplemental agreement that the redemption rights ceased to be exercisable upon submission of the IPO until the Company fails to complete the IPO within eighteen months. The directors of the Company are of the view that the Company is not required to return the investment funds in relations to the Shares with Preferential Rights on or before within twelve months and as a result, the Shares with Preferential Rights are not expected to be redeemed within twelve months since 30 June 2025.

The directors and management of the Company have considered that the preferential rights of these financial instruments would be terminated upon listing and the financial liability would then be reclassified to equity, resulting in the change from a net current liabilities position to a net current assets position.

In addition, the Group has performed a cash flow forecast for the next twelve months from the date of this report. Accordingly, the directors of the Company believe that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from the date of the report. Accordingly, the directors of the Company consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

## 2.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in this Historical Financial Information. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18 . . . . .	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 . . . . .	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7 . . . . .	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7 . . . . .	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 . . . . .	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume II</i> . . . . .	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>1</sup>

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements. The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements. Except for HKFRS 18, the directors of the Company anticipate that the application of these new and revised HKFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

### 2.3 MATERIAL ACCOUNTING POLICY INFORMATION

#### Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the consolidated statements of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

If the investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred.

#### Fair value measurement

The Group measures its investment properties and financial instruments at fair value through other comprehensive income at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

#### **Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### **Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

**Property, plant and equipment and depreciation**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Electronic equipment . . . . .	32%
Other equipment . . . . .	19%
Leasehold improvements . . . . .	33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and plant and machinery under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

**Other intangible assets (other than goodwill)**

Other intangible assets acquired separately are measured on initial recognition at cost. The useful lives of other intangible assets are assessed to be either finite or indefinite. Other Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

**Software**

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 5 years.

**Research and development costs**

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

**Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

**(a) Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings . . . . . 1-5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**(b) Lease liabilities**

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option

reasonably certain to be exercised by the Group and payments of penalties for termination of the lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

*(c) Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

### **Investments and other financial assets**

#### ***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### ***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

*Financial assets designated at fair value through other comprehensive income (equity investments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

***General approach***

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are within 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

***Simplified approach***

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities*****Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, amounts due to related parties and interest-bearing bank loans and other liabilities.

***Subsequent measurement***

The subsequent measurement of financial liabilities depends on their classification as follows:

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities. The Group has designated its Shares with Preferential Rights as financial liabilities at fair value through profit or loss, details of which are included in note 27 to the Historical Financial Information.

***Financial liabilities at amortised cost (trade and other payables)***

After initial recognition, trade and other payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**Shares with Preferential Rights**

The Company entered into a series of investment agreements with certain independent investors, pursuant to which, these investors agreed to make cash investments to the Company to acquire the equity interest of the Company (collectively referred as "Series Angel, Series Pre-A, Series A1, Series A+, Series A3, Series A4, Series B1, Series B2 Financing and Series Equity Transfer").

The Series Angel, Series Pre-A, Series A1, Series A+, Series A3, Series A4, Series B1, Series B2 Financing and Series Equity Transfer are classified as financial liabilities or equity in accordance with the substance of the share purchase agreement and the definitions of a financial liability and an equity instrument.

Financial liabilities arising from Shares with Preferential Rights are classified as non-current liabilities or current liabilities depending on whether the Company has right to defer settlement of a liability for at least twelve months after the end of each of the Relevant Periods.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. The net realisable value is estimated based on current market situation and historical experience on similar inventories.

**Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

**Provisions**

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

**Income tax**

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

### **Share-based payments**

#### ***Equity-settled share-based payment transactions***

The Group operates restricted share schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer, further details of which are given in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the

grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of restricted shares unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

## **Revenue recognition**

### ***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

### ***Sale of solutions***

FastData and FastAGI solutions consist primarily of deployment of software and standard warranty services. The Group delivers products and solutions for projects with business enterprises. These products and solutions are provided through integrating the software and services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer. Accordingly, the software and related services, i.e., the integrated solution, are accounted for as a single performance obligation.

Revenue is recognised at the point in time when the software platform and related services are delivered to the customer's designated place, inspected and accepted by the customer. Certain sales contracts that the Group provides solution services recognised over the scheduled period on a straight-line basis since the customer simultaneously receives and consumes the benefits provided by the Group. Such service contracts are for periods of one year and are billed based on the time incurred. The payment is generally due within 3 months from delivery.

### ***Other income***

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

## **Contract assets**

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade and bills receivables when the right to the consideration becomes unconditional.

**Contract liabilities**

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

**Employee benefits***Pension scheme*

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Dividends**

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

**Foreign currencies**

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### **Judgements**

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the Historical Financial Information.

#### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB907,807,000, RMB1,066,769,000, RMB1,098,557,000 and RMB1,147,991,000 as at the end of each of the Relevant Periods carried forward, respectively. These losses related to the Company and subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The Company and the subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details are included in note 11 to the Historical Financial Information.

#### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### ***Provision for expected credit losses on trade and bills receivables and contract assets***

The Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the comparable default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At the end of each Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables and contract assets are disclosed in note 20 and 22 to the Historical Financial Information.

#### ***Impairment of non-financial assets (other than goodwill)***

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available

data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### *Fair value of unlisted equity investments*

The unlisted equity investments have been valued based on the market approach and asset-based approach. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. Further details are included in note 18 to the Historical Financial Information.

#### *Fair value of financial liabilities arising from Shares with Preferential Rights*

The fair value of the Shares with Preferential Rights that are not traded in an active market is determined using valuation technique. The valuation technique is discounted cash flow model. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each of the Relevant Periods. For details of the key assumptions used and the impact of changes to these assumptions see note 27 to the Historical Financial Information. The use of different valuation techniques or inputs may result in significant differences in fair value estimate. The fair value generated by valuation technique is also verified with transactions of same or similar financial instruments in observable markets according to market practice.

#### *Share-based payments*

The Group estimates the number of share awards contingently issuable when determining the share-based payment expenses, which depends on the achievement of certain non-market performance targets of the Group under the Employee Incentive Scheme (as defined in note 31 to the Historical Financial Information). This requires an estimation of the performance targets to be achieved by the Group, including completion of public offering.

## 4. OPERATING SEGMENT INFORMATION

### Operating segment information

The Group's operation is solely the sale of FastData and FastAGI solutions consisting primarily of deployment of software and standard warranty services. For the purpose of resource allocation and performance assessment, the chief operating decision maker ("CODM") (i.e., the chief executive officer) reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies set out in note 2.3. Accordingly, the Group has only a single operating segment and no further analysis of the single segment is presented.

### Geographical information

As the Group generates all of its revenues in the PRC and its non-current assets are located in the PRC during the Relevant Periods and the six months ended 30 June 2024, no geographical information is presented.

### Information about major customers

Revenue from major customers which accounted for 10% or more of the Group's revenue during the Relevant Periods and the six months ended 30 June 2024 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Company A (note a) . . . . .	16,917	N/A*	N/A*	N/A*	N/A*
Company B (note b) . . . . .	N/A*	15,775	N/A*	N/A*	N/A*
Company C (note c) . . . . .	N/A*	13,546	N/A*	N/A*	N/A*
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

\* Less than 10% of the Group's revenue.

Note a: Company A is the subsidiary of Customer A set out in the section headed "Business" in the Prospectus.

Note b: Company B is the Customer F set out in the section headed "Business" in the Prospectus.

Note c: Company C is the Customer G set out in the section headed "Business" in the Prospectus.

## 5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Revenue from contracts with customers . . . . .	<u>100,468</u>	<u>129,040</u>	<u>242,926</u>	<u>60,497</u>	<u>132,103</u>

### Revenue from contracts with customers

#### (a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
<b>Types of goods or services</b>					
FastData enterprise data intelligence solution . . . . .	100,468	122,491	152,530	35,390	59,032
FastAGI enterprise AI solution . . . . .	–	6,549	90,396	25,107	73,071
Total . . . . .	<u>100,468</u>	<u>129,040</u>	<u>242,926</u>	<u>60,497</u>	<u>132,103</u>
<b>Timing of revenue recognition</b>					
Goods and services transferred at a point in time . . . . .	99,080	126,857	240,733	59,608	125,414
Services transferred over time . . . . .	1,388	2,183	2,193	889	6,689
Total . . . . .	<u>100,468</u>	<u>129,040</u>	<u>242,926</u>	<u>60,497</u>	<u>132,103</u>

The following table shows the amounts of revenue recognised in each of the Relevant Periods and the six months ended 30 June 2024 that were included in the contract liabilities at the beginning of each of the Relevant Periods and the six months ended 30 June 2024:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Revenue recognised that was included in contract liabilities at the beginning of the year/period: . . . . .	<u>26,032</u>	<u>22,633</u>	<u>7,108</u>	<u>1,927</u>	<u>3,272</u>

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Sale of solutions*

Revenue is recognised at the point in time when the software platform and related services are delivered to the customer's designated place, inspected and accepted by the customer. Certain sales contracts that the Group provides solution services recognised over the scheduled period on a straight-line basis since the customer simultaneously receives and consumes the benefits provided by the Group. Such service contracts are for periods of one-year and are billed based on the time incurred.

The payment is generally due within 3 months from delivery.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods and the six months ended 30 June 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Amounts expected to be recognised as revenue: . . . . .					
Within one year . . . . .	62,307	46,917	47,612	17,818	109,214
After one year . . . . .	1,359	5,743	212	212	885
Total . . . . .	<u>63,666</u>	<u>52,660</u>	<u>47,824</u>	<u>18,030</u>	<u>110,099</u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to FastData enterprise data intelligence solution, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

**6. OTHER INCOME AND GAINS**

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
<u>Other income</u>					
Interest income . . . . .	2,870	4,422	4,317	2,145	911
Investment income on financial assets at FVTPL . . . . .	–	–	–	–	168
Government grants* . . . . .	2,569	1,419	3,521	279	274
Others . . . . .	431	31	189	95	500
Total . . . . .	<u>5,870</u>	<u>5,872</u>	<u>8,027</u>	<u>2,519</u>	<u>1,853</u>
<u>Gains</u>					
Foreign exchange gains . . . . .	33,343	93	483	198	–
Gain on termination of lease contracts . . . . .	940	13	112	112	–
Other income and gains . . . . .	<u>40,153</u>	<u>5,978</u>	<u>8,622</u>	<u>2,829</u>	<u>1,853</u>

\* The Group has received certain government grants related to assets and income. Certain of the grants related to assets and income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. The grants related to assets were recognised in profit or loss over the period of the projects. The grants related to income have been received to compensate for the Group's research and development costs and are recognised in profit or loss on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

Other government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

## 7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Year ended 31 December			Six months ended 30 June		
	2022	2023	2024	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
				(Unaudited)		
Cost of inventories and services sold.	70,909	77,267	116,749	27,579	59,397	
Depreciation of property, plant and equipment* . . . . .	14	4,425	4,153	4,434	2,255	1,338
Depreciation of right-of-use assets* . . . . .	15	14,301	13,023	9,871	5,498	3,873
Amortisation of intangible assets* . . . . .		5	–	–	–	12
Lease payments not included in the measurement of lease liabilities. . . . .	15(c)	4,339	1,439	166	94	120
Loss on disposal of items of property, plant and equipment*** . . . . .		72	–	208	2	1
Auditor's remuneration . . . . .		189	650	379	–	–
Legal and professional fee . . . . .		2,134	731	681	51	–
Listing expense . . . . .		–	–	631	–	19,749
Interest income . . . . .	6	(2,870)	(4,422)	(4,317)	(2,145)	(911)
Foreign exchange differences, net** . . . . .		(33,343)	(93)	(483)	(198)	154
Impairment of trade and bill receivables . . . . .	20	1,985	5,657	8,726	5,829	(1,948)
Impairment of contract assets . . . . .	22	172	154	406	358	187
Impairment/(reversal of impairment) of other receivables . . . . .		276	(295)	173	28	572
Government grants . . . . .	6	(2,569)	(1,419)	(3,521)	(279)	(274)
Loss on disposal of investment in an associate*** . . . . .		1,190	–	–	–	–
Employee benefit expenses (including directors' and chief executive's remuneration (note 9)):						
Wages, salaries and other allowances . . . . .		214,819	179,486	140,635	70,827	62,637
Share-based payment expense . . . . .		9,756	92,885	2,784	834	108,017
Pension scheme contributions and social welfare . . . . .		25,287	22,455	16,281	7,230	7,409

\* The depreciation of property, plant and equipment, amortisation of intangible assets, and right-of-use assets are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses", and "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

\*\* The amounts are included in “Other income and gains” and “Other expenses” in the consolidated statements of profit or loss and other comprehensive income.

\*\*\* The amounts are included in “Other expenses” in the consolidated statements of profit or loss and other comprehensive income.

## 8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
Interest on lease liabilities . . . . .	1,035	797	382	245	150
Interest on bank loans . . . . .	–	–	–	–	115
Others . . . . .	–	–	3	3	–
Total . . . . .	<u>1,035</u>	<u>797</u>	<u>385</u>	<u>248</u>	<u>265</u>

## 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration as recorded during the Relevant Periods and the six months ended 30 June 2024, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
Fees: . . . . .	–	–	–	–	21
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind . . . . .	7,014	5,352	4,743	2,581	2,001
Equity-settled share-based payment expense . . . . .	4,819	62,934	–	–	104,174
Pension scheme contributions . . . . .	43	45	104	24	80
Subtotal . . . . .	<u>11,876</u>	<u>68,331</u>	<u>4,847</u>	<u>2,605</u>	<u>106,255</u>
Total . . . . .	<u>11,876</u>	<u>68,331</u>	<u>4,847</u>	<u>2,605</u>	<u>106,276</u>

**(a) Independent non-executive directors**

The fees paid to independent non-executive directors during the Relevant Periods and the six months ended 30 June 2024 were as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Dr. Yang Hongxia (i) . . . . .	–	–	–	–	7
Dr. Kong Xianguang (i) . . . . .	–	–	–	–	7
Mr. Zhang Jielong (i) . . . . .	–	–	–	–	7
Total . . . . .	–	–	–	–	21

Note:

- (i) Dr. Yang Hongxia, Dr. Kong Xianguang and Mr. Zhang Jielong were appointed as independent non-executive directors of the Company in March 2025.

**(b) Executive directors, non-executive directors and the chief executive**

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2022					
Executive directors:					
Mr. Zhao Jiehui (i) . . . . .	–	1,947	3,736	19	5,702
Mr. Yang Lei (ii) . . . . .	–	1,818	484	8	2,310
Mr. Cao Lianfei (iii) . . . . .	–	1,743	122	8	1,873
Ms. Shi Yi (iv) . . . . .	–	1,506	477	8	1,991
Total . . . . .	–	7,014	4,819	43	11,876
Non-executive director:					
Mr. Wang Zhenghao (vi) . . . . .	–	–	–	–	–

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
Executive directors:					
Mr. Zhao Jiehui (i) . . . . .	–	1,747	51,886	19	53,652
Mr. Yang Lei (ii) . . . . .	–	1,277	3,287	9	4,573
Mr. Cao Lianfei (iii) . . . . .	–	1,203	1,110	8	2,321
Ms. Shi Yi (iv) . . . . .	–	1,125	6,651	9	7,785
Total . . . . .	–	5,352	62,934	45	68,331
Non-executive director:					
Mr. Wang Zhenghao (vi) . . . . .	–	–	–	–	–

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2024					
Executive directors:					
Mr. Zhao Jiehui (i) . . . . .	–	1,263	–	42	1,305
Mr. Yang Lei (ii) . . . . .	–	1,106	–	10	1,116
Mr. Cao Lianfei (iii) . . . . .	–	1,032	–	9	1,041
Ms. Shi Yi (iv) . . . . .	–	855	–	10	865
Dr. Li Qiang (v) . . . . .	–	487	–	33	520
Total . . . . .	–	<u>4,743</u>	–	<u>104</u>	<u>4,847</u>
Non-executive director:					
Mr. Wang Zhenghao (vi) . . . . .	–	–	–	–	–

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2024 (Unaudited)					
Executive directors:					
Mr. Zhao Jiehui (i) . . . . .	–	769	–	10	779
Mr. Yang Lei (ii) . . . . .	–	688	–	5	693
Mr. Cao Lianfei (iii) . . . . .	–	651	–	4	655
Ms. Shi Yi (iv) . . . . .	–	473	–	5	478
Total . . . . .	–	<u>2,581</u>	–	<u>24</u>	<u>2,605</u>
Non-executive director:					
Mr. Wang Zhenghao (vi) . . . . .	–	–	–	–	–

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2025					
Executive directors:					
Mr. Zhao Jiehui (i) . . . . .	–	452	351	33	836
Mr. Yang Lei (ii) . . . . .	–	408	–	5	413
Mr. Cao Lianfei (iii) . . . . .	–	372	21,126	4	21,502
Ms. Shi Yi (iv) . . . . .	–	374	14,283	5	14,662
Dr. Li Qiang (v) . . . . .	–	395	68,414	33	68,842
Total . . . . .	–	<u>2,001</u>	<u>104,174</u>	<u>80</u>	<u>106,255</u>
Non-executive director:					
Mr. Wang Zhenghao (vi) . . . . .	–	–	–	–	–

## Notes:

- (i) Mr. Zhao Jiehui was appointed as an executive director in March 2025.
- (ii) Mr. Yang Lei was appointed as an executive director in March 2025.

- (iii) Mr. Cao Lianfei was appointed as an executive director in March 2025.
- (iv) Ms. Shi Yi was appointed as an executive director in March 2025.
- (v) Dr. Li Qiang was appointed as an executive director in March 2025.
- (vi) Mr. Wang Zhenghao was appointed as a non-executive director in March 2025.

During the Relevant Periods and the six months ended 30 June 2024, certain directors were granted restricted shares, in respect of their services to the Group, under the incentive scheme of the Company, which have been recognised in profit or loss over the vesting period, were determined as at the date of grant and the amount included in the financial information for the relevant periods are included in the above directors' and chief executive's remuneration disclosures.

There was no arrangement under which the directors waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2024.

#### 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 included 4, 4, 4, 4 and 5 directors, respectively. Details of these directors' remuneration are set out in note 9 above. Details of the remuneration for the Relevant Periods and the six months ended 30 June 2024 of the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Salaries, bonuses, allowances and benefits in kind . . . . .	1,472	1,134	966	577	–
Equity-settled share-based payment expense . . . . .	219	1,693	–	–	–
Pension scheme contributions . .	4	4	9	3	–
Total . . . . .	<u>1,695</u>	<u>2,831</u>	<u>975</u>	<u>580</u>	<u>–</u>

The number of the non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees				
	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				<i>(Unaudited)</i>	
Nil to HKD1,000,000 . . . . .	–	–	–	1	–
HKD1,000,001 to HKD1,500,000 . . . . .	–	–	1	–	–
HKD1,500,001 to HKD2,000,000 . . . . .	1	–	–	–	–
HKD2,000,001 to HKD3,500,000 . . . . .	–	1	–	–	–
Total . . . . .	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>–</u>

During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024, restricted shares were granted to 1 non-director and non-chief executive highest paid employees in respect of his services to the Group, further details of which are included in the disclosures in note 31 to the Historical Financial Information. The fair value of such restricted shares which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

## 11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

### Mainland China

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("EIT") rate of the PRC subsidiaries was 25% during the Relevant Periods and the six months ended 30 June 2024, unless otherwise specified below.

The Company is qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% for the Relevant Periods and the six months ended 30 June 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Deepexi Guangzhou Technology Co., Ltd., a subsidiary of the Group in Mainland China, is qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% for the years ended 31 December 2022, 2023 and 2024. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

### Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HKD2,000,000, and 16.5% for taxable income exceeding HKD2,000,000 on any estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Relevant Periods and the six months ended 30 June 2024.

Certain of the Group's PRC subsidiaries are qualified as small and micro enterprises and are entitled to a preferential corporate income tax rate of 20% during the Relevant Periods and the six months ended 30 June 2024.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current – Mainland China:					
Charge for the year/period . . . .	95	76	–	–	50
	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>

A reconciliation of the tax expense applicable to loss before tax using the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Loss before tax . . . . .	(655,131)	(502,819)	(1,254,990)	(620,964)	(308,171)
Tax at the statutory tax rate of 25% . . . . .	(163,783)	(125,705)	(313,748)	(155,241)	(77,043)
Lower tax rates for specific provinces or enacted by local authority . . . . .	65,513	50,282	125,499	62,096	30,817
Additional deductible allowance for research and development expenses . . . . .	(739)	(802)	(7,854)	(2,682)	(4,970)
Tax effect of changes in the carrying amount of shares with preferential rights . . . . .	63,236	33,153	173,278	82,788	19,240
Deductible temporary difference and tax losses not recognised . . . . .	35,251	42,685	22,397	12,829	31,637
Expenses not deductible for tax . . . . .	617	463	428	210	369
Tax charge at the Group's effective tax rate . . . . .	95	76	–	–	50

The Group has accumulated tax losses arising in Mainland China of RMB907,807,000, RMB1,066,769,000 and RMB1,098,557,000 and RMB1,147,991,000 as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, that will expire in one to ten years for offsetting against future taxable profits of the Group.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

## 12. DIVIDEND

No dividend was paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2024.

## 13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares outstanding (excluding shares reserved for the share incentive scheme) during the Relevant Periods and the six months ended 30 June 2024.

The Group had no potentially dilutive ordinary shares in issue and no adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and the six months ended 30 June 2024.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss					
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation (RMB'000)	<u>(655,226)</u>	<u>(502,895)</u>	<u>(1,254,990)</u>	<u>(620,964)</u>	<u>(308,221)</u>
Shares					
Weighted average number of ordinary shares in issue during the year/period, used in the basic loss per share calculation ('000)	<u>202,315</u>	<u>205,558</u>	<u>205,566</u>	<u>205,558</u>	<u>275,020</u>
Loss per share (basic and diluted) RMB per share	<u>(3.24)</u>	<u>(2.45)</u>	<u>(6.11)</u>	<u>(3.02)</u>	<u>(1.12)</u>

## 14. PROPERTY, PLANT AND EQUIPMENT

## The Group

	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 31 December 2022</b>					
At 1 January 2022:					
Cost	1,672	1,182	8,501	–	11,355
Accumulated depreciation	<u>(677)</u>	<u>(130)</u>	<u>(2,613)</u>	–	<u>(3,420)</u>
Net carrying amount	<u>995</u>	<u>1,052</u>	<u>5,888</u>	–	<u>7,935</u>
At 1 January 2022, net of accumulated depreciation	995	1,052	5,888	–	7,935
Additions	767	5	4,782	–	5,554
Disposals	(4)	(77)	–	–	(81)
Depreciation provided during the year (note 7)	<u>(733)</u>	<u>(211)</u>	<u>(3,481)</u>	–	<u>(4,425)</u>
At 31 December 2022, net of accumulated depreciation	<u>1,025</u>	<u>769</u>	<u>7,189</u>	–	<u>8,983</u>
At 31 December 2022:					
Cost	2,435	1,110	13,283	–	16,828
Accumulated depreciation	<u>(1,410)</u>	<u>(341)</u>	<u>(6,094)</u>	–	<u>(7,845)</u>
Net carrying amount	<u>1,025</u>	<u>769</u>	<u>7,189</u>	–	<u>8,983</u>

	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2023</b>					
At 1 January 2023:					
Cost . . . . .	2,435	1,110	13,283	–	16,828
Accumulated depreciation . . . . .	(1,410)	(341)	(6,094)	–	(7,845)
Net carrying amount . . . . .	<u>1,025</u>	<u>769</u>	<u>7,189</u>	<u>–</u>	<u>8,983</u>
At 1 January 2023, net of					
accumulated depreciation . . . . .	1,025	769	7,189	–	8,983
Additions . . . . .	2,117	–	–	285	2,402
Depreciation provided during the year ( <i>note 7</i> ) . . . . .	(893)	(202)	(3,058)	–	(4,153)
At 31 December 2023, net of accumulated depreciation . . . . .	<u>2,249</u>	<u>567</u>	<u>4,131</u>	<u>285</u>	<u>7,232</u>
At 31 December 2023:					
Cost . . . . .	4,552	1,110	13,283	285	19,230
Accumulated depreciation . . . . .	(2,303)	(543)	(9,152)	–	(11,998)
Net carrying amount . . . . .	<u>2,249</u>	<u>567</u>	<u>4,131</u>	<u>285</u>	<u>7,232</u>
<b>As at 31 December 2024</b>					
At 1 January 2024:					
Cost . . . . .	4,552	1,110	13,283	285	19,230
Accumulated depreciation . . . . .	(2,303)	(543)	(9,152)	–	(11,998)
Net carrying amount . . . . .	<u>2,249</u>	<u>567</u>	<u>4,131</u>	<u>285</u>	<u>7,232</u>
At 1 January 2024, net of					
accumulated depreciation . . . . .	2,249	567	4,131	285	7,232
Additions . . . . .	–	–	947	–	947
Disposals . . . . .	(66)	(142)	–	(285)	(493)
Depreciation provided during the year ( <i>note 7</i> ) . . . . .	(940)	(195)	(3,299)	–	(4,434)
At 31 December 2024, net of accumulated depreciation . . . . .	<u>1,243</u>	<u>230</u>	<u>1,779</u>	<u>–</u>	<u>3,252</u>
At 31 December 2024:					
Cost . . . . .	4,486	968	14,230	–	19,684
Accumulated depreciation . . . . .	(3,243)	(738)	(12,451)	–	(16,432)
Net carrying amount . . . . .	<u>1,243</u>	<u>230</u>	<u>1,779</u>	<u>–</u>	<u>3,252</u>

	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 30 June 2025</b>					
At 1 January 2025:					
Cost . . . . .	4,486	968	14,230	–	19,684
Accumulated depreciation . . . . .	(3,243)	(738)	(12,451)	–	(16,432)
Net carrying amount . . . . .	<u>1,243</u>	<u>230</u>	<u>1,779</u>	–	<u>3,252</u>
At 1 January 2025, net of					
accumulated depreciation . . . . .	1,243	230	1,779	–	3,252
Additions . . . . .	3,277	–	–	–	3,277
Disposals . . . . .	(1)	–	–	–	(1)
Depreciation provided during the period . . . . .	<u>(356)</u>	<u>(66)</u>	<u>(916)</u>	–	<u>(1,338)</u>
At 30 June 2025, net of					
accumulated depreciation . . . . .	<u>4,163</u>	<u>164</u>	<u>863</u>	–	<u>5,190</u>
At 30 June 2025:					
Cost . . . . .	7,762	968	14,230	–	22,960
Accumulated depreciation . . . . .	(3,599)	(804)	(13,367)	–	(17,770)
Net carrying amount . . . . .	<u>4,163</u>	<u>164</u>	<u>863</u>	–	<u>5,190</u>

**The Company**

	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2022</b>					
At 1 January 2022:					
Cost . . . . .	144	736	5,371	–	6,251
Accumulated depreciation . . . . .	(78)	(106)	(1,930)	–	(2,114)
Net carrying amount . . . . .	<u>66</u>	<u>630</u>	<u>3,441</u>	–	<u>4,137</u>
At 1 January 2022, net of					
accumulated depreciation . . . . .	66	630	3,441	–	4,137
Additions . . . . .	–	–	393	–	393
Disposals . . . . .	–	(38)	–	–	(38)
Depreciation provided during the year . . . . .	<u>(33)</u>	<u>(134)</u>	<u>(1,931)</u>	–	<u>(2,098)</u>
At 31 December 2022, net of					
accumulated depreciation . . . . .	<u>33</u>	<u>458</u>	<u>1,903</u>	–	<u>2,394</u>
At 31 December 2022:					
Cost . . . . .	144	698	5,764	–	6,606
Accumulated depreciation . . . . .	(111)	(240)	(3,861)	–	(4,212)
Net carrying amount . . . . .	<u>33</u>	<u>458</u>	<u>1,903</u>	–	<u>2,394</u>

	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 31 December 2023</b>					
At 1 January 2023:					
Cost . . . . .	144	698	5,764	–	6,606
Accumulated depreciation . . . . .	<u>(111)</u>	<u>(240)</u>	<u>(3,861)</u>	<u>–</u>	<u>(4,212)</u>
Net carrying amount . . . . .	<u>33</u>	<u>458</u>	<u>1,903</u>	<u>–</u>	<u>2,394</u>
At 1 January 2023, net of					
accumulated depreciation . . . . .	33	458	1,903	–	2,394
Additions . . . . .	2,896	359	4,398	285	7,938
Depreciation provided during the year . . . . .	<u>(770)</u>	<u>(265)</u>	<u>(2,169)</u>	<u>–</u>	<u>(3,204)</u>
At 31 December 2023, net of accumulated depreciation . . . . .	<u>2,159</u>	<u>552</u>	<u>4,132</u>	<u>285</u>	<u>7,128</u>
At 31 December 2023:					
Cost . . . . .	3,040	1,057	10,162	285	14,544
Accumulated depreciation . . . . .	<u>(881)</u>	<u>(505)</u>	<u>(6,030)</u>	<u>–</u>	<u>(7,416)</u>
Net carrying amount . . . . .	<u>2,159</u>	<u>552</u>	<u>4,132</u>	<u>285</u>	<u>7,128</u>
<b>As at 31 December 2024</b>					
At 1 January 2024:					
Cost . . . . .	3,040	1,057	10,162	285	14,544
Accumulated depreciation . . . . .	<u>(881)</u>	<u>(505)</u>	<u>(6,030)</u>	<u>–</u>	<u>(7,416)</u>
Net carrying amount . . . . .	<u>2,159</u>	<u>552</u>	<u>4,132</u>	<u>285</u>	<u>7,128</u>
At 1 January 2024, net of					
accumulated depreciation . . . . .	2,159	552	4,132	285	7,128
Additions . . . . .	–	–	946	–	946
Disposals . . . . .	(5)	(137)	–	(285)	(427)
Depreciation provided during the year . . . . .	<u>(925)</u>	<u>(189)</u>	<u>(3,299)</u>	<u>–</u>	<u>(4,413)</u>
At 31 December 2024, net of accumulated depreciation . . . . .	<u>1,229</u>	<u>226</u>	<u>1,779</u>	<u>–</u>	<u>3,234</u>
At 31 December 2024:					
Cost . . . . .	3,035	920	11,108	–	15,063
Accumulated depreciation . . . . .	<u>(1,806)</u>	<u>(694)</u>	<u>(9,329)</u>	<u>–</u>	<u>(11,829)</u>
Net carrying amount . . . . .	<u>1,229</u>	<u>226</u>	<u>1,779</u>	<u>–</u>	<u>3,234</u>

	Electronic equipment	Other equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 30 June 2025</b>					
At 1 January 2025:					
Cost . . . . .	3,035	920	11,108	–	15,063
Accumulated depreciation . . . . .	<u>(1,806)</u>	<u>(694)</u>	<u>(9,329)</u>	–	<u>(11,829)</u>
Net carrying amount . . . . .	<u>1,229</u>	<u>226</u>	<u>1,779</u>	–	<u>3,234</u>
At 1 January 2025, net of					
accumulated depreciation . . . . .	1,229	226	1,779	–	3,234
Additions . . . . .	6	–	–	–	6
Depreciation provided during the period . . . . .	<u>(356)</u>	<u>(65)</u>	<u>(916)</u>	–	<u>(1,337)</u>
At 30 June 2025, net of					
accumulated depreciation . . . . .	<u>879</u>	<u>161</u>	<u>863</u>	–	<u>1,903</u>
At 30 June 2025:					
Cost . . . . .	3,041	920	11,108	–	15,069
Accumulated depreciation . . . . .	<u>(2,162)</u>	<u>(759)</u>	<u>(10,245)</u>	–	<u>(13,166)</u>
Net carrying amount . . . . .	<u>879</u>	<u>161</u>	<u>863</u>	–	<u>1,903</u>

The property, plant and equipment (the “PPE”) of the Group mainly consisted of office and electronic equipment, other equipment for research and development purpose and leasehold improvements. During the Relevant Periods, operating activities were carried forward as planned by the Group, all the PPE were maintained in good condition and normal use, and no obsolescence or physical damage to these PPE occurred during the Relevant Periods or was expected to take place in the near future.

## 15. LEASES

### The Group as a lessee

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 1 and 5 years.

#### (a) Right-of-use assets

##### The Group

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2022 . . . . .	29,716
Additions . . . . .	8,934
Depreciation charge . . . . .	(14,301)
Termination of lease contracts . . . . .	<u>(8,466)</u>
As at 31 December 2022. . . . .	<u>15,883</u>

	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2023 . . . . .	15,883
Additions . . . . .	12,867
Depreciation charge . . . . .	(13,023)
Termination of a lease contract . . . . .	(192)
As at 31 December 2023 . . . . .	<u>15,535</u>

	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2024 . . . . .	15,535
Additions . . . . .	1,799
Depreciation charge . . . . .	(9,871)
Termination of lease contracts . . . . .	(1,664)
As at 31 December 2024 . . . . .	<u>5,799</u>

	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2025 . . . . .	5,799
Additions . . . . .	6,769
Depreciation charge . . . . .	(3,873)
As at 30 June 2025 . . . . .	<u>8,695</u>

**The Company**

	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2022 . . . . .	4,264
Additions . . . . .	233
Depreciation charge . . . . .	(3,328)
As at 31 December 2022 . . . . .	<u>1,169</u>

	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2023 . . . . .	1,169
Additions . . . . .	12,867
Transfer . . . . .	14,714
Depreciation charge . . . . .	(13,023)
Termination of a lease contract . . . . .	(192)
As at 31 December 2023 . . . . .	<u>15,535</u>

	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2024 . . . . .	15,535
Additions . . . . .	1,799
Depreciation charge . . . . .	(9,871)
Termination of lease contracts . . . . .	(1,664)
As at 31 December 2024 . . . . .	<u>5,799</u>
	<b>Buildings</b>
	<i>RMB'000</i>
As at 1 January 2025 . . . . .	5,799
Additions . . . . .	6,315
Depreciation charge . . . . .	(3,824)
As at 30 June 2025 . . . . .	<u>8,290</u>

The right-of-use (the “ROU”) assets of the Group consisted of the offices leased from third parties for headquarter offices purpose. During the Relevant Periods, all the ROU assets remained in good condition and normal use, and no obsolescence or physical damage of these ROU assets had occurred during the Relevant Periods or was expected to take place in the near future.

**(b) Lease liabilities**

**The Group**

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	<b>As at 31 December</b>			<b>As at 30 June</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount at 1 January . . . . .	31,367	17,798	16,041	5,877
New leases . . . . .	8,934	12,867	1,799	6,769
Accretion of interest recognised during the year/period . . . . .	1,035	797	382	150
Payments . . . . .	(13,624)	(15,062)	(10,569)	(4,003)
Termination of lease contracts . . . . .	(9,406)	(205)	(1,776)	–
Covid-19-related rent concessions from lessors . . . . .	(508)	(154)	–	–
Carrying amount at the end of the year/period . . . . .	<u>17,798</u>	<u>16,041</u>	<u>5,877</u>	<u>8,793</u>
Analysed into:				
Current portion . . . . .	11,001	11,164	4,272	5,478
Non-current portion . . . . .	<u>6,797</u>	<u>4,877</u>	<u>1,605</u>	<u>3,315</u>

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January . . . . .	4,333	1,243	16,041	5,877
New leases . . . . .	233	12,867	1,799	6,315
Transfer . . . . .	–	16,555	–	–
Accretion of interest recognised during the year/period . . . . .	129	797	382	143
Payments . . . . .	(3,441)	(15,062)	(10,569)	(3,933)
Termination of lease contracts . . . . .	–	(205)	(1,776)	–
Covid-19-related rent concessions from lessors . . . . .	(11)	(154)	–	–
Carrying amount at the end of the year/period . . . . .	<u>1,243</u>	<u>16,041</u>	<u>5,877</u>	<u>8,402</u>
Analysed into:				
Current portion . . . . .	1,137	11,164	4,272	5,331
Non-current portion . . . . .	<u>106</u>	<u>4,877</u>	<u>1,605</u>	<u>3,071</u>

The maturity analysis of lease liabilities is disclosed in note 37 to the Historical Financial Information.

- (c) The amounts recognised in profit or loss in relation to leases are as follows:

**The Group**

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
Interest on lease liabilities . . . . .	1,035	797	382	245	150
Depreciation charge of right-of- use assets . . . . .	14,301	13,023	9,871	5,498	3,873
Expense related to short-term and low-value leases . . . . .	4,339	1,439	166	94	120
Covid-19 related rent concessions from lessors . . . . .	(508)	(154)	–	–	–
Total amount recognised in profit or loss . . . . .	<u>19,167</u>	<u>15,105</u>	<u>10,419</u>	<u>5,837</u>	<u>4,143</u>

**The Company**

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i>
Interest on lease liabilities . . . .	129	797	382	245	143
Depreciation charge of right-of-use assets . . . . .	3,328	13,023	9,871	5,498	3,824
Expense related to short-term and low-value leases . . . . .	3,954	1,363	166	94	115
Covid-19-related rent concessions from lessors . . . .	<u>(11)</u>	<u>(154)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total amount recognised in profit or loss . . . . .	<u>7,400</u>	<u>15,029</u>	<u>10,419</u>	<u>5,837</u>	<u>4,082</u>

(d) The total cash outflow for leases is disclosed in note 32 to the Historical Financial Information.

**16. INVESTMENTS IN SUBSIDIARIES****The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments in subsidiaries – capital contribution from the Company for obtaining 100% equity interests of subsidiaries . . . . .	67,907	80,010	80,010	71,879
Investments in subsidiaries – deemed investments arising from share-based payment . . . . .	<u>63,968</u>	<u>63,668</u>	<u>63,615</u>	<u>63,936</u>
Investments in subsidiaries . . . . .	<u>131,875</u>	<u>143,678</u>	<u>143,625</u>	<u>135,815</u>

**17. INVESTMENT IN AN ASSOCIATE****The Group and the Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share of net assets . . . . .	<u>1,495</u>	<u>2,409</u>	<u>—</u>	<u>—</u>

(a) The following table illustrates the financial information of the Group's associate:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Share of the associate's profit/loss for the year/period . . . . .	889	12	(2,931)	(105)
Share of the associate's total comprehensive income/loss . . . . .	889	12	(2,931)	(105)
Carrying amount of the Group's investment in the associate . . . . .	<u>1,495</u>	<u>2,409</u>	<u>—</u>	<u>—</u>

#### 18. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted equity investment, at fair value				
Jiangxi Galaxies Information Technology Co., Ltd. (江西加萊格斯信息技術有限公司) . . . . .	<u>1,180</u>	<u>—</u>	<u>—</u>	<u>—</u>

The above equity investment was irrevocably designated as at fair value through other comprehensive income as the Group considers the investment to be strategic in nature.

In February 2023, the Group disposed of its equity interest in Jiangxi Galaxies Information Technology Co., Ltd. as this investment no longer coincided with the Group's investment strategy. The fair value on the disposal date was RMB1,000,000 and no accumulated gain or loss recognised in other comprehensive income need to be transferred to retained earnings.

#### 19. INVENTORIES

##### The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract fulfilment costs . . . . .	<u>26,989</u>	<u>12,301</u>	<u>14,546</u>	<u>12,245</u>
Less: provision for impairment . . . . .	<u>(1,239)</u>	<u>(1,298)</u>	<u>—</u>	<u>—</u>
Total . . . . .	<u>25,750</u>	<u>11,003</u>	<u>14,546</u>	<u>12,245</u>

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract fulfilment costs . . . . .	17,615	11,338	14,333	11,906
Less: provision for impairment . . . . .	(1,239)	(1,298)	–	–
Total . . . . .	16,376	10,040	14,333	11,906

Contract fulfilment costs are recognised from the costs incurred to fulfil contracts of FastData and FastAGI products and solutions which will be recognised as cost of sales mainly within 12 months when the Group's related performance obligations are satisfied and hence the related service contract revenue is recognised.

**20. TRADE AND BILLS RECEIVABLES****The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills receivables . . . . .	45,475	84,465	185,057	163,671
Impairment . . . . .	(4,441)	(10,098)	(18,824)	(16,876)
Total . . . . .	41,034	74,367	166,233	146,795

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills receivables . . . . .	45,453	84,086	184,677	163,291
Impairment . . . . .	(4,440)	(10,040)	(18,733)	(16,690)
Net carrying amount . . . . .	41,013	74,046	165,944	146,601

The Group's trading terms with its certain customers are on credit, and the credit period is generally within 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the date of revenue recognition and net of loss allowance, is as follows:

**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year. . . . .	21,177	55,695	144,754	133,488
1 to 2 years. . . . .	15,958	7,479	14,551	6,106
2 to 3 years. . . . .	3,899	11,193	1,596	4,579
Over 3 years . . . . .	–	–	5,332	2,622
Total . . . . .	<u>41,034</u>	<u>74,367</u>	<u>166,233</u>	<u>146,795</u>

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year. . . . .	21,156	55,695	144,754	133,487
1 to 2 years. . . . .	15,958	7,158	14,551	6,106
2 to 3 years. . . . .	3,899	11,193	1,307	4,579
Over 3 years . . . . .	–	–	5,332	2,429
Total . . . . .	<u>41,013</u>	<u>74,046</u>	<u>165,944</u>	<u>146,601</u>

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period. . . . .	2,485	4,441	10,098	18,824
Impairment loss, net . . . . .	1,985	5,657	8,726	(1,948)
Write-off . . . . .	(29)	–	–	–
At end of year/period. . . . .	<u>4,441</u>	<u>10,098</u>	<u>18,824</u>	<u>16,876</u>

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period. . . . .	2,485	4,440	10,040	18,733
Impairment loss, net . . . . .	1,984	5,600	8,693	(2,043)
Write-off . . . . .	(29)	–	–	–
At end of year/period. . . . .	<u>4,440</u>	<u>10,040</u>	<u>18,733</u>	<u>16,690</u>

An impairment analysis was performed at 31 December 2022, 2023 and 2024 and 30 June 2025 using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group writes off trade receivables when there is information indicating that the counterparty is in severe financial difficulties and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner, also taking into account legal advice where appropriate.

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

### The Group

As at 31 December 2022

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate . .	4.60%	11.92%	24.44%	–	9.77%
Gross carrying amount (RMB'000) . . . . .	22,198	18,117	5,160	–	45,475
Expected credit losses (RMB'000) . . . . .	1,021	2,159	1,261	–	4,441

As at 31 December 2023

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate . .	7.94%	15.42%	26.00%	–	11.96%
Gross carrying amount (RMB'000) . . . . .	60,497	8,843	15,125	–	84,465
Expected credit losses (RMB'000) . . . . .	4,802	1,364	3,932	–	10,098

As at 31 December 2024

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate . .	6.51%	15.71%	25.07%	50.78%	10.17%
Gross carrying amount (RMB'000) . . . . .	154,831	17,262	2,130	10,834	185,057
Expected credit losses (RMB'000) . . . . .	10,077	2,711	534	5,502	18,824

As at 30 June 2025

	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate . .	6.49%	15.50%	25.22%	65.36%	10.31%
Gross carrying amount (RMB'000) . . . . .	142,753	7,226	6,123	7,569	163,671
Expected credit losses (RMB'000) . . . . .	9,265	1,120	1,544	4,947	16,876

**The Company**

As at 31 December 2022

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Expected credit loss rate . . . . .	4.60%	11.92%	24.44%	–	9.77%
Gross carrying amount (RMB'000) . . . . .	22,176	18,117	5,160	–	45,453
Expected credit losses (RMB'000) . . . . .	1,020	2,159	1,261	–	4,440

As at 31 December 2023

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Expected credit loss rate . . . . .	7.94%	15.42%	26.00%	–	11.94%
Gross carrying amount (RMB'000) . . . . .	60,498	8,463	15,125	–	84,086
Expected credit losses (RMB'000) . . . . .	4,803	1,305	3,932	–	10,040

As at 31 December 2024

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Expected credit loss rate . . . . .	6.51%	15.71%	25.31%	50.78%	10.14%
Gross carrying amount (RMB'000) . . . . .	154,831	17,262	1,750	10,834	184,677
Expected credit losses (RMB'000) . . . . .	10,077	2,711	443	5,502	18,733

As at 30 June 2025

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>Over 3 years</u>	<u>Total</u>
Expected credit loss rate . . . . .	6.49%	15.50%	25.22%	66.21%	10.22%
Gross carrying amount (RMB'000) . . . . .	142,753	7,226	6,123	7,189	163,291
Expected credit losses (RMB'000) . . . . .	9,266	1,120	1,544	4,760	16,690

## 21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

## The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred listing expenses . . . . .	–	–	111	6,438
Deposits and other receivables . . . . .	6,492	6,357	5,776	6,007
Deductible value-added tax . . . . .	4,545	4,466	2,964	4,387
Other current assets . . . . .	1,519	1,743	1,559	1,219
	<u>12,556</u>	<u>12,566</u>	<u>10,410</u>	<u>18,051</u>
Impairment allowance . . . . .	(956)	(661)	(834)	(1,406)
Subtotal . . . . .	11,600	11,905	9,576	16,645
Less: Other non-current assets . . . . .	(4,790)	(4,411)	(3,155)	(2,754)
Total current portion . . . . .	<u>6,810</u>	<u>7,494</u>	<u>6,421</u>	<u>13,891</u>

## The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amounts due from subsidiaries . . . . .	523,404	507,916	574,548	555,606
Deferred listing expenses . . . . .	–	–	111	6,438
Deposits and other receivables . . . . .	1,984	5,982	5,697	5,707
Deductible value-added tax . . . . .	1,045	2,335	981	2,035
Other current assets . . . . .	1,041	1,481	1,545	1,205
Prepayments . . . . .	4,604	10,464	–	–
	<u>532,078</u>	<u>528,178</u>	<u>582,882</u>	<u>570,991</u>
Impairment allowance . . . . .	(181)	(655)	(832)	(1,398)
Subtotal . . . . .	531,897	527,523	582,050	569,593
Less: Other non-current assets . . . . .	(1,209)	(4,411)	(3,132)	(2,731)
Total current portion . . . . .	<u>530,688</u>	<u>523,112</u>	<u>578,918</u>	<u>566,862</u>

Deposits and other receivables had no historical default. Deposits and other receivables were categorised in stage 1 at the end of each of the Relevant Periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the Group estimated the expected credit losses for other receivables to be RMB956,000, RMB661,000 and RMB834,000 and RMB1,406,000, respectively.

Other receivables are unsecured, non-interest-bearing and are collectable within one year.

The movements in the loss allowance for impairment of other receivables are as follows:

### The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period . . . . .	680	956	661	834
Impairment, net . . . . .	276	(295)	173	572
At end of year/period . . . . .	<u>956</u>	<u>661</u>	<u>834</u>	<u>1,406</u>

### The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period . . . . .	–	181	655	832
Impairment, net . . . . .	181	474	177	566
At end of year/period . . . . .	<u>181</u>	<u>655</u>	<u>832</u>	<u>1,398</u>

## 22. CONTRACT ASSETS

### The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets arising from:				
Warranty retention receivables . . . . .	6,585	5,814	16,265	16,958
Impairment of contract assets . . . . .	(355)	(509)	(915)	(1,102)
Total . . . . .	<u>6,230</u>	<u>5,305</u>	<u>15,350</u>	<u>15,856</u>

### The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets arising from: . . . . .				
Warranty retention receivables . . . . .	6,195	5,783	16,233	16,927
Impairment of contract assets . . . . .	(337)	(504)	(913)	(1,100)
Total . . . . .	<u>5,858</u>	<u>5,279</u>	<u>15,320</u>	<u>15,827</u>

Contract assets are initially recognised for the revenue earned from sales of products and the receipt of retention consideration is conditional on expiration of the warranty period. Upon expiration of the warranty period, the amounts recognised as contract assets are reclassified to trade and bills receivables.

The expected timing of recovery or settlement for all the contract assets is within one year.

The movements in the impairment of contract assets are as follows:

**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period . . . . .	183	355	509	915
Impairment losses, net . . . . .	172	154	406	187
At end of year/period . . . . .	<u>355</u>	<u>509</u>	<u>915</u>	<u>1,102</u>

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year/period . . . . .	183	337	504	913
Impairment losses, net . . . . .	154	167	409	187
At end of year/period . . . . .	<u>337</u>	<u>504</u>	<u>913</u>	<u>1,100</u>

**23. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PLEDGED DEPOSITS**

**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks . . . . .	549,278	337,185	209,599	193,061
Less:				
Restricted cash* . . . . .	–	–	–	8,404
Pledged deposits** . . . . .	140	387	1,282	1,272
Cash and cash equivalents . . . . .	<u>549,138</u>	<u>336,798</u>	<u>208,317</u>	<u>183,385</u>
Denominated in:				
RMB . . . . .	288,510	304,975	175,597	151,867
USD . . . . .	260,628	31,823	32,720	29,730
HKD . . . . .	–	–	–	1,788

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at banks . . . . .	507,711	336,575	199,071	174,832
Less:				
Restricted cash* . . . . .	–	–	–	5,134
Pledged deposits** . . . . .	140	387	1,282	1,272
Cash and cash equivalents . . . . .	507,571	336,188	197,789	168,426
Denominated in:				
RMB . . . . .	246,943	304,365	165,082	138,706
USD . . . . .	260,628	31,823	32,707	29,720

\* As at 30 June 2025, the cash of RMB8,404,000 were restricted due to litigations which will become unrestricted after the resolution of those litigations.

\*\* As at 31 December 2022, 2023 and 2024 and 30 June 2025, the pledged deposits included RMB140,000, RMB387,000, RMB1,282,000 and RMB1,272,000, respectively, used as performance deposits for certain sales contracts which will become unrestricted after the completion of the contracts.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

**24. TRADE PAYABLES**

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year . . . . .	12,646	24,673	75,174	45,142
1 to 2 years . . . . .	3,892	2,434	4,869	3,322
2 to 3 years . . . . .	327	2,599	1,592	2,556
Over 3 years . . . . .	55	327	1,988	1,912
Total . . . . .	16,920	30,033	83,623	52,932

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year . . . . .	10,929	18,999	59,207	44,155
1 to 2 years . . . . .	3,892	2,177	4,869	3,322
2 to 3 years . . . . .	173	2,599	1,427	2,556
Over 3 years . . . . .	–	173	1,742	1,666
Total . . . . .	<u>14,994</u>	<u>23,948</u>	<u>67,245</u>	<u>51,699</u>

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.

**25. OTHER PAYABLES AND ACCRUALS****The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Accrued listing expenses . . . . .	–	–	849	14,784
Payroll and welfare payables . . . . .	29,836	22,624	14,872	13,322
Contract liabilities . . . . . (a)	22,890	8,172	3,693	4,411
Other payables . . . . . (b)	4,290	1,970	20,291	7,380
Other tax payable . . . . .	2,393	7,707	13,295	3,801
Accrued operating expenses . . . . .	352	702	1,413	1,228
Total . . . . .	<u>59,761</u>	<u>41,175</u>	<u>54,413</u>	<u>44,926</u>

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Accrued listing expenses . . . . .	–	–	849	14,784
Payroll and welfare payables . . . . .	6,573	22,395	13,670	11,059
Contract liabilities . . . . . (a)	22,890	8,172	3,693	4,155
Other payables . . . . . (b)	755	1,948	20,207	4,162
Other tax payable . . . . .	447	7,220	13,293	2,968
Accrued operating expenses . . . . .	133	702	1,413	1,226
Amounts due to subsidiaries . . . . .	855	4,542	–	55
Total . . . . .	<u>31,653</u>	<u>44,979</u>	<u>53,125</u>	<u>38,409</u>

(a) Details of contract liabilities are as follows:

**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Short-term advances received from customers				
Sale of solutions . . . . .	22,890	8,172	3,693	4,411

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Short-term advances received from customers				
Sale of solutions . . . . .	22,890	8,172	3,693	4,155

(b) Other payables are trade in nature, non-interest-bearing and repayable on demand.

**26. INTEREST-BEARING BANK BORROWINGS**

**The Group**

The effective interest rates and maturities of the borrowings are as follows:

	As at 30 June 2025		
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Current			
Bank loans – unsecured . . . . .	2.6-3.0	2026	50,115

The carrying amounts of borrowings are denominated in RMB.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:				
Bank loans repayable:				
Within one year . . . . .	–	–	–	50,115

**27. SHARES WITH PREFERENTIAL RIGHTS****The Group and the Company**

From December 2020 to August 2022, the Company had received several rounds of investments as follows:

In December 2020, the Company issued 3,529,412 angel round equity shares with a par value of RMB1.00 per share ("Series Angel Shares") to several independent investors for a cash consideration of RMB15,000,000 or RMB4.25 per share.

In December 2020, the Company issued 8,728,653 series pre-A equity shares with a par value of RMB1.00 per share ("Series Pre-A Shares") to several independent investors for a cash consideration of RMB54,117,647 or RMB6.20 per share.

In December 2020, the Company issued 8,870,967 series A1 equity shares with a par value of RMB1.00 per share ("Series A1 Shares") to several independent investors for a cash consideration of RMB213,766,120 or RMB25.53 per share.

In December 2020, the Company issued 10,059,797 series A+ equity shares with a par value of RMB1.00 per share ("Series A+ Shares") to several independent investors for a cash consideration of RMB589,981,458 or RMB32.84 per share.

In March 2021, the Company issued 1,876,366 series A3 equity shares with a par value of RMB1.00 per share ("Series A3 Shares") to several independent investors for a cash consideration of RMB68,605,000 or RMB36.56 per share.

In March 2021, the Company issued 5,874,409 series A4 equity shares with a par value of RMB1.00 per share ("Series A4 Shares") to several independent investors for a cash consideration of RMB274,345,470 or RMB46.84 per share.

In August 2021, the Company issued the first tranche of series B1 equity shares of 6,477,799 with a par value of RMB1.00 per share ("Series B1 Shares") to several independent investors for a cash consideration of RMB448,726,000 or RMB69.23 per share.

In January 2022, the Company issued the second tranche of series B1 equity shares of 1,509,360 with a par value of RMB1.00 per share ("Series B1 Shares") to one independent investor for a cash consideration of RMB10,450,000 or RMB69.23 per share.

In May 2022, the Company issued 1,354,022 series B2 equity shares with a par value of RMB1.00 per share ("Series B2 Shares") to several independent investors for a cash consideration of RMB110,000,000 or RMB81.24 per share.

In February 2025, as disclosed in the section headed "History, Development and Corporate Structure" in the Prospectus, (i) Mr. Zhao Jiehui paid the registered capital of the Company in the amount of RMB592,333 and then transferred to CMBC Financial Investment, and (ii) Mr. Yang Lei paid the registered capital of the Company in the amount of RMB140,232 and then transferred to CMBC Financial Investment ("Series Equity Transfer Shares"). The total equity transfer consideration of RMB30,000,000 was determined based on arm's length negotiation between the parties and the equity transfer was approved by all shareholders of the Company.

Series Angel Shares, Series Pre-A Shares, Series A1 Shares, Series A+ Shares, Series A3 Shares, Series A4 Shares, Series B1 Shares, Series B2 Shares and Series Equity Transfer Shares are collectively referred to as the Shares with Preferential Rights.

Certain key terms of Shares with Preferential Rights are summarised as follows:

### **Redemption rights**

Shares with Preferential Rights shall be redeemable by the Company and the founder of the Company upon the occurrence of certain events, with the main conditions being:

- (i) a qualified initial public offering (the "IPO") does not occur prior to 31 December 2027 (31 December 2024 for Series Angel, Series Pre-A and Series A1 Shares, 31 December 2025 for Series A+ and Series A3 Shares, 31 December 2026 for Series A4 and the first tranche of Series B1 Shares and 31 December 2027 for second tranche of Series B1 and Series B2 Shares); or
- (ii) changes to the Company's controlling shareholder.

The redemption price of the shares issued in the investments shall equal to the higher of (i) the aggregate of the original issue price for the respective series plus an amount accruing daily at 8% of the original preferred shares issue price per annum plus all unpaid dividends (ii) fair market value of the shares of relevant series on the date of redemption plus all unpaid dividends.

### **Liquidation preference**

In the event of any liquidation including deemed liquidation, dissolution, acquisitions, sale or transfer of all or part of the core assets, winding up of the Company, the Company shall ensure that the investors of the investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the price for the respective series plus an amount declared but not paid dividends and the remaining assets of the Company available for distribution shall be distributed rateably among the shareholders.

### **Anti-dilution right**

If the Company increases its share capital at a price lower than the price paid by the investors of the investments on a per share capital basis prior to a qualified IPO, the investors have a right to require the founding shareholders of the Company to transfer for nil consideration to the investors, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

### **Cease of the preferential rights**

The preferential rights will automatically cease upon the submission of application with the Stock Exchange for the qualified IPO and listing. The Shares with Preferential Rights will become ordinary shares without any preferential rights.

In April 2025, the Company and investors have entered into a supplemental agreement pursuant to which the redemption right of the Shares with Preferential Rights will cease to be exercisable upon submission of the IPO and listing application to the Stock Exchange while the until the earlier of (1) the application is not accepted or declined by the Stock Exchange or the Company withdraws the said application, or the Stock Exchange does not approve the Company's application, or the Company's listing sponsor withdraws its listing sponsor; or (2) the Company fails to complete the IPO within eighteen months.

### **Presentation and classification**

The Company recognised the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. Financial liabilities are measured at fair value and any changes in the fair value of the financial liabilities were recorded in "Fair value loss on financial liabilities at FVTPL" in the consolidated statements of profit or loss and other comprehensive income. Any changes in the carrying amount of the financial liabilities were recorded in "Changes in fair value of financial liabilities at shares with preferential rights".

The movements in Shares with Preferential Rights are set out as follows:

	Series Angel Shares	Series Pre-A Shares	Series A1 Shares	Series A+ Shares	Series A3 Shares	Series A4 Shares	Series B1 Shares	Series B2 Shares	Series Equity Transfer Shares	Total shares
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 . . . . .	118,290	295,705	344,245	431,373	87,506	312,748	448,721	–	–	2,038,588
Change in fair value . . . . .	34,833	86,308	89,617	99,866	17,425	51,237	42,284	–	–	421,570
Issuance for cash . . . . .	–	–	–	–	–	–	10,450	110,000	–	120,450
At 31 December 2022 and 1 January 2023 . . . . .	153,123	382,013	433,862	531,239	104,931	363,985	501,455	110,000	–	2,580,608
Change in fair value . . . . .	17,599	44,876	50,045	53,473	9,459	25,936	16,974	2,661	–	221,023
At 31 December 2023 and 1 January 2024 . . . . .	170,722	426,889	483,907	584,712	114,390	389,921	518,429	112,661	–	2,801,631
Change in fair value . . . . .	95,326	235,982	233,172	253,182	45,069	132,290	134,333	25,832	–	1,155,186
At 31 December 2024 and 1 January 2025 . . . . .	266,048	662,871	717,079	837,894	159,459	522,211	652,762	138,493	–	3,956,817
Equity transfer between shareholders . . . . .	–	–	–	–	–	–	–	–	54,513	54,513
Change in fair value . . . . .	9,112	22,570	22,866	25,601	4,729	14,599	16,141	3,281	9,366	128,265
At 30 June 2025 . . . . .	<u>275,160</u>	<u>685,441</u>	<u>739,945</u>	<u>863,495</u>	<u>164,188</u>	<u>536,810</u>	<u>668,903</u>	<u>141,774</u>	<u>63,879</u>	<u>4,139,595</u>

The fair value of the shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer. The Company used discounted cash flow method to determine the total share value of the Company and applied the equity allocation model to determine the fair market value of the shares of relevant series at the end of each of the Relevant Periods upon redemption.

Key valuation assumptions used to determine the fair market value of the shares are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Discount rate . . . . .	–	15.20%	13.90%	13.80%
Risk-free interest rate . . . . .	2.50%	2.30%	1.10%	1.35%
Volatility . . . . .	44.40%	42.80%	42.90%	50.45%
Discounts for lack of marketability ("DLOM") . . . . .	<u>17.84%</u>	<u>14.97%</u>	<u>11.60%</u>	<u>10.43%</u>

If the Company's significant unobservable inputs applied in the valuation had been 1% lower or higher than management's estimation as at 31 December 2022, 2023 and 2024 and 30 June 2025, the present value of the Shares with Preferential Rights would increase/(decrease) by the amounts listed in table below:

	As at 31 December 2022		
	Risk-free interest rate	Volatility	DLOM
Impact on the profit/(loss) before income tax due to estimated changes in present value of the Shares with Preferential Rights			
Add 1% . . . . .	219	812	5,162
Reduce 1% . . . . .	<u>(219)</u>	<u>(659)</u>	<u>(5,162)</u>

As at 31 December 2023			
	Risk-free interest rate	Volatility	DLOM
Impact on the profit/(loss) before income tax due to estimated changes in present value of the Shares with Preferential Rights			
Add 1% . . . . .	155	665	4,498
Reduce 1% . . . . .	<u>(155)</u>	<u>(5,363)</u>	<u>(4,498)</u>
As at 31 December 2024			
	Risk-free interest rate	Volatility	DLOM
Impact on the profit/(loss) before income tax due to estimated changes in present value of the Shares with Preferential Rights			
Add 1% . . . . .	41	(73)	4,880
Reduce 1% . . . . .	<u>(41)</u>	<u>(1,390)</u>	<u>(4,880)</u>
As at 30 June 2025			
	Risk-free interest rate	Volatility	DLOM
Impact on the profit/(loss) before income tax due to estimated changes in present value of the Shares with Preferential Rights			
Add 1% . . . . .	34	3,494	4,561
Reduce 1% . . . . .	<u>(34)</u>	<u>(1,316)</u>	<u>(4,561)</u>

## 28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

### Deferred tax assets

#### The Group

	Lease liabilities	Impairment losses on financial and contract assets	Impairment of inventories	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022. . . . .	5,995	523	910	7,428
Deferred tax (charged)/credited to profit or loss during the year . . . . .	<u>(2,212)</u>	<u>382</u>	<u>(724)</u>	<u>(2,554)</u>
Gross deferred tax assets at 31 December 2022 and 1 January 2023 . . . . .	3,783	905	186	4,874
Deferred tax (charged)/credited to profit or loss during the year . . . . .	<u>(1,377)</u>	<u>786</u>	<u>9</u>	<u>(582)</u>
Gross deferred tax assets at 31 December 2023 and 1 January 2024 . . . . .	2,406	1,691	195	4,292
Deferred tax (charged)/credited to profit or loss during the year . . . . .	<u>(1,524)</u>	<u>1,395</u>	<u>(195)</u>	<u>(324)</u>

	<u>Lease liabilities</u>	<u>Impairment losses on financial and contract assets</u>	<u>Impairment of inventories</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gross deferred tax assets at 31 December 2024 and 1 January 2025 . . . . .	882	3,086	–	3,968
Deferred tax credited/(charged) to profit or loss during the period . . . . .	<u>476</u>	<u>(152)</u>	–	<u>324</u>
Gross deferred tax assets at 30 June 2025 . . . . .	<u>1,358</u>	<u>2,934</u>	–	<u>4,292</u>

**The Company**

	<u>Lease liabilities</u>	<u>Impairment losses on financial and contract assets</u>	<u>Impairment of inventories</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022. . . . .	650	435	910	1,995
Deferred tax (charged)/credited to profit or loss during the year . . . . .	<u>(464)</u>	<u>309</u>	<u>(724)</u>	<u>(879)</u>
Gross deferred tax assets at 31 December 2022 and 1 January 2023 . . . . .	186	744	186	1,116
Deferred tax credited to profit or loss during the year . . . . .	<u>2,220</u>	<u>936</u>	<u>9</u>	<u>3,165</u>
Gross deferred tax assets at 31 December 2023 and 1 January 2024 . . . . .	2,406	1,680	195	4,281
Deferred tax (charged)/credited to profit or loss during the year . . . . .	<u>(1,524)</u>	<u>1,392</u>	<u>(195)</u>	<u>(327)</u>
Gross deferred tax assets at 31 December 2024 and 1 January 2025 . . . . .	882	3,072	–	3,954
Deferred tax credited/(charged) to profit or loss during the period . . . . .	<u>378</u>	<u>(182)</u>	–	<u>196</u>
Gross deferred tax assets at 30 June 2025 . . . . .	<u>1,260</u>	<u>2,890</u>	–	<u>4,150</u>

**Deferred tax liabilities****The Group**

	<u>Right-of-use assets</u>
	<i>RMB'000</i>
At 1 January 2022. . . . .	5,771
Deferred tax credited to profit or loss during the year. . . . .	<u>(2,342)</u>
Gross deferred tax liabilities at 31 December 2022 and 1 January 2023 . . . . .	3,429
Deferred tax credited to profit or loss during the year. . . . .	<u>(1,099)</u>
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024 . . . . .	2,330
Deferred tax credited to profit or loss during the year. . . . .	<u>(1,460)</u>
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025 . . . . .	870
Deferred tax charged to profit or loss during the period. . . . .	<u>475</u>
Gross deferred tax liabilities at 30 June 2025 . . . . .	<u>1,345</u>

**The Company**

	<u>Right-of-use assets</u>
	<i>RMB'000</i>
At 1 January 2022 . . . . .	640
Deferred tax credited to profit or loss during the year . . . . .	(465)
Gross deferred tax liabilities at 31 December 2022 and 1 January 2023 . . . . .	175
Deferred tax charged to profit or loss during the year . . . . .	<u>2,155</u>
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024 . . . . .	2,330
Deferred tax credited to profit or loss during the year . . . . .	<u>(1,460)</u>
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025 . . . . .	870
Deferred tax charged to profit or loss during the period . . . . .	<u>374</u>
Gross deferred tax liabilities at 30 June 2025 . . . . .	<u><u>1,244</u></u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position.

Deferred tax assets have not been recognised in respect of the following items:

**The Group**

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Tax losses . . . . .	907,807	1,066,769	1,098,557	1,147,991
Deductible temporary differences . . . . .	1,445	1,962	3,098	2,947
Total . . . . .	<u>909,252</u>	<u>1,068,731</u>	<u>1,101,655</u>	<u>1,150,938</u>

The above tax losses are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised, refer to note 11.

**29. PAID-IN CAPITAL/SHARE CAPITAL****The Group and the Company**

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Issued and fully paid . . . . .	50,137	50,137	50,333	300,000
Issued but not fully paid . . . . .	<u>23,120</u>	<u>23,120</u>	<u>22,924</u>	<u>–</u>

A summary of movements in the Company's paid-in capital/share capital is as follows:

	Number of shares in issue	Paid-in capital/ share capital
		<i>RMB'000</i>
At 1 January 2022. . . . .	46,417,403	46,417
Issues of shares with preferential rights ( <i>note (a)</i> ) . . . . .	<u>3,719,255</u>	<u>3,720</u>
As at 31 December 2022, 1 January 2023 and 31 December 2023. . . . .	50,136,658	50,137
Capital contribution from shareholder ( <i>note (b)</i> ) . . . . .	<u>195,905</u>	<u>196</u>
At 31 December 2024 and 1 January 2025. . . . .	50,332,563	50,333
Capital contribution from shareholders ( <i>note (c)</i> ) . . . . .	<u>22,923,877</u>	<u>22,924</u>
Issue of ordinary shares upon conversion into a joint stock company ( <i>note (d)</i> ) . . . . .	<u>226,743,560</u>	<u>226,743</u>
At 30 June 2025. . . . .	<u><u>300,000,000</u></u>	<u><u>300,000</u></u>

*Notes:*

- (a) In September 2022, the Company received capital contributions of RMB122,665,000 from three investors. The capital contributions increased the paid-in capital and capital reserve by RMB3,720,000 and RMB118,945,000, respectively.
- (b) In December 2024, the registered capital of RMB195,905 of the Company was subscribed by an investor at par value. The capital contribution increased the paid-in capital by RMB196,000.
- (c) In February 2025, the registered capital of RMB22,923,877 of the Company was subscribed by investors. The capital contributions increased the paid-in capital and capital reserve by RMB22,924,000 and RMB10,528,000, respectively.
- (d) Pursuant to the shareholders' resolutions on 14 March 2025, the then existing shareholders of the Company agreed to convert the Company into a joint stock limited liability company with registered capital of RMB300,000,000. Upon the completion of registration with governmental authorities on 8 April 2025, the Company has been converted into a joint stock company with limited liability.

### 30. RESERVES

#### The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) **Capital reserve**

The capital reserve represents capital contributions and distributions to the shareholders.

(b) **Share-based payment reserve**

The share-based payment reserve represents the equity-settled share awards as set out in note 31 to the Historical Financial Information.

**(c) Fair value reserve of financial assets at fair value through other comprehensive income**

The fair value reserve of financial assets at fair value through other comprehensive income represents unrealised fair value gains or losses for equity investment designated at financial assets at fair value through other comprehensive income.

**The Company**

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Other reserves	Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated loss	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2022</b> . . . . .	1,353,682	57,577	(1,383,850)	(346)	(941,795)	(914,732)
Loss for the year . . . . .	–	–	–	–	(442,048)	(442,048)
Other comprehensive income for the year . . . . .	–	–	–	526	–	526
Total comprehensive income for the year . . . . .	–	–	–	526	(442,048)	(441,522)
Issue of new shares with preferential rights . . . . .	118,945	–	–	–	–	118,945
Recognition of shares with preferential rights . . . . .	–	–	(120,450)	–	–	(120,450)
Recognition of equity-settled share-based payment . . . . .	–	9,756	–	–	–	9,756
<b>As at 31 December 2022 and 1 January 2023</b> . . . . .	1,472,627	67,333	(1,504,300)	180	(1,383,843)	(1,348,003)
Loss for the year . . . . .	–	–	–	–	(426,219)	(426,219)
Other comprehensive income for the year . . . . .	–	–	–	(180)	–	(180)
Total comprehensive loss for the year .	–	–	–	(180)	(426,219)	(426,399)
Recognition of equity-settled share-based payment . . . . .	–	92,885	–	–	–	92,885
<b>As at 31 December 2023 and 1 January 2024</b> . . . . .	1,472,627	160,218	(1,504,300)	–	(1,810,062)	(1,681,517)
Loss and total comprehensive loss for the year . . . . .	–	–	–	–	(1,255,861)	(1,255,861)
Recognition of equity-settled share-based payment . . . . .	–	2,784	–	–	–	2,784
<b>As at 31 December 2024 and 1 January 2025</b> . . . . .	1,472,627	163,002	(1,504,300)	–	(3,065,923)	(2,934,594)
Loss and total comprehensive loss for the period . . . . .	–	–	–	–	(344,954)	(344,954)
Capital contribution from shareholders (note 29). . . . .	10,528	–	–	–	–	10,528
Equity transfer between shareholders (note 27). . . . .	–	–	(54,513)	–	–	(54,513)
Conversion into a joint stock company.	(917,314)	–	–	–	690,571	(226,743)
Recognition of equity-settled share-based payment . . . . .	–	108,017	–	–	–	108,017
<b>As at 30 June 2025</b> . . . . .	565,841	271,019	(1,558,813)	–	(2,720,306)	(3,442,259)

**31. SHARE-BASED PAYMENTS****2021 Share Incentive Scheme**

A share incentive plan (“Employee Incentive Scheme”) was approved by the shareholders of the Company on 8 July 2021 and became effective on the same day. Restricted shares under the Employee Incentive Scheme were granted to the employees who promote the success of the Group’s operations. Tianjin Deepexi Huachuang Enterprise Management Consulting Partnership (Limited Partnership) (天津滴普華創企業管理諮詢合夥企業(有限合夥)) (“Deepexi Huachuang”) was used as restricted share platforms to facilitate the administration of the Employee Incentive Scheme. 37,299,300 shares of the Company were held by Deepexi Huachuang, were authorised and approved under the Employee Incentive scheme. Pursuant to the Employee Incentive Scheme, the subscription price was RMB1.00 or RMB3.00 per restricted share.

On 7 December 2023, the shareholders of the Company decided to waive the implied service period for certain employees granted shares in Deepexi Huachuang in recognition of their contribution to the Group. The removal of the vesting condition resulted in the one-time accelerated vesting of certain incentive shares in 2023. The share-based payment expenses of RMB86,384,000 was recognised immediately, which lead to the significant increase in share-based payment expenses in 2023.

**2023 Share Incentive Scheme**

A share incentive plan (“Employee Incentive Scheme”) was approved by the shareholders of the Company on 7 December 2023 and became effective on the same day. Restricted shares under the Employee Incentive Scheme were granted to the employees who promote the success of the Group’s operations. Guangzhou Deepexi Huaying Enterprise Management Consulting Partnership (Limited Partnership) (廣州滴普華贏企業管理諮詢合夥企業(有限合夥)) (“Deepexi Huaying”) was used as restricted share platforms to facilitate the administration of the Employee Incentive Scheme. 6,364,500 shares of the Company were held by Deepexi Huaying, were authorised and approved under the Employee Incentive scheme. Pursuant to the Employee Incentive Scheme, the subscription price was RMB6.00 per restricted share.

Subject to the terms and conditions as set out in those Employee Incentive Scheme above, if eligible employees resign before the three years ended after the completion of IPO (the “Target Date”), the controlling shareholder or parties designated by the controlling shareholder have the right to repurchase and the resigned employees have to sell the restricted shares granted and vested at the subscription price. Therefore, the period from the grant date to the Target Date constitutes an implied service period. The Group does not bear the obligation to settle the restricted shares for employees, the Employee Incentive Scheme was accounted as an equity transaction for share-based payments.

In January 2025, certain employees were granted shares in Deepexi Huaying in recognition of their contribution to the Group without vesting condition resulted in the one-time vesting of certain incentive shares. The share-based payment expenses of RMB106,773,000 was recognised immediately, which lead to the significant increase in share-based payment expenses in 2025.

The following granted shares were outstanding under the Employee Incentive Scheme during the Relevant Periods:

	<u>Number of granted incentive shares</u>
As at 1 January 2022 . . . . .	31,236,780
Granted during the year . . . . .	3,875,950
Forfeited during the year. . . . .	<u>(983,868)</u>
As at 31 December 2022 and 1 January 2023 . . . . .	34,128,862
Granted during the year . . . . .	5,245,972
Forfeited during the year. . . . .	<u>(2,075,457)</u>
As at 31 December 2023 and 1 January 2024 . . . . .	37,299,377
Forfeited during the year. . . . .	<u>(1,303,802)</u>
As at 31 December 2024 and 1 January 2025 . . . . .	35,995,575
Granted during the period . . . . .	7,845,762
Forfeited during the period . . . . .	<u>(219,859)</u>
As at 30 June 2025 . . . . .	<u><u>43,621,478</u></u>

The fair value of the restricted shares as at the grant date were determined with reference to the fair value of ordinary shares on the grant date. The following table lists the inputs to the model:

	<u>As at 31 December</u>			<u>As at 30 June</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
DLOM . . . . .	17.84%	14.97%	–	10.43%
Risk-free interest rate (%) . . . . .	2.50%	2.30%	–	1.35%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The total share-based payment expenses recognised in profit or loss for restricted shares were approximately RMB9,756,000, RMB92,885,000, RMB2,784,000 and RMB108,017,000 during the Relevant Periods, respectively.

## 32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

### (a) Major non-cash transactions

During the Relevant Periods and the six months ended 30 June 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB8,934,000, RMB12,867,000, RMB1,799,000, RMB311,000 and RMB6,769,000, respectively, in respect of lease agreements.

**(b) Changes in liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	<b>Shares with preferential rights</b>	<b>Lease liabilities</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022 . . . . .	2,038,588	31,367	2,069,955
New financing proceeds . . . . .	120,450	–	120,450
Change in fair value . . . . .	421,570	–	421,570
Payments . . . . .	–	(13,624)	(13,624)
New leases . . . . .	–	8,934	8,934
Termination of lease contracts . . . . .	–	(9,406)	(9,406)
Covid-19-related rent concessions from lessors . .	–	(508)	(508)
Accretion of interest recognised during the year .	–	1,035	1,035
At 31 December 2022 . . . . .	<u>2,580,608</u>	<u>17,798</u>	<u>2,598,406</u>
	<b>Shares with preferential rights</b>	<b>Lease liabilities</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023 . . . . .	2,580,608	17,798	2,598,406
Change in fair value . . . . .	221,023	–	221,023
Payments . . . . .	–	(15,062)	(15,062)
New leases . . . . .	–	12,867	12,867
Termination of a lease contract . . . . .	–	(205)	(205)
Covid-19-related rent concessions from lessors . .	–	(154)	(154)
Accretion of interest recognised during the year .	–	797	797
At 31 December 2023 . . . . .	<u>2,801,631</u>	<u>16,041</u>	<u>2,817,672</u>
	<b>Shares with preferential rights</b>	<b>Lease liabilities</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024 . . . . .	2,801,631	16,041	2,817,672
Change in fair value . . . . .	1,155,186	–	1,155,186
Payments . . . . .	–	(10,569)	(10,569)
New leases . . . . .	–	1,799	1,799
Termination of lease contracts . . . . .	–	(1,776)	(1,776)
Accretion of interest recognised during the year .	–	382	382
At 31 December 2024 . . . . .	<u>3,956,817</u>	<u>5,877</u>	<u>3,962,694</u>

	Shares with preferential rights	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024 . . . . .	2,801,631	16,041	2,817,672
Change in fair value . . . . .	551,923	–	551,923
Payments . . . . .	–	(5,965)	(5,965)
New leases . . . . .	–	311	311
Termination of lease contracts . . . . .	–	(1,775)	(1,775)
Accretion of interest recognised during the period . . . . .	–	245	245
At 30 June 2024 (unaudited) . . . . .	<u>3,353,554</u>	<u>8,857</u>	<u>3,362,411</u>

	Shares with preferential rights	Lease liabilities	Interest-bearing bank borrowings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025 . . . . .	3,956,817	5,877	–	3,962,694
Change in fair value . . . . .	128,265	–	–	128,265
Equity transfer between shareholders . . . . .	54,513	–	–	54,513
Changes from financing cash flows . . . . .	–	–	50,000	50,000
Payments . . . . .	–	(4,003)	–	(4,003)
New leases . . . . .	–	6,769	–	6,769
Interest expenses . . . . .	–	–	115	115
Accretion of interest recognised during the period . . . . .	–	150	–	150
At 30 June 2025 . . . . .	<u>4,139,595</u>	<u>8,793</u>	<u>50,115</u>	<u>4,198,503</u>

## (c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Within operating activities . . . . .	4,339	1,439	166	94	120
Within financing activities . . . . .	13,624	15,062	10,569	5,964	4,003
Total . . . . .	<u>17,963</u>	<u>16,501</u>	<u>10,735</u>	<u>6,058</u>	<u>4,123</u>

## 33. RELATED PARTY TRANSACTIONS

## (a) Name and relationship:

Name of related party	Relationship with the Group
Wuxi Nianhua Yun Technology Service Co., Ltd. 無錫拈花雲科技服務有限公司 . . . . .	Associate of the Group

**(b) Related party transactions**

The Group had the following transactions with a related party during the Relevant Periods and the six months ended 30 June 2024:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
Sales of products to:					
Wuxi Nianhua Yun Technology Service Co., Ltd. . . . .	3,870	2,811	–	–	–

**(c) Outstanding balances with related parties****The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Due from a related company:</b>				
<b>Trade related</b>				
Wuxi Nianhua Yun Technology Service Co., Ltd. . . . .	2,747	1,852	1,407	1,407

**The Company**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Amounts due from a subsidiary:</b>				
Deepexi Guangzhou Technology Co., Ltd. . . . .	206	206	–	–
<b>Amounts due to subsidiaries:</b>				
Shenzhen Deepexi Intelligent Technology Co., Ltd. . . . .	2,584	7,957	27,487	19,692
Hangzhou Deepexi Technology Co., Ltd. . . . .	1,038	93	100	–
Shanghai Deepexi Technology Co., Ltd. . . . .	971	695	–	–
Deepexi Guangzhou Technology Co., Ltd. . . . .	–	2,489	460	808
Hong Kong Deepexi Technology Limited . . . . .	–	–	–	151
Chengdu Deepexi Technology Co., Ltd. . . . .	–	1	–	8
Total . . . . .	4,593	11,235	28,047	20,659

Amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

## (d) Compensation of key management personnel of the Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Salaries, bonuses, allowances and benefits in kind . . . . .	7,468	6,608	6,123	2,596
Pension scheme contributions . . . . .	97	161	219	138
Equity-settled share-based payment expenses . . . . .	4,819	62,946	29	104,260
Total . . . . .	<u>12,384</u>	<u>69,715</u>	<u>6,371</u>	<u>106,994</u>

Further details of directors' and the chief executive's remuneration are included in note 9 to the Historical Financial Information.

## 34. COMMITMENTS

At the end of each of the Relevant Periods, the Group did not have any significant contractual commitments.

## 35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of each of the Relevant Periods were as follows:

**The Group**

As at 31 December 2022

Financial assets

The Group	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Equity investment designated at fair value through other comprehensive income ( <i>note 18</i> ).	1,180	–	1,180
Trade and bills receivables ( <i>note 20</i> ) . . . . .	–	41,034	41,034
Financial assets included in prepayments, other receivables and other assets ( <i>note 21</i> ) . . . . .	–	8,011	8,011
Pledged deposits ( <i>note 23</i> ). . . . .	–	140	140
Cash and cash equivalents ( <i>note 23</i> ). . . . .	–	549,138	549,138
Total . . . . .	<u>1,180</u>	<u>598,323</u>	<u>599,503</u>

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Shares with preferential rights ( <i>note 27</i> ) . . . . .	2,580,608	–	2,580,608
Trade payables ( <i>note 24</i> ). . . . .	–	16,920	16,920
Financial liabilities included in other payables and accruals ( <i>note 25</i> ) . . . . .	–	4,290	4,290
Lease liabilities ( <i>note 15</i> ) . . . . .	–	17,798	17,798
Total . . . . .	<u>2,580,608</u>	<u>39,008</u>	<u>2,619,616</u>

As at 31 December 2023

Financial assets

The Group	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills receivables ( <i>note 20</i> ) . . . . .	74,367	74,367
Financial assets included in prepayments, other receivables and other assets ( <i>note 21</i> ). . . . .	7,861	7,861
Pledged deposits ( <i>note 23</i> ). . . . .	387	387
Cash and cash equivalents ( <i>note 23</i> ). . . . .	336,798	336,798
Total . . . . .	<u>419,413</u>	<u>419,413</u>

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Shares with preferential rights ( <i>note 27</i> ) . . . . .	2,801,631	–	2,801,631
Trade payables ( <i>note 24</i> ). . . . .	–	30,033	30,033
Financial liabilities included in other payables and accruals ( <i>note 25</i> ) . . . . .	–	1,970	1,970
Lease liabilities ( <i>note 15</i> ) . . . . .	–	16,041	16,041
Total . . . . .	<u>2,801,631</u>	<u>48,044</u>	<u>2,849,675</u>

As at 31 December 2024

Financial assets

The Group	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at FVTPL . . . . .	426	–	426
Trade and bills receivables (note 20) . . . . .	–	166,233	166,233
Financial assets included in prepayments, other receivables and other assets (note 21) . . . . .	–	7,446	7,446
Pledged deposits (note 23) . . . . .	–	1,282	1,282
Cash and cash equivalents (note 23) . . . . .	–	208,317	208,317
Total . . . . .	<u>426</u>	<u>383,278</u>	<u>383,704</u>

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Shares with preferential rights (note 27) . . . . .	3,956,817	–	3,956,817
Trade payables (note 24) . . . . .	–	83,623	83,623
Financial liabilities included in other payables and accruals (note 25) . . . . .	–	20,291	20,291
Lease liabilities (note 15) . . . . .	–	5,877	5,877
Total . . . . .	<u>3,956,817</u>	<u>109,791</u>	<u>4,066,608</u>

As at 30 June 2025

Financial assets

The Group	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at FVTPL . . . . .	378	–	378
Trade and bills receivables (note 20) . . . . .	–	146,795	146,795
Financial assets included in prepayments, other receivables and other assets (note 21) . . . . .	–	13,664	13,664
Restricted cash (note 23) . . . . .	–	8,404	8,404
Pledged deposits (note 23) . . . . .	–	1,272	1,272
Cash and cash equivalents (note 23) . . . . .	–	183,385	183,385
Total . . . . .	<u>378</u>	<u>353,520</u>	<u>353,898</u>

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Shares with preferential rights ( <i>note 27</i> ) . . . . .	4,139,595	–	4,139,595
Interest-bearing bank borrowings ( <i>note 26</i> ) . . . . .	–	50,115	50,115
Trade payables ( <i>note 24</i> ) . . . . .	–	52,932	52,932
Financial liabilities included in other payables and accruals ( <i>note 25</i> ) . . . . .	–	7,380	7,380
Lease liabilities ( <i>note 15</i> ) . . . . .	–	8,793	8,793
Total . . . . .	4,139,595	119,220	4,258,815

**36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, restricted cash, pledged deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The finance manager of the Group is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group's finance manager reports directly to the chief financial officer. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of financial assets at FVTPL are based on quoted market prices.

The fair values of unlisted equity investment designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple. The multiple is calculated by dividing the enterprise value of the comparable company by net assets measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding net assets measure of the unlisted equity investment to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of each of the Relevant Periods.

Below is a summary of significant unobservable inputs to the valuation of the financial instrument together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods.

	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range</u>	<u>Sensitivity of fair value to the input</u>
Equity investment designated at fair value through other comprehensive income . . . . .	Valuation multiples	Average P/B multiple of peers	1.3	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB59,000
		Discount for lack of marketability	29.2%	5% increase/decrease in discount would result in increase/decrease in fair value by RMB24,000

For the methods and assumptions used to estimate the fair values of shares with preferential rights, details are disclosed in note 27 to the Historical Financial Information.

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2022

	<u>Fair value measurement using</u>			<u>Total</u>
	<u>Quoted prices in active markets</u>	<u>Significant observable inputs</u>	<u>Significant unobservable inputs</u>	
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity investment designated at fair value through other comprehensive income . . . . .	–	–	1,180	1,180
	=	=	=	=

The Group did not have any financial assets measured at fair value as at 31 December 2023.

As at 31 December 2024

	<u>Fair value measurement using</u>			<u>Total</u>
	<u>Quoted prices in active markets</u>	<u>Significant observable inputs</u>	<u>Significant unobservable inputs</u>	
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at FVTPL . . . . .	426	–	–	426
	=	=	=	=

As at 30 June 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
Financial assets at FVTPL . . . . .	378	–	–	378

Liabilities measured at fair value:

As at 31 December 2022

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
Shares with preferential rights . . . . .	–	–	2,580,608	2,580,608

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
Shares with preferential rights . . . . .	–	–	2,801,631	2,801,631

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
Shares with preferential rights . . . . .	–	–	3,956,817	3,956,817

As at 30 June 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
Shares with preferential rights . . . . .	=	=	4,139,595	4,139,595

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly comprise cash and bank balances and trade and bills receivables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as financial assets included in prepayments, other receivables and other assets and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and USD in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/(decrease) in USD/RMB rate	Increase/(decrease) in loss before tax/equity
	%	RMB'000
Year ended 31 December 2022		
If the RMB weakens against the USD . . . . .	10	(26,063)
If the RMB strengthens against the USD . . . . .	(10)	26,063
Year ended 31 December 2023		
If the RMB weakens against the USD . . . . .	10	(3,182)
If the RMB strengthens against the USD . . . . .	(10)	3,182
Year ended 31 December 2024		
If the RMB weakens against the USD . . . . .	10	(3,272)
If the RMB strengthens against the USD . . . . .	(10)	3,272
Six months ended 30 June 2025 . . . . .		
If the RMB weakens against the USD . . . . .	10	(2,973)
If the RMB strengthens against the USD . . . . .	(10)	2,973

**Credit risk**

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

*Maximum exposure and year-end staging*

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade receivables* . . . . .	–	–	–	45,475	45,475
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	8,011	–	–	–	8,011
Pledged deposits					
– Not yet past due. . . . .	140	–	–	–	140
Cash and cash equivalents					
– Not yet past due. . . . .	549,138	–	–	–	549,138
Total . . . . .	557,289	–	–	45,475	602,764

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade receivables* . . . . .	–	–	–	84,465	84,465
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	7,861	–	–	–	7,861
Pledged deposits					
– Not yet past due. . . . .	387	–	–	–	387
Cash and cash equivalents					
– Not yet past due. . . . .	336,798	–	–	–	336,798
Total . . . . .	345,046	–	–	84,465	429,511

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and bills receivables* . . . . .	–	–	–	185,057	185,057
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	7,446	–	–	–	7,446
Pledged deposits					
– Not yet past due. . . . .	1,282	–	–	–	1,282
Cash and cash equivalents					
– Not yet past due. . . . .	<u>208,317</u>	–	–	–	<u>208,317</u>
Total . . . . .	<u>217,045</u>	–	–	<u>185,057</u>	<u>402,102</u>

As at 30 June 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and bills receivables* . . . . .	–	–	–	163,671	163,671
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	13,664	–	–	–	13,664
Pledged deposits					
– Not yet past due. . . . .	1,272	–	–	–	1,272
Restricted cash					
– Not yet past due. . . . .	8,404	–	–	–	8,404
Cash and cash equivalents					
– Not yet past due. . . . .	<u>183,385</u>	–	–	–	<u>183,385</u>
Total . . . . .	<u>206,725</u>	–	–	<u>163,671</u>	<u>370,396</u>

\* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the Historical Financial Information.

\*\* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

**Liquidity risk**

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

31 December 2022

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	16,920	–	–	16,920
Lease liabilities . . . . .	11,553	6,822	–	18,375
Financial liabilities included in other payables and accruals . . . . .	4,290	–	–	4,290
Shares with preferential rights . . . . .	<u>2,580,608</u>	–	–	<u>2,580,608</u>
Total . . . . .	<u><u>2,613,371</u></u>	<u><u>6,822</u></u>	–	<u><u>2,620,193</u></u>

31 December 2023

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	30,033	–	–	30,033
Lease liabilities . . . . .	11,572	4,980	–	16,552
Financial liabilities included in other payables and accruals . . . . .	1,970	–	–	1,970
Shares with preferential rights . . . . .	<u>2,801,631</u>	–	–	<u>2,801,631</u>
Total . . . . .	<u><u>2,845,206</u></u>	<u><u>4,980</u></u>	–	<u><u>2,850,186</u></u>

31 December 2024

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	83,623	–	–	83,623
Lease liabilities . . . . .	4,397	1,630	–	6,027
Financial liabilities included in other payables and accruals . . . . .	20,291	–	–	20,291
Shares with preferential rights . . . . .	<u>3,956,817</u>	–	–	<u>3,956,817</u>
Total . . . . .	<u><u>4,065,128</u></u>	<u><u>1,630</u></u>	–	<u><u>4,066,758</u></u>

30 June 2025

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	52,932	–	–	52,932
Lease liabilities . . . . .	5,701	3,357	–	9,058
Financial liabilities included in other payables and accruals . . . . .	7,380	–	–	7,380
Interest-bearing bank borrowings . . .	50,115	–	–	50,115
Shares with preferential rights . . . .	<u>4,139,595</u>	–	–	<u>4,139,595</u>
Total . . . . .	<u><u>4,255,723</u></u>	<u><u>3,357</u></u>	<u><u>–</u></u>	<u><u>4,259,080</u></u>

**Capital management**

The Group's primary objective for managing capital is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

**38. EVENTS AFTER THE RELEVANT PERIODS**

There were no significant events subsequent to 30 June 2025.

**39. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2025.

This information set forth in this Appendix II does not form part of the accountants' report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I in this Prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this Prospectus and the accountants' report set forth in Appendix I in the prospectus.

#### A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets attributable to the Shareholders of the Company has been prepared in accordance with Rule 4.29 of the Listing Rules, and is set out below to illustrate the effect of the Global Offering on the consolidated net tangible liabilities attributable to the Shareholders of the Company as of June 30, 2025, as if the Global Offering had taken place on June 30, 2025.

The statement of unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of June 30, 2025 or at any future date.

Consolidated net tangible liabilities attributable to the Shareholders of the Company as of June 30, 2025	Estimated net proceeds from the Global Offering	Estimated impact related to the changes of terms of Shares with preferential rights upon listing	Unaudited pro forma adjusted net tangible assets attributable to the Shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets attributable to the Shareholders of the Company per Share		
<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i> <i>(Note 3)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 4)</i>	<i>HK\$</i> <i>(Note 5)</i>	
Based on an Offer Price of HK\$26.66 per Share . . . . .	(3,897,496)	577,073	4,139,595	819,172	2.51	2.75

*Notes:*

- (1) The consolidated net tangible liabilities attributable to the Shareholders of the Company as of June 30, 2025 is extracted from the Accountants' Report set out in Appendix I in this prospectus, which is based on the consolidated net liabilities attributable to the Shareholders of the Company as of June 30, 2025 of RMB3,897,179,000 after deducting intangible assets of RMB317,000.

- (2) The estimated net proceeds from the Global Offering are calculated based on estimated offer prices of HK\$26.66 per Share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding listing expenses of RMB20,380,000 which have been charged to profit or loss during the Track Record Period). The estimated net proceeds from the Global Offering are converted into Renminbi at the PBOC rate of RMB0.91296 to HK\$1.00 prevailing on October 10, 2025. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.
- (3) For the purpose of the unaudited pro forma financial information, considering the estimated impact related to the changes of terms of shares with preferential rights upon Listing, the unaudited pro forma adjusted net tangible liabilities attributable to the Shareholders of the Company will be increased by RMB4,139,595,000, being the fair value of the shares with preferential rights as at June 30, 2025. Upon the Listing and the completion of the Global Offering, all the shares with preferential rights will be automatically converted into ordinary shares. These shares with preferential rights will be re-designated from liabilities to equity. The amount that is re-designated from liabilities to equity will be the fair value of the shares with preferential rights on that date of the Global Offering.
- (4) The unaudited pro forma adjusted consolidated net tangible assets attributable to the Shareholders of the Company per Share are calculated based on 326,632,000 Shares in issue immediately following the completion of the Global Offering.
- (5) The unaudited pro forma adjusted consolidated net tangible assets attributable to the Shareholders of the Company per Share amounts in RMB are converted into Hong Kong dollars at an exchange rate of RMB0.91296 to HK\$1.00 prevailing on October 10, 2025. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.
- (6) No adjustment has been made to reflect any trading results or open transactions of the Group entered into subsequent to June 30, 2025.



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## B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Deepexi Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Deepexi Technology Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at June 30, 2025 and related notes as set out on pages II-1 to II-2 of the prospectus dated October 20, 2025 issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group’s financial position as at June 30, 2025 as if the transaction had taken place at June 30, 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the period ended June 30, 2025, on which an accountants’ report has been published.

### Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

### Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

### **Ernst & Young**

*Certified Public Accountants*

Hong Kong

October 20, 2025

## PRC TAXATION

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current law and practice and has not taken into account the expected change or amendment to the relevant laws or policies. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of the Latest Practicable Date, which is subject to change and may have retrospective effect.

### Taxation on Dividends

#### *Individual Investors*

Under the provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), last amended on August 31, 2018, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), last amended on December 18, 2018 (collectively referred to as the “IIT Law”), dividends disbursed by Chinese enterprises are subject to a flat individual income tax rate of 20%. For foreign individuals who are not residents of China, dividends received from a Chinese enterprise are generally taxed at 20%, unless there are specific exemptions granted by the State Council’s tax authority or reductions under an applicable tax treaty.

According to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》), which came into effect on January 1, 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of “self-assessment, claiming benefits, retention of the relevant materials for future inspection”. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and accept follow-up administration by the tax authorities. For withholding at source and designated withholding, a non-resident taxpayer asserting that it satisfies the criteria for claiming treaty benefits and need to claim such benefits shall complete an “Information Report on Non-resident Taxpayers Claiming Treaty Benefits” truthfully, submit to the withholding agent voluntarily, gather and retain the relevant materials pursuant to the relevant provisions.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents, including both natural persons and legal entities. The tax levied shall not exceed 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and meets certain conditions as the beneficial owner of the equity, the tax imposed shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), in effect since December 6, 2019, introduces specific criteria determining entitlement to treaty benefits. According to this protocol, treaty benefits will not be granted if, upon careful consideration of all relevant facts and conditions, it is reasonably determined that obtaining these benefits was a primary purpose of the arrangement or transactions, thereby providing direct or indirect benefits under the Arrangement. Exceptions are made when such benefits align with the Arrangement's relevant objectives and goals.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81). Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.

### ***Enterprise Investors***

Pursuant to the provisions outlined in the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), enacted by the National People's Congress of the PRC (NPC) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and in alignment with the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on December 6, 2007, and effective from January 1, 2008, last amended on December 6, 2024 and effective on January 20, 2025 (collectively referred to as the "EIT Law"), it is established that a non-resident enterprise is generally liable to a 10% enterprise income tax on income sourced within the PRC. Such income includes dividends and bonuses received from a PRC resident enterprise. This taxation applies to non-resident enterprises that lack a physical establishment or premises in the PRC. Alternatively, if an establishment or premise exists within the PRC, but the PRC-sourced income is unrelated to said establishment or premise, it is subject to the aforementioned taxation.

The withholding tax for non-resident enterprises is mandated to be deducted at the source, whereby the entity making the payment assumes the role of the withholding agent. Consequently, the withholding agent is obligated to withhold the income tax from the payment or due payment each time it is disbursed or becomes due.

The Circular of the State Taxation Administration (STA) on Issues Relating to the Withholding and Remitting of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the STA and implemented on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including HKSCC Nominees) shall be subject to withholding enterprise income tax at a rate of 10%.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the PRC Government is authorized to impose taxes on dividends disbursed by a PRC company to Hong Kong residents, including both individuals and legal entities, not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax shall not surpass 5% of the total dividends if the Hong Kong resident qualifies as the beneficial owner of the equity, and specific conditions are met.

Furthermore, the Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, introduces additional criteria for qualifying for treaty benefits. While other provisions may exist within the Arrangement, treaty benefits shall not be granted for relevant gains if, based on all relevant facts and conditions, it is reasonably determined that one of the main purposes of the arrangement or transactions, which result in direct or indirect benefits under the Arrangement, is to obtain such treaty benefits. This exception applies unless the grant of benefits aligns with the objectives and goals outlined in the Arrangement.

It is important to note that the application of the dividend clause of tax agreements is contingent upon compliance with PRC tax laws and regulations, including the guidelines provided in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81).

***Tax Treaties***

Non-resident investors residing in jurisdictions that have established treaties or arrangements for the avoidance of double taxation with the PRC may qualify for a reduction in the PRC enterprise income tax levied on dividends received from PRC companies. Currently, the PRC has entered into Avoidance of Double Taxation Treaties or Arrangements with several countries and regions, including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States.

Non-PRC resident enterprises eligible for preferential tax rates under these relevant taxation treaties or arrangements are required to submit an application to the PRC tax authorities for a refund of the enterprise income tax that exceeds the agreed tax rate. The approval of the refund application is subject to the evaluation and decision of the PRC tax authorities.

**Taxation on Share Transfer*****Value-Added Tax and Local Surcharges***

Under the guidelines outlined in the Notice on the Full Implementation of the Pilot Program for Transition from Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (referred to as “Circular 36”), effective from May 1, 2016, and subsequently amended on July 11, 2017, December 25, 2017, and March 20, 2019, individuals and entities conducting service transactions within the PRC are obligated to pay Value-Added Tax (VAT). “Sales of services within the PRC” are defined as transactions where either the service provider or the recipient is situated within the PRC.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may avoid VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

*Income Taxes**Individual investors*

Under the IIT Law, gains arising from the transfer of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. However, in accordance with the Circular of the Ministry of Finance (MOF) and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61), issued jointly by the MOF and STA on March 30, 1998, gains obtained by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997.

However, on December 31, 2009, the MOF, the STA, and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167). This circular, effective from January 1, 2010, stipulates that individuals' income derived from the transfer of listed shares acquired through public offerings and trading on the Shanghai Stock Exchange and the Shenzhen Stock Exchange remains exempt from individual income tax. This exemption applies to shares not subject to sales restrictions, as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70), jointly issued by the three aforementioned departments and effective from November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

*Enterprise investors*

In accordance with the Enterprise Income Tax (EIT) Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC, non-resident enterprises are typically subject to a 10% enterprise income tax on income sourced within the PRC. This includes gains realized from the disposal of equity interests in a PRC resident enterprise. However, this taxation applies only if the non-resident enterprise does not maintain a physical establishment or premises in the PRC, or if it does have such establishments in the PRC, but its PRC-sourced income is not genuinely connected with those establishments.

The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It's important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements on the avoidance of double taxation.

***Stamp Duty***

In compliance with the PRC Stamp Duty Law (《中華人民共和國印花稅法》), as issued by the SCNPC on June 10, 2021, and enforced from July 1, 2022 (referred to as the “Stamp Duty Law”), all entities and individuals involved in securities transactions within the PRC are obligated to pay stamp duty as per the regulations outlined in the Stamp Duty Law. Consequently, the stipulations concerning stamp duty applied to the transfer of shares of PRC-listed companies do not extend to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

***Estate duty***

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

**Major Taxes on the Company in the PRC**

Please refer to the section headed “Regulatory Overview” of this prospectus.

**FOREIGN EXCHANGE**

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People’s Bank of China (the “PBOC”), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》), the “Regulations on the Management of Foreign Exchange”, which was promulgated by the State Council on January 29, 1996 and effective on April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange as amended on January 14, 1997 and August 5, 2008, the PRC will not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), the “Settlement Regulations”, which was promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and effective on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On August 5, 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the Board of Directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange banks or effect exchange and payment at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

On December 26, 2014, the SAFE implemented the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), pursuant to which, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the prospectus or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015 and took effect on June 1, 2015, and amended on December 30, 2019, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

**PRC LAWS AND REGULATIONS****The PRC Legal System**

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “Constitution”) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the “Legislation Law”), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions. The standing committees of the people’s congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people’s congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people’s governments of the provinces or autonomous regions

concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

### **The PRC Judicial System**

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts,

and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The people's court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people's court are final. The parties may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. The first judgments or rulings of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "PRC Civil Procedure Law") adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer

in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

Where a party applies for enforcement of a legally effective judgment or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

#### **The Company Law of the PRC, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies**

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "PRC Company Law") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas securities offering and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “Guidelines for the Articles of Association”). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

### ***General Provisions***

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

### ***Incorporation***

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association. If a joint stock limited company is to be established by means of raising, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

A prospectus shall be published and a subscription letter shall be prepared when the promoters offer shares to the public. The subscriber shall fill in the number of shares subscribed for, amount and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the share capital for a public offering has been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company. The Board of Directors shall, within 30 days after the end of the establishment meeting of a company, authorize a representative to file an application for registration of establishment with the company registration authority.

A company's promoter shall be liable for the followings: (1) the debts and expenses incurred in the establishment process jointly and severally if the company cannot be established; (2) the refund of subscription monies paid by the subscribers together with interest at bank deposit rates for the same period jointly and severally if the company cannot be established.

### *Share Capital*

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, stock rights or creditor's rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

Under the PRC Company Law, a joint stock limited company shall maintain a shareholder register which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the type and quantity of subscribed shares for each shareholder; (3) for stocks issued in paper form, the serial numbers of stocks; (4) the date on which each shareholder acquired the shares.

#### ***Increase in Share Capital***

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a shareholder's meeting. The Articles of Association or the shareholders' meeting may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' meeting. Where the Board of Directors is authorized and decides to issue shares, and thus results in a change in the registered capital or the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the Articles of Association of the company. Where the Articles of Association or the shareholders' meeting of a company authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds or more of all the directors. In addition, where a domestic enterprise issuing and listing overseas, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures and submit a filing report, legal opinions and other relevant materials, giving a true, accurate and complete account of shareholders' information and other information.

#### ***Reduction of Share Capital***

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

- (I) the company shall prepare a balance sheet and an inventory of properties;
- (II) make a resolution at a shareholders' meeting to reduce the registered capital;
- (III) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

- (IV) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and
- (V) the company must apply to the company registration authority for a change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is otherwise prescribed by the Articles of Association of the company.

If a company still has losses after making up for them in accordance with the relevant provisions of the PRC Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, the item (III) and item (IV) mentioned above shall not apply, but the resolution to reduce the registered capital shall be made by the shareholders' meeting within 30 days from the date of the announcement in the newspapers or on the National Enterprise Credit Information Publicity System. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the PRC Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors and senior management shall bear the liability for compensation.

#### ***Repurchase of Shares***

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

- (I) reduction of the registered capital of the company;
- (II) merger with another company that holds its shares;
- (III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;

- (IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;
- (V) use of shares for conversion of convertible corporate bonds issued by the company;  
and
- (VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds or more of all the directors.

Any director or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensations.

*Transfer of Shares*

The shares held by a shareholder of a company may be transferred to other shareholders or to persons other than the shareholders of the company. Where the Articles of Association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the Articles of Association. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of shares, the company shall record the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the public offering of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. Directors and senior management of the company shall declare to the company the shares they hold and the changes thereof during the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. They shall not transfer the shares they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

***Shareholders***

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

- (I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;
- (II) to petition the people's court to revoke any resolution of a shareholders' meeting or a meeting of the Board of Directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the Articles of Association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;
- (III) to transfer his/her shares legally;
- (IV) to attend or appoint a proxy to attend shareholders' meeting and exercise the voting rights;
- (V) to inspect and copy the Articles of Association of the company, share register, the minutes of shareholders' meeting, board resolutions, resolutions of the Audit Committee and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;
- (VI) to receive dividends in respect of the number of shares held;
- (VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and
- (VIII) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the Articles of Association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

*Shareholders' Meeting*

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise its powers:

- (I) to elect or replace the directors and to decide on their remunerations;
- (II) to consider and approve the reports of the Board of Directors;
- (III) to consider and approve the company's profit distribution and loss recovery proposals;
- (IV) to decide on any increase or reduction of the company's registered capital;
- (V) to decide on the issue of corporate bonds;
- (VI) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (VII) to amend the Articles of Association of the company; and
- (VIII) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following:

- (I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;
- (II) the total outstanding losses of the company amounted to one-third of the company's total capital stock;
- (III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting;
- (IV) the Board of Directors deems necessary;

(V) the Audit Committee so proposes; or

(VI) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is convened by the Board of Directors and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the Board of Directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Audit Committee shall convene and preside over such meeting in a timely manner; if the Audit Committee fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the Board of Directors and the Audit Committee shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the Board of Directors ten days before the shareholders' meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholder's meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

An accumulative voting system may be adopted for the election of directors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elects directors, each share has the same voting rights as the number of directors to be elected, and the voting rights owned by shareholders can be used collectively.

Under the PRC Company Law, the passing of any resolution at the shareholder's meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholder's meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholder's meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

### ***Board of Directors***

A joint stock limited company shall have a board. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the Board of Directors and have one director to exercise the functions and powers of the Board of Directors as prescribed by the PRC Company Law. If the Board of Directors of a company has more than three members, it may include an employees' representative of the company. The employees' representatives in the Board of Directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means.

The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum. Where a director resigns, he/she shall notify the company in written form, and the resignation shall become effective on the day when the company receives the notice.

However, under any of the circumstances as mentioned in the preceding paragraph, the director shall continue performing his/her duties.

Under the PRC Company Law, the Board of Directors may exercise the following powers:

- (I) to convene shareholders' meeting and report on its work to the shareholders' meeting;
- (II) to implement the resolutions passed by the shareholders at the shareholders' meeting;

- (III) to decide on the Company's operational plans and investment proposals;
- (IV) to formulate the Company's proposals for profit distribution and for recovery of losses;
- (V) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;
- (VI) to formulate proposals for the merger, division, dissolution of the Company or change in the form of the Company;
- (VII) to decide on the setup of the Company's internal management organs;
- (VIII) to decide on appointment or dismissal the manager of the Company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the Company's deputy general manager and financial officer and his/her remuneration matters;
- (IX) to formulate the Company's basic management system; and
- (X) other authority stipulated in the Articles of Association or granted by the shareholders' meeting.

Any restrictions on the functions and powers of the Board of Directors set out in the Articles of Association may not be asserted against any bona fide third party.

Under the PRC Company Law, a company may, under the Articles of Association, set up an Audit Committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. It may not have a Board of Supervisors or supervisors. The audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the Board of Directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the Articles of Association, unless it is otherwise provided under the PRC Company Law. A company may set up other committees in the Board of Directors under the Articles of Association.

Meeting of the Board of Directors shall be convened at least twice a year. Notice of meeting shall be given to all Directors and Audit Committee Members 10 days before the meeting. Interim board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Audit

Committee. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The Board of Directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the Board of Directors.

No meeting of the Board of Directors may be held unless more than half of the directors are present. A resolution made by the Board of Directors shall be adopted by more than half of all the directors. For voting on a resolution of the Board of Directors, each director shall have one vote. The Board of Directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the Board of Directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the Board of Directors. Where a resolution of the Board of Directors is in violation of any law, administrative regulation, Article of Association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Under the PRC Company Law, the following person may not serve as a director of the company:

- (I) devoid of or with restricted civil conduct ability;
- (II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence;
- (III) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency;
- (IV) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and
- (V) being listed as a dishonest person subject to enforcement by the people's court due to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

In addition, the Guidelines for Articles of Association of Listed Companies further stipulates other circumstances under which a person is disqualified from acting as a director of a company, including: (1) a person who has been banned from the securities market by the CSRC where the relevant period remains unexpired; or (2) a person who is banned from doing so in accordance with other laws, administrative regulations or departmental rules.

Under the PRC Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

#### ***The Audit Committee***

Under the PRC Company Law, where a joint stock limited company does not have the Board of Supervisor, the Audit Committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments.

Among the members of the Board of Directors of the company, an employees' representative may become a member of the Audit Committee. A resolution made by the Audit Committee shall be adopted by more than half of the members thereof. For voting on a resolution of the Audit Committee, each member shall have one vote. The discussion methods and voting procedures of the Audit Committee shall be prescribed in the Articles of Association, unless it is otherwise provided for by the PRC Company Law.

#### ***Manager and Senior Management***

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The manager shall attend the meeting of the Board of Directors as a non-voting member.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the Board of Directors of a listed company and other personnel as stipulated in the Articles of Association.

***Duties of Directors, General Managers and Other Senior Management***

Directors and senior management shall comply with laws, administrative regulations and the Articles of Association.

Directors and senior management shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. The directors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

The provisions of the preceding paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but actually executes the affairs of the company.

In the meantime, directors and senior management are prohibited from:

- (I) embezzling the property or misappropriating the funds of the company;
- (II) depositing company funds into accounts under their own names or the names of other individuals;
- (III) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- (IV) accept commissions from transactions between others and the company for their own benefits;
- (V) unauthorized divulgence of confidential information of the company; and
- (VI) other acts in violation of their duty of loyalty to the company.

A director or senior management who contravenes laws, administrative regulations or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director or senior management is required to attend a shareholders' meeting, such director or senior management shall attend the meeting and answer the inquiries from shareholders. The Audit Committee may demand the directors or senior management to submit

reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the Audit Committee, none of them may impede the exercise of powers by the Audit Committee or Audit Committee Members.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the Audit Committee to initiate proceedings in the people's court.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Audit Committee or the Board of Directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

If a director or senior management of a wholly-owned subsidiary of the company violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company or shareholders of a joint stock limited company individually and jointly holding 1% or more of the total shares of the company for 180 consecutive days or more may request the Audit Committee or the Board of Directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

#### ***Finance, Accounting and Profit Distribution***

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholder's meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profit shall not be distributed for a company's shares held by this company.

Where a company distributes profits to shareholders in violation of the relevant provisions of the PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the PRC Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

***Appointment and Dismissal of Auditors***

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting, the Board of Directors or the Audit Committee in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the shareholders' meeting, the Board of Directors or the Audit Committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the accounting firm engaged by the company without any refusal or withholding or misrepresentation of information.

***Amendment to Articles of Association***

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's Articles of Association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association approved by the resolution of the shareholder's meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

***Dissolution and Liquidation***

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;
- (II) the shareholders' meeting has resolved to dissolve the company;
- (III) the company is dissolved by reason of its merger or division;
- (IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

- (V) Where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstance as mentioned in Items (I) or (II) of the paragraph above and it has not distributed the assets to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two thirds or more of the voting rights of the shareholders who attend the meeting of the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in item (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation committee may exercise following powers during the liquidation:

- (I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;
- (II) to inform creditors by notice or announcement;
- (III) to deal with and settle any outstanding business of the company;
- (IV) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (V) to settle claims and debts;

(VI) to distribute the company's remaining assets after its debts have been paid off; and

(VII) to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation committee shall register the creditor's claims. In the claims declaration period, the liquidation committee shall not make repayment to the creditors.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon a commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

### *Overseas Listing*

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

- (I) the listing and financing fall under specific prohibition in the laws, administrative regulations, and relevant national provisions;
- (II) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law;

- (III) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;
- (IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;
- (V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

- (I) change of control;
- (II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;
- (III) change of the listing status or transfer of listing board;
- (IV) voluntary or compulsory termination of listing.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises, which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government authorities, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

*Loss of Share Certificates*

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

*Merger and Division*

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

**The PRC Securities Law, Regulations and Regulatory Regimes**

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two authorities and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance and trading of shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the “PRC Securities Law”) took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

#### **Arbitration and Enforcement of Arbitral Awards**

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “PRC Arbitration Law”) was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the Convention, the SCNPC declared that (I) the PRC would only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People’s Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People’s Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by arbitral authorities of mainland China acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may not be enforced.

#### **SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND THE PRC COMPANY LAW**

As a joint stock limited company established in the PRC that is seeking an initial listing of shares on the Stock Exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing in accordance with the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

### **Corporate Existence**

According to the PRC Company Law, a joint stock limited company may be incorporated by promotion or raising.

### **Share Capital**

Under the PRC Securities Law, an application for listing shall comply with the listing rules of the stock exchange.

According to the PRC Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation. The non-monetary property as capital contributions shall be assessed and verified, which may not be overvalued or undervalued. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

### **Restrictions on Shareholding and Transfer of Shares**

Under the PRC law, the unlisted shares, which are denominated and subscribed for in Renminbi, can only be subscribed for and traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency, may only be subscribed for, and traded by, investors from countries and regions outside the PRC or other qualified PRC institutional investors. If the H Shares are eligible securities under the Southbound Trading Link, they are also available for subscription and trading by domestic investors in the PRC pursuant to the rules and restrictions of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

According to the PRC Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. The directors and senior management of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not

be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of company shares held by directors or senior executives may be specified in the articles of association.

**Notice of Shareholders' Meeting**

According to the PRC Company Law, notice of annual shareholder's meeting must be given not less than 20 days before the meeting, while notice of an interim shareholders' meeting must be given not less than 15 days before the meeting.

**Quorum for Shareholder's Meeting**

The PRC Company Law does not specify any quorum requirement for a shareholder's meeting.

**Voting at Shareholder's Meeting**

According to the PRC Company Law, a resolution made by the shareholders' meeting shall be adopted by the shareholders representing more than half of the voting rights.

A resolution made by the shareholders' meeting on modifying the articles of association, increasing or decreasing the registered capital, as well as merger, division, dissolution or change of corporate form of the company shall be adopted by the shareholders representing more than two thirds of the voting rights.

**Variation of Class Rights**

According to the PRC Company Law, where any of the matters occurs to a company that issues classified shares and may affect the rights of the classified shareholders, it shall not only be decided by the shareholders' meeting, but also be adopted by shareholders representing two thirds or more of the voting rights who are present at the classified shareholders' meeting.

**Directors**

According to the PRC Company Law, where any director directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association. Where any of the near relatives of the directors, or any of the enterprises directly or indirectly controlled by the directors, or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, concludes a contract or conducts a transaction with the

company, the aforesaid provisions shall apply. Where a director is removed prior to the expiration of term of office without any justifiable reason, the director may require the company to make compensation.

The PRC Company Law, unlike the Companies Ordinance, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

#### **Derivative Action by Minority Shareholders**

According to the PRC Company Law, where any director other than members of the Audit Committee or senior management violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the Audit Committee to initiate proceedings in the people's court. If the Audit Committee Members violate the relevant provisions of the Company Law, the above shareholders may request in writing the board of directors to initiate litigation at the people's court. Upon receipt of such written request from the shareholders, if the Audit Committee or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

#### **Protection of Minorities**

The PRC Company Law provides that where a company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of the company may request the people's court to dissolve the company.

The Guidelines for the Articles of Association of Listed Companies also provide other remedies against the directors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors of the company in default.

**Financial Disclosure**

According to the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its annual shareholders' meeting. In addition, a joint stock limited company which has publicly offering Shares should publish its financial report.

According to the PRC Company Law, a company shall at the end of each accounting year prepare a financial report which shall be audited by the accounting firm in accordance with the laws.

**Information on Directors and Shareholders**

The PRC Company Law gives shareholders the right to inspect and copy the Articles of Association, minutes of the shareholders' meeting, resolutions of meetings of the board of directors and financial and accounting reports.

**Corporate Reorganization**

According to the PRC Company Law, the merger, demerger, dissolution or change to the forms of a joint stock limited company has to be approved by shareholders at shareholder's meeting.

**Statutory Deductions**

According to the PRC Company Law, a company shall draw 10% of the profits as its statutory reserve fund before it distributes any profits after taxation. When the aggregate amount of the company's statutory reserve fund reaches 50% of the company's registered capital, the company may no longer make allocations from the statutory reserve fund. After a company has made an allocation to its statutory reserve fund from its after-tax profit, it may make an allocation to its discretionary reserve fund from its after-tax profit upon a resolution approved at the shareholders' meeting.

**Remedies of Company**

According to the PRC Company Law, if a director or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director or senior management should be responsible to the company for such damages.

**Dividend**

Under the PRC Company Law, the residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the articles of association.

**Fiduciary Duties**

Under the PRC Company Law, directors, managers and other senior management personnel of a company have the duty of loyalty and diligence to the company. Such persons shall abide by the articles of association of the company, perform their duties honestly and diligently, safeguard the interests of the company, and shall not use their position and authority in the company for their personal gain.

**Closure of Register of Members**

According to the PRC Company Law, the register of shareholders shall not be modified within 20 days before any shareholders' meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

*This Appendix sets out summaries of the main clauses of our Articles of Association adopted on April 8, 2025 which shall become effective as at the date on which the H shares are listed on the Stock Exchange. As the main purpose of this appendix is to provide potential investors with an overview of the Articles of Association, it may not necessarily contain all information that is important to potential investors. As discussed in the appendix headed “Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and available on Display,” the full document of the Articles of Association is available on display.*

## **DIRECTORS AND BOARD OF DIRECTORS**

### **Power to allocate and issue Shares**

The Articles of Association contain clauses that authorize the Board of Directors to issue shares. The Shareholders’ Meeting of our Company may authorize the Board of Directors to decide on the issuance of not more than 50% of the issued shares within 3 years. However, if the capital contribution is made at the price of non-monetary property, it shall be resolved by the Shareholders’ meeting.

### **Power to dispose assets of our Company or any subsidiary**

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the Shareholders’ Meeting for approval.

### **Compensation or payments for loss of office**

There are no provisions in the Articles of Association relating to compensation or payments for loss of office.

### **Loans to Directors**

There are no provisions in the Articles of Association relating to loans to directors.

### **Provision of financial assistance for acquiring the Shares of the Company or shares of any subsidiary**

There are no provisions in the Articles of Association relating to provide financial assistance for acquiring the Shares of the Company or shares of any subsidiary, unless for the purpose of Company’s equity incentive plan(s) and employee shareholding schemes.

**Disclosure of interests in contracts with the Company or any subsidiary**

Directors shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the Shareholder's Meeting and Board of Directors.

**Remuneration**

The appointment and removal of the members of the Board of Directors as well as their remuneration and payment methods, shall be adopted by the Shareholders' Meeting by ordinary resolution.

**Retirement, appointment, removal**

The Board of Directors is composed of no less than seven Directors. The Directors of the Company are elected by the Shareholders' Meeting. At any time, the Board of Directors should have more than one-third independent non-executive directors, and the total number of independent non-executive directors should not be less than three.

The Board of Directors has one chairman. The chairman of the Board of Directors shall be elected by more than half of all Directors.

Directors serve three-year terms, and the Director can be re-elected and reappointed at the end of the term. The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed ("**the Listing Place Rules**") and the provisions of these Articles of Association before the newly elected Director takes office.

The Articles of Association do not contain provisions regarding the shareholding qualification and age limit for Directors.

None of the following persons shall serve as our Director:

- (I) a person who has no capacity for civil conduct or having limited capacity for civil conduct;
- (II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, and less than five years have elapsed since the completion of the sentence, or having been deprived of his/her political rights as a

result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, two years have not yet elapsed from the date on which the probationary period of probation has expired;

- (III) a person who has served as a Director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;
- (V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he bears is relatively large and the debt is not paid off when it is due;
- (VI) a person who has been prohibited from entering the securities market by the CSRC, and the time limit has not expired;
- (VII) other contents stipulated by laws, administrative regulations, departmental rules, or the Listing Place Rules.

The election, appointment or employment of the Directors shall be invalid if such election, appointment or employment is against the Articles of Association. If a Director falls into the situations provided in the above-mentioned situations during his/her term of office, the company shall remove him/her from his/her position.

### **Borrowing Powers**

The Board of Directors shall be entitled to make resolutions for our Company to issue bonds and its Shares under the authorization of Shareholders' Meeting.

### **Powers of the Board of Directors**

The Board of Directors shall exercise the following functions and powers:

- (I) to convene Shareholders' Meeting and report to the Shareholders' Meeting;
- (II) to implement resolutions of the Shareholders' Meeting;
- (III) to decide on our Company's business plans and investment plans;
- (IV) to formulate our Company's profit distribution plans and plans on making up losses;

- (V) to formulate proposals for the increase or reduction of our Company's registered capital, the issuance of bonds or other securities of our Company and listing of Shares of our Company;
- (VI) to formulate plans for the company's major acquisitions and disposals, repurchase of the company's shares, mergers, divisions, dissolution, or changes in corporate form;
- (VII) to make a resolution on external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions and external donations as authorized by the Shareholders' Meeting;
- (VIII) to decide on establishment of internal management organs of our Company;
- (IX) to decide on the appointment or dismissal of our Company's general manager and secretary of the Board and other senior management personnel, and decide on their remuneration, rewards and punishments; to decide to appoint or dismiss our Company's deputy general manager, financial director and other senior management personnel according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (X) to formulate the basic management system of our Company;
- (XI) to formulate proposals to amend the Articles of Association;
- (XII) to propose to the Shareholders' Meeting the appointment or replacement of the accounting firm that provides audit service to our Company;
- (XIII) to listen to the work report of the general manager of the company and inspect the work of the general manager;
- (XIV) other powers stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, the Articles of Association, or powers granted by Shareholders' Meeting.

Matters beyond the scope of authorization of the Shareholders' Meeting shall be submitted to the Shareholders' Meeting for deliberation.

#### **Secretary of the Board of Directors**

Our Company shall establish a secretary to the Board of Directors, responsible for the preparation of our Company's Shareholders' Meeting and Board of Directors' meeting, retention of documents, management of our investor relations and our Company's Shareholder materials.

**ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS**

In any of the following circumstances, the Company shall amend its articles of association:

- (I) after the revision of the PRC Company Law or relevant laws, administrative regulations and the Listing Place Rules, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations and the Listing Place Rules;
- (II) the situation of the Company changes and is inconsistent with the matters recorded in the articles of association;
- (III) the Shareholders' Meeting has decided to amend the articles of association.

If the amendment of the articles of association approved by the Shareholders' Meeting resolution requires approval by the competent authority, it must be submitted to the competent authority for approval; if it involves Company registration matters, change registration shall be handled in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' Meeting and the approval opinions of relevant competent authorities.

The amendment of the Articles of Association constitutes to the information required to be disclosed by laws and regulations and shall be announced in accordance with regulations.

**SPECIAL RESOLUTIONS — MAJORED REQUIRED**

The resolutions of the Shareholders' Meeting are categorized as ordinary resolutions and special resolutions. An ordinary resolution shall be adopted by a simple majority of the votes held by the Shareholders (including proxies) attending the Shareholders' Meeting. A special resolution shall be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies) attending the Shareholders' Meeting.

**VOTING RIGHTS (GENERALLY AND ON A POLL)**

Shareholders (including proxy) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote.

Any Shareholder who, in accordance with the Listing Place Rules, is required to waive their voting rights or is limited to only casting affirmative or negative votes on a certain matter shall waive their voting rights in accordance with the provisions. Any Shareholder vote or representative vote that violates relevant regulations or restrictions will not be counted in the voting results.

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## **APPENDIX V                      SUMMARY OF THE ARTICLES OF ASSOCIATION**

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The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders' Meeting.

When the Shareholders' Meeting deliberates on related transactions, affiliated Shareholders shall not participate in voting.

The Shareholders' Meeting adopts a registered voting method. The same voting right can only choose one of on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

Shareholders attending the Shareholders' Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his shares shall be deemed as an "abstention".

The Articles of Association do not contain provisions regarding variation of rights of existing shares or classes of shares.

### **REQUIREMENTS FOR ANNUAL SHAREHOLDERS' MEETING**

The Shareholders' Meeting are divided into annual Shareholders' Meeting and extraordinary Shareholders' Meeting. The annual Shareholders' Meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

### **ACCOUNTING AND AUDITS**

#### **Financial and accounting policies**

The Company formulates its financial and accounting system in accordance with laws, administrative regulations, the Listing Place Rules and the provisions of the Chinese accounting standards.

The Company shall prepare a financial report at the end of each fiscal year, which shall be reviewed and verified in accordance with the law.

The Company shall not establish other accounting books except for statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

**Appointment and Dismissal of Accountants**

The Company engages accounting firms that comply with the provisions of the Securities Law and the Listing Place Rules to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed. The appointment of an accounting firm by the Company must be decided by a majority of Shareholders at the Shareholders' Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the Shareholders' Meeting. The Company guarantees to provide the accounting firm it engages with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

The remuneration of an accounting firm or the method of determining remuneration shall be determined by the Shareholders' Meeting. When the Company dismisses or no longer renews the appointment of an accounting firm, the Shareholders' Meeting shall make a decision and notify the accounting firm 10 days in advance. When the Company's Shareholders' Meeting votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions. If the accounting firm proposes to resign, it shall explain to the Shareholders' Meeting whether the Company has any improper circumstances.

**NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETING**

The Shareholders' Meeting is the organ of authority of the Company. The Company shall convene an extraordinary Shareholders' Meeting within two months from the date of the fact:

- (I) the number of Directors is less than two-thirds of the number specified in the PRC Company Law or the Articles of Association;
- (II) where the Company's unfunded losses reach one-third of the total Share capital paid in;
- (III) where the Shareholder(s) who individually or jointly hold no less than 10% of the Company's Shares (excluding Treasury Shares) request(s) holding of such a meeting;
- (IV) when deemed necessary by the Board of Directors;
- (V) in other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, or the Articles of Association.

The Audit Committee has the right to propose the convening of an extraordinary shareholders' meeting to the Board of Directors, and such proposal shall be made in writing. Pursuant to applicable laws, administrative regulations and the Company's Articles of Association, the Board of Directors shall provide written feedback indicating its approval or disapproval of convening the shareholders' meeting within 10 days upon receipt of the

proposal. If the Board of Directors disapproves the convening of the shareholders' meeting, or fails to provide feedback within 10 days upon receipt of the request, it shall be deemed that the Board of Directors refuses to convene and preside over the meeting, and the Audit Committee may convene and preside over the meeting on its own authority.

Shareholders who individually or collectively hold 10% or more of the Company's Shares have the right to request the convening of an extraordinary Shareholders' Meeting from the Board of Directors and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' Meeting within ten days after receiving the request. If the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' Meeting or fails to provide feedback within ten days after receiving the request, Shareholders who individually or collectively hold 10% or more of the Company's Shares have the right to propose to the Audit Committee to convene an extraordinary Shareholders' Meeting and shall submit a request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant Shareholders. If the Audit Committee fails to issue a notice of the Shareholders' Meeting within the prescribed period, it shall be deemed that the Audit Committee has not convened and presided over the Shareholders' Meeting. Shareholders who individually or collectively hold 10% or more of the Company's Shares for more than 90 consecutive days may convene and preside over the Shareholders' Meeting on their own.

The Company holds a Shareholders' Meeting, and the Board of Directors, Audit Committee, and Shareholders who individually or jointly hold more than 1% of the Company's Shares have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's Shares may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days after receiving the proposal, announcing the content of the temporary proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the Shareholders' Meeting or add new proposals after issuing the notice of the Shareholders' Meeting. Proposals that are not listed in the notice of the Shareholders' Meeting or do not comply with the provisions of the Articles of Association shall not be voted on and a resolution shall not be made by the Shareholders' Meeting.

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**APPENDIX V                      SUMMARY OF THE ARTICLES OF ASSOCIATION**

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The convener will notify all Shareholders by announcement 20 days before the annual Shareholders' Meeting is held, and the extraordinary Shareholders' Meeting will notify all Shareholders by announcement 15 days before the meeting is held. The notice of the Shareholders' Meeting shall be in writing and include the following contents:

- (I) the time, location, and duration of the meeting;
- (II) submit matters and proposals for review at the meeting;
- (III) clearly state in writing that all Shareholders have the right to attend the Shareholders' Meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a Shareholder of the Company;
- (IV) share registration date of the Shareholders entitled to attend the Shareholders' Meeting;

The interval between the share registration date and the date of the meeting shall comply with the Listing Place Rules. Once the share registration date is confirmed, it may not be changed; if it needs to be changed, the procedures stipulated in the Listing Place Rules must be followed.

- (V) name and phone number of the permanent contact person for conference affairs;
- (VI) online or other voting time and voting procedure;
- (VII) other requirements stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, and the Articles of Association.

The resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

The following matters shall be passed by ordinary resolution at the Shareholders' Meeting:

- (I) appointment or dismissal of the members of the Board of Directors and formulate their salary plans;
- (II) work reports of the Board of Directors;
- (III) to review and approve the profit distribution plan and loss recovery plan;
- (IV) other matters other than those required by laws, administrative regulations, the Listing Place Rules, or the Articles of Association to be passed through special resolutions.

The following matters shall be passed by special resolution of the Shareholders' Meeting:

- (I) the increase or decrease in registered capital of the company;
- (II) the divisions, mergers, dissolutions, liquidations;
- (III) the amendment to the Articles of Association;
- (IV) the aggregate amount of the company's acquisitions or disposals of material assets, or guarantees provided to third parties within any twelve-month period exceeds 30% of the total audited assets reflected in the company's latest financial statements;
- (V) equity incentive plan;
- (VI) change in corporate form;
- (VII) other matters required by laws, administrative regulations, the Listing Place Rules or the Articles of Association, as well as those determined by ordinary resolutions of the Shareholders' Meeting with significant impact on the Company, and which require special resolutions to be passed.

#### **TRANSFER OF SHARES**

The Shares of our Company issued before the company's public offering shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange.

The Directors and senior management of our Company shall declare, to our Company, information on their holdings of the Shares of our Company and the changes thereto. The Shares transferrable by them during each year of their term of office shall not exceed 25% of their total holdings of a single class of Shares of our Company. The Shares that they hold in our Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The aforesaid persons shall not transfer their Shares of our Company within half a year from the date of their resignation.

If the Shares are pledged within the period of restriction on transfer stipulated by relevant laws and regulations, the pledgee shall not exercise the pledge within the period of restriction on transfer.

**POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES**

The Company shall not acquire its own Shares. However, except for one of the following situations:

- (I) to reduce the registered capital of the Company;
- (II) to merger with other companies holding Shares in the Company;
- (III) to use Shares for employee shareholding schemes or as equity incentives;
- (IV) to acquire the Shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' Meeting regarding the merger or division of the Company;
- (V) to use the Shares to satisfy the conversion of the convertible corporate bonds into Shares issued by the Company;
- (VI) to safeguard corporate value and Shareholders' interests as the Company deems necessary;
- (VII) other situations permitted by laws, administrative regulations, Listing Place Rules and other relevant authorities such as the CSRC.

The Company may choose one of the following ways to purchase its shares:

- (I) Centralized trading on Stock Exchanges;
- (II) the manner of the offer;
- (III) other ways permitted by laws, administrative regulations, the Listing Place Rules and other methods recognized by the CSRC.

**POWER OF ANY SUBSIDIARY OF THE ISSUER TO OWN SHARES IN ITS PARENT**

The Company's holding subsidiaries are not allowed to acquire the Company's shares. If a holding subsidiary of the Company holds shares of the Company due to the merger of the Company, the exercise of pledge rights, etc., it shall not exercise the voting rights corresponding to the shares it holds, and shall dispose of the shares of the Company in a timely manner.

**PROXIES**

Any Shareholder who has the right to attend and vote at the Shareholders' Meeting may attend the meeting in person or entrust one or more persons (who may not be shareholders) as their proxy to attend and vote on their behalf. The power of attorney issued by Shareholders authorizing others to attend the Shareholders' Meeting shall include the following contents:

- (I) the name of the proxy;
- (II) voting rights;
- (III) respective instructions on affirmative, negative or abstention voting on each item for consideration listed in the Shareholders' Meeting's agenda;
- (IV) date of issuance and validity period of the power of attorney;
- (V) signature (or seal) of the Shareholder; If the Shareholder is a corporate Shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall indicate the Shareholder's proxy can vote according to its own will if the Shareholder does not provide specific instructions.

**CALLS ON SHARES AND FORFEITURE OF SHARES**

There are no provisions in the Articles of Association relating to calls on Shares and forfeiture of Shares of the Company.

**INSPECTION OF REGISTER OF MEMBERS**

Our Company establishes a register of members based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold our Company's Shares. Shareholders shall enjoy rights and assume obligations according to the types of Shares they hold. Shareholders holding the same type of Shares shall have equal rights and assume the same obligations.

The transfer of Shares must be recorded in the register of members. In the register of shareholders of overseas listed foreign shares, the original part of the register of shareholders of holders of shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong.

When our Company convenes a Shareholders' Meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of Shareholder identity, the Board of Directors or the convener of the Shareholders' Meeting shall determine the share registration date. After the share registration date is closed, the registered Shareholders shall be the Shareholders who enjoy the relevant rights and interests.

**QUORUM FOR SHAREHOLDERS' MEETING**

There are no provisions in the Articles of Association relating to quorum for Shareholders' Meeting of the Company.

**RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF**

If Directors and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days have the right to request in writing that the Audit Committee file a lawsuit with the people's court; If the Audit Committee violates laws, administrative regulations, or the provisions of the Articles of Association while performing its duties, causing losses to our Company, the aforementioned Shareholders may request in writing that the Board of Directors file a lawsuit with the people's court. If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving a written request from the Shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company's interests, the Shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of our Company. If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

**PROCEDURES ON LIQUIDATION**

Under the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) the expiration of the business term specified in these articles of association or the occurrence of other dissolution reasons specified in the Articles of Association;
- (II) the Shareholders' Meeting resolves for dissolution;
- (III) dissolution is required due to the merger or division of our Company;
- (IV) the business license has been revoked, ordered to close down or dissolved in accordance with the law; and

- (V) the Company is dissolved by a people's court in response to the request of Shareholders holding Shares that represent more than 10% of the voting rights of all Shareholders, on the grounds that there are serious difficulties in the operation and management of our Company and its continued existence will cause significant losses to the interests of Shareholders, which cannot be resolved through other means.

If our Company has the reasons for dissolution provided for in the preceding paragraph, it shall publicize the reasons for dissolution through the national enterprise credit information publicity system within 10 days.

The liquidation group shall notify creditors within 10 days of its establishment, and make an announcement in a newspaper or the national enterprise credit information publicity system within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they have not received the notice.

When applying for creditor's rights, creditors shall explain the relevant matters of the creditor's rights and provide proof materials. The liquidation committee shall register the creditor's rights. During the period of declaring creditor's rights, the liquidation committee shall not pay off the creditor.

After clearing our Company's assets, preparing a balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the Shareholders' Meeting or the people's court for confirmation. The remaining assets of our Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off our Company's debts shall be distributed by our Company according to the proportion of Shares held by Shareholders. During the liquidation period, our Company exists but cannot carry out business activities unrelated to liquidation. Our Company's assets will not be distributed to Shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

Upon liquidation of the Company's property and preparation of the required statement of financial position and inventory of assets, if the liquidation committee becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration of bankruptcy by the people's court, the people's court shall take over the administration of the liquidation procedure from the liquidation committee.

After the liquidation of our Company is completed, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders' Meeting or the people's court for confirmation, and submit it to our Company registration authority to apply for deregistration of our Company, and announce the termination of our Company. Members of the liquidation

committee shall perform their obligation in compliance with laws and shall have the duty of loyalty and duty of care. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or gross negligence.

Liquidation of a company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

## **OTHER PROVISIONS MATERIAL TO THE ISSUER OR THE SHAREHOLDERS THEREOF**

### **General Provisions**

Our Company is a permanently existing joint stock limited company.

All the assets of our Company are divided into Shares of equal value. The Shareholders are responsible for our Company to the extent of their subscribed Shares, and our Company is responsible for our Company's debts with all its assets.

From the effective date, this Articles of Association shall become a legally binding document regulating the organization and behavior of our Company, the rights and obligations between our Company and its Shareholders, and between Shareholders, and shall have legal binding force on our Company, Shareholders, Directors and senior management.

### **Share and Transfer**

In light of our Company's operational and developmental needs, our Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the Shareholders' Meeting, by any of the following methods:

- (I) a public offering of shares;
- (II) a private placement of shares;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;
- (V) other methods permitted by laws, regulations, and Listing Place Rules or approved by CSRC and other competent authorities.

Our Company may reduce its registered capital. Any reduction of our Company's registered capital shall be subject to the procedures prescribed in the PRC Company Law and other relevant regulations, as well as the Articles of Association.

**Shareholders**

Shareholders are entitled to rights and assumes obligations pursuant to the classification of their shares.

Shareholders holding the same classified Share have the same rights and assume the same obligations. Shareholders of our Company shall enjoy the following rights:

- (I) the right to dividends and other distributions in proportion to the number of Shares held;
- (II) the right to apply for, convene, preside, attend or appoint proxies to attend Shareholders' Meeting and to exercise the corresponding right to speak and vote;
- (III) the right to supervise, present proposals or raise enquiries in respect of our Company's business operations;
- (IV) the right to transfer, give as a gift or pledge the Shares it holds in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to inspect and copy the Articles of Association, Register of Shareholders, minutes of Shareholders' Meeting, resolutions of the Board of Directors and accounting reports of Our Company and Subsidiaries, eligible shareholders shall enjoy the right to inspect the accounting books and documents of the Company and its wholly-owned subsidiaries;
- (VI) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of Shares held;
- (VII) Shareholders who object to resolutions of merger or division made by the Shareholders' Meeting may request our Company to purchase Shares held;
- (VIII) other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to our Company written documents proving the class(es) and number of Shares he holds. Our Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

Shareholders of our Company shall have the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the Share subscription price based on the Shares subscribed for by them and the method of acquiring such Shares;
- (III) not to return Shares unless prescribed otherwise in laws and regulations;
- (IV) not to abuse Shareholders' rights to infringe upon the interests of our Company or other Shareholders; not to abuse our Company's status as an independent legal entity or the limited liability of Shareholders to harm the interests of our Company's creditors;
- (V) to assume other obligations required by laws, administrative regulations and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes our Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of our Company as an independent legal entity or the limited liability of Shareholders to evade debts and severely harm the interests of our Company's creditors shall assume joint and several liability for our Company's debts.

The Articles of Association do not contain provisions regarding the time limit after which the entitlement to dividends lapses, or the party in whose favor the lapse operates.

**The Audit Committee**

Our company does not have the Board of Supervisors or Supervisor but has an Audit Committee within the Board of Directors to exercise the powers of the Board of Supervisors as stipulated in the Company Law. The Audit Committee shall consist of no fewer than three directors and shall be composed solely of non-executive directors, among whom independent non-executive directors shall constitute more than half. Members of the Audit Committee shall not hold the position of senior management personnel in the company.

The audit committee shall exercise the following powers:

- (I) to inspect the company's finances;
- (II) to supervise the actions of directors and senior management personnel in performing their duties, and to propose the removal of directors or senior management personnel who violate laws, administrative regulations, this charter, or resolutions of the shareholders' meeting;

- (III) to demand that directors or senior management personnel correct their actions when such actions are found to be detrimental to the company's interests;
- (IV) to propose the convening of a special shareholders' meeting, and to convene and preside over the shareholders' meeting when the board of directors fails to fulfill its statutory duties to convene and preside over the shareholders' meeting;
- (V) to submit proposals to the shareholders' meeting;
- (VI) to initiate litigation against directors or senior management personnel in accordance with the relevant provisions of the Company Law;
- (VII) other powers stipulated by laws, administrative regulations, and the Articles of Association.

### **General Manager**

The company's general manager, deputy general managers, chief financial officer, secretary of the Board of Directors, and other senior management personnel determined by the Board of Directors shall be deemed as the senior management personnel of the company. The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of our Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;
- (II) to organize the implementation of our Company's annual business plans and investment plans;
- (III) to draft plans for the establishment of our Company's internal management organization;
- (IV) to draft our Company's basic management system;
- (V) to formulate the specific rules and regulations of our Company;
- (VI) to propose to the Board of Directors appointment or dismissal of deputy general manager or other senior management;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(VIII) such other functions and powers conferred by the Articles of Association, the Board of Directors.

The general manager shall attend the Board meeting as a non-voting delegate and shall be responsible to the Board of Directors.

**Reserves**

In distributing its current-year after-tax profits, our Company shall allocate 10% of its profit to its statutory reserve fund.

Allocations to Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of our Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of our Company, and subject to the adoption of a resolution by the Shareholders' Meeting, an allocation may be made to the discretionary reserve fund.

The remaining after-tax profit after our Company makes up for losses and withdraws provident fund shall be distributed according to the proportion of Shares held by Shareholders, unless prohibited by the Articles of Association.

If our Company distributes profits to shareholders in violation of laws, administrative regulations, regulatory rules of the place where the company's shares are listed, and the regulations of the relevant national competent authorities such as the CSRC, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the directors and senior managers who are responsible shall be liable for compensation.

Profits shall not be distributed to Shares held by the Company itself.

Our Company's provident fund is used to compensate for its losses, expand its production and operation, or convert it into an increase in our Company's capital.

The provident fund to make up for the Company's losses should first use the arbitrary provident fund and the statutory provident fund; if it still cannot be made up, the capital reserve may be used in accordance with the regulations.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company's registered capital.

## A. FURTHER INFORMATION ABOUT OUR GROUP

### 1. Incorporation

Our Company was established as a limited liability company in the PRC on May 3, 2018 and was converted into a joint stock limited company on April 8, 2025 under the laws of the PRC (the “**Conversion**”). As of the Latest Practicable Date, the registered capital of the Company was RMB300,000,000.

Our principal place of business in Hong Kong is at Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on April 25, 2025. Ms. Yeung Siu Wai Kitty has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As our Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendices IV and V, respectively.

### 2. Changes in Share Capital

There has been no changes in the share capital of our Company during the two years immediately preceding the date of this prospectus, save for the Conversion.

### 3. Changes in Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants’ Report as set out in Appendix I to this Prospectus.

The following subsidiaries have been incorporated within two years immediately preceding the date of this prospectus:

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital
Deepexi Zhiyun (Beijing) Technology Co., Ltd. (滴普智雲(北京)科技有限公司) . . . . .	PRC	June 12, 2024	RMB5 million
Beijing Deepexi Intelligent Technology Co., Ltd. (北京滴普智能科技有限公司) . . . . .	PRC	July 25, 2024	RMB1 million

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Date of incorporation</u>	<u>Registered capital</u>
Sichuan Deepexi Intelligent Technology Co., Ltd. (四川滴普智能科技有限公司) . . . . .	PRC	December 9, 2024	RMB20 million
Shenzhen Deepexi Zhiyun Technology Co., Ltd. (深圳滴普智雲科技有限公司) . . . . .	PRC	June 13, 2025	RMB10 million
Wuxi Deepexi Technology Co., Ltd. (無錫滴普科技有限公司) . . . . .	PRC	May 22, 2025	RMB10 million
Suzhou Deepexi Zhiyun Technology Co., Ltd. (蘇州滴普智雲科技有限公司) . . . . .	PRC	May 23, 2025	RMB10 million
Nantong Deepexi Intelligent Technology Co., Ltd. (南通滴普智能科技有限公司) . . . . .	PRC	August 13, 2025	RMB5 million

The following subsidiaries have been deregistered within two years immediately preceding the date of this prospectus:

<u>Name of subsidiary</u>	<u>Place of incorporation</u>	<u>Date of incorporation</u>	<u>Date of deregistration</u>
Beijing Kuntao . . . . .	PRC	September 5, 2019	November 17, 2023
Deepexi HK . . . . .	Hong Kong	July 10, 2019	September 13, 2024
Hangzhou Deepexi Technology Co., Ltd. (杭州滴普科技有限公司) . . . . .	PRC	December 2, 2020	July 7, 2025

Save as disclosed above, there has been no changes in the share capital of our Subsidiaries during the two years immediately preceding the date of this prospectus.

#### 4. Resolutions of our Shareholders

On April 8, 2025, resolutions of our Company were passed by the Shareholders that, among other things, conditional upon the satisfaction (or, if applicable, waiver) of the conditions set out in “Structure and Conditions of the Global Offering — Conditions of the Global Offering” and pursuant to the terms set out therein:

- (a) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued shall not be more than 25% of the total issued share capital of our Company as enlarged by the Global Offering;

- (c) subject to the filing with CSRC is completed, upon completion of the Global Offering, 300,000,000 Unlisted Shares will be converted into H Shares on a one-for-one basis;
- (d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue and the listing of H Shares on the Hong Kong Stock Exchange;
- (e) subject to the completion of the Global Offering, the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares immediately following the completion of the Global Offering;
- (f) subject to the completion of the Global Offering, the granting of a general mandate to the Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as at the date of the resolution granting the general mandate; and
- (g) subject to the completion of the Global Offering, the conditional adoption of the revised Articles of Association, which shall become effective on the Listing Date.

## **B. FURTHER INFORMATION ABOUT OUR BUSINESS**

### **1. Summary of Material Contracts**

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) the Hong Kong Underwriting Agreement.

## 2. Intellectual Property Rights

*Registered Trademarks*

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date (yyyy.mm.dd)
1. . .	Deepexi fast 5000	PRC	Our Company	35	78516743	2034.11.06
2. . .	Deepexi fast 5000	PRC	Our Company	42	78519754	2034.11.06
3. . .	Deepexi fast 5000	PRC	Our Company	9	77580850	2034.09.13
4. . .	FastAGI	PRC	Our Company	42	71784951	2033.12.13
5. . .	FastAGI	PRC	Our Company	35	71551064	2034.03.06
6. . .	FastAGI	PRC	Our Company	9	71555413	2034.03.06
7. . .	丽影洞察	PRC	Our Company	9	67587979	2033.07.13
8. . .	丽影洞察	PRC	Our Company	42	67579413	2033.05.06
9. . .	滴普	PRC	Our Company	9	67051189	2033.04.06
10. . .	DEEPNOVA	PRC	Our Company	35	62619470	2032.08.06
11. . .		PRC	Our Company	30	61955272	2032.07.13
12. . .		PRC	Our Company	18	61958125	2032.07.13
13. . .		PRC	Our Company	42	61972997	2032.07.13

## APPENDIX VI

## STATUTORY AND GENERAL INFORMATION

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date (yyyy.mm.dd)
14.		PRC	Our Company	9	61958105	2032.07.13
15.		PRC	Our Company	41	61977641	2032.07.13
16.		PRC	Our Company	35	61971927	2032.07.20
17.		PRC	Our Company	16	61961762	2032.07.27
18.		PRC	Our Company	14	61963452	2032.07.13
19.		PRC	Our Company	25	61982643	2032.07.13
20.	Data Sense	PRC	Our Company	35	57910936	2032.02.06
21.	Data Sense	PRC	Our Company	9	57899395	2032.05.06
22.	DEEPEXI DataFacts	PRC	Our Company	35	57375074	2032.01.13
23.	DEEPEXI Dlink	PRC	Our Company	42	57376408	2032.01.13
24.	DEEPEXI DataFacts	PRC	Our Company	42	57358374	2032.01.13
25.		PRC	Our Company	9	52384787	2031.12.27
26.		PRC	Our Company	9	52385522	2031.12.27

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date (yyyy.mm.dd)
27.		PRC	Our Company	35	50183764	2032.11.13
28.		PRC	Our Company	9	48622951	2031.03.13
29.		PRC	Our Company	35	48615076	2031.03.13
30.		PRC	Our Company	42	45793414	2031.11.13
31.		PRC	Our Company	35	45380282	2031.11.13
32.		PRC	Our Company	42	45297744	2030.11.27
33.		PRC	Our Company	35	44151659	2030.11.13
34.		PRC	Our Company	9	43238911	2030.08.20
35.		PRC	Our Company	9	37771662	2030.02.06
36.		PRC	Our Company	42	37771653	2030.11.06
37.		PRC	Our Company	42	37771654	2030.02.06
38.		PRC	Our Company	42	34189198	2030.04.20
39.		Hong Kong	Our Company	9, 35 and 42	306777235	2035.01.06
40.		Hong Kong	Our Company	9, 35 and 42	306777235	2035.01.06
41.		Hong Kong	Our Company	9, 35 and 42	306777235	2035.01.06
42.		Hong Kong	Our Company	9, 35 and 42	306777235	2035.01.06

*Copyrights*

As at the Latest Practicable Date, we had applied for the following software copyright which we consider to be material to our business:

No.	Copyright	Place of Application	Registered Owner	Registration Number	First Publication Date/ Registration Date (yyyy.mm.dd)
1.	DEEPEXI FastData DataFacts Agile Data Analytics Suite Platform V3.0 (DEEPEXI FastData DataFacts 敏捷數據分析套件平台 V3.0)	PRC	Our Company	2023SR1564761	2023.08.15 <sup>(1)</sup>
2.	DEEPEXI FastData DLink Real-time Lake Warehouse Engine System V3.0 (DEEPEXI FastData DLink 實時湖倉引擎系統V3.0)	PRC	Our Company	2023SR1546773	2023.07.30 <sup>(1)</sup>
3.	DEEPEXI FastData DataFacts Data Intelligence Development Platform V3.0 (DEEPEXI FastData DataFacts 數據智能開發平台V3.0)	PRC	Our Company	2023SR1533727	2023.08.15 <sup>(1)</sup>
4.	DEEPEXI FastAGI Modeling Toolchain Platform V2.0 (DEEPEXI FastAGI 模型工具鏈平台V2.0)	PRC	Our Company	2023SR1533508	2023.07.30 <sup>(1)</sup>
5.	DEEPEXI FastData Real-Time Lake Warehouse Platform V1.0 (DEEPEXI FastData 實時湖倉平台V1.0)	PRC	Our Company	2023SR0724227	2022.07.30 <sup>(1)</sup>
6.	DEEPEXI FastData DataFacts Data Intelligence Development and Governance Platform V3.0 (DEEPEXI FastData DataFacts 數據智能開發治理平台V3.0)	PRC	Our Company	2023SR0724225	2022.07.15 <sup>(1)</sup>

No.	Copyright	Place of Application	Registered Owner	Registration Number	First Publication Date/Registration Date (yyyy.mm.dd)
7.	FastData Cloud Standard Real-Time Lake Warehouse Cloud Platform (standard version) V3.0 (FastData Cloud Standard 實時湖倉雲平台(標準版)V3.0)	PRC	Our Company	2023SR0697070	2022.08.30 <sup>(1)</sup>
8.	DEEPEXI FastData DataSense Data Analysis Platform V3.0 (DEEPEXI FastData DataSense 數據分析平台V3.0)	PRC	Our Company	2023SR0697069	2022.07.15 <sup>(1)</sup>
9.	FastData Cloud Professional Real-time Lake Warehouse Cloud Platform V1.0 (FastData Cloud Professional 實時湖倉雲平台 V1.0)	PRC	Our Company	2023SR0680269	2022.06.28 <sup>(1)</sup>
10.	DEEPEXI FastData DLink Real-time Lake Warehouse Engine System V2.2.4 (DEEPEXI FastData DLink 實時湖倉引擎系統V2.2.4)	PRC	Our Company	2023SR0680270	2023.02.28 <sup>(1)</sup>
11.	DEEPEXI FastData for DStorage Distributed Object Storage Engine Software V1.0 (DEEPEXI FastData for DStorage 分佈式對象存儲引擎軟件V1.0)	PRC	Our Company	2022SR0255925	2021.05.10 <sup>(1)</sup>
12.	DEEPEXI FastData for SenseFlow Data Science Analysis Engine Software V1.0 (DEEPEXI FastData for SenseFlow 數據科學分析引擎軟件V1.0)	PRC	Our Company	2022SR0255926	2021.04.22 <sup>(1)</sup>
13.	DEEPEXI FastData for DLink Streaming Batch Data Analysis Engine Software V1.0 (DEEPEXI FastData for DLink 流批一體數據分析引擎軟件V1.0)	PRC	Our Company	2022SR0255927	2021.03.23 <sup>(1)</sup>

No.	Copyright	Place of Application	Registered Owner	Registration Number	First Publication Date/Registration Date (yyyy.mm.dd)
14.	DEEPEXI FastData for DataFacts One-Stop Data Intelligence Service Platform V1.0 (DEEPEXI FastData for DataFacts 一站式數據智能服務平台V1.0)	PRC	Our Company	2022SR0255958	2021.01.20 <sup>(1)</sup>
15.	DEEPEXI FastData for DataFacts Governance Data Governance Service Platform V1.0 (DEEPEXI FastData for DataFacts Governance 數據治理服務平台V1.0)	PRC	Our Company	2022SR0255957	2021.03.10 <sup>(1)</sup>
16.	DEEPEXI FastData for DataFacts DevSuit One-Stop Data Development Service Platform V1.0 (DEEPEXI FastData for DataFacts DevSuit 一站式數據開發服務平台V1.0)	PRC	Our Company	2022SR0255956	2021.02.12 <sup>(1)</sup>
17.	DEEPEXI FastData for SenseHouse Cloud Native Data Analytics Engine Software V1.0 (DEEPEXI FastData for SenseHouse 雲原生數據分析引擎軟件V1.0)	PRC	Our Company	2022SR0256044	2021.04.08 <sup>(1)</sup>
18.	DEEPEXI FastData for DataFacts Catalog Data Resource Catalog Service Platform V1.0 (DEEPEXI FastData for DataFacts Catalog 數據資源目錄服務平台V1.0)	PRC	Our Company	2022SR0249575	2021.02.19 <sup>(1)</sup>
19.	DEEPEXI FastData for DataSense Data Sensing Platform V1.0 (DEEPEXI FastData for DataSense 數據感知平台V1.0)	PRC	Our Company	2022SR0249624	2021.01.06 <sup>(1)</sup>
20.	FastInsight Data Intelligence Insight Platform V1.0 (FastInsight 數據智能洞察平台V1.0)	PRC	Our Company	2025SR0075792	2025.01.13 <sup>(2)</sup>
21.	DeepexiOS FastData Data Intelligence Analytics Platform V5.0 (DeepexiOS FastData 數據智能分析平台V5.0)	PRC	Our Company	2025SR0075799	2025.01.13 <sup>(2)</sup>

No.	Copyright	Place of Application	Registered Owner	Registration Number	First Publication Date/ Registration Date (yyyy.mm.dd)
22.	DeepexiOS V2 Enterprise Intelligence Platform V2.0 (DeepexiOS V2企業智能平台V2.0)	PRC	Our Company	2025SR0075806	2025.01.13 <sup>(2)</sup>
23.	DeepexiOS FastData Multimodal Data Development Platform V5.0 (DeepexiOS FastData 多模態數據開發平台V5.0)	PRC	Our Company	2024SR2107408	2024.12.17 <sup>(2)</sup>
24.	DeepexiOS FastData Unified Convergence Engine Platform V5.0 (DeepexiOS FastData 統一融合引擎平台V5.0)	PRC	Our Company	2024SR2107359	2024.12.17 <sup>(2)</sup>
25.	Fast5000E All-in-One Large Model Training and Push System V1.0 (Fast5000E 大模型訓推一體機系統V1.0)	PRC	Our Company	2024SR2059209	2024.12.12 <sup>(2)</sup>
26.	DeepexiOS FastAGI Enterprise Big Model Service Platform V1.8 (DeepexiOS FastAGI 企業大模型服務平台V1.8)	PRC	Our Company	2024SR2059236	2024.12.12 <sup>(2)</sup>
27.	FastCycle Supply Chain Rapid Response Platform V0.3 (FastCycle供應鏈快速反應平台V0.3)	PRC	Our Company	2024SR2059187	2024.12.12 <sup>(2)</sup>
28.	Deepexi Drip Enterprise Large Modeling Platform V1.8 (Deepexi 滴普企業大模型平台V1.8)	PRC	Our Company	2024SR2059229	2024.12.12 <sup>(2)</sup>
29.	FastAGI 2.0 Enterprise Intelligence Platform V2.1 (FastAGI 2.0 企業智能體平台V2.1)	PRC	Our Company	2025SR0449756	2025.03.13 <sup>(2)</sup>

Notes:

(1) Refers to the first publication date of the relevant copyright.

(2) Refers to registration date of the relevant copyright.

*Patents*

As of the Latest Practicable Date, we had registered the following patents which we considered to be or may be material to our business:

No.	Patent Name	Patentee	Place of Registration	Patent Number	Application Date (yyyy.mm.dd)	Expiry Date (yyyy.mm.dd)
1. . .	A method and system for financial data processing (一種財務數據處理方法及系統)	Our Company	PRC	ZL202110925002.1	2021.08.12	2041.08.11
2. . .	Automatic detection method and system for wood defects and its storage medium (木材缺陷自動檢測方法、系統及其存儲介質)	Our Company	PRC	ZL202110416096.X	2021.04.19	2041.04.18
3. . .	An intelligent decision-making system and method for a data large model (一種數據大模型的智能決策系統及方法)	Our Company	PRC	ZL202311586372.2	2023.11.27	2043.11.26
4. . .	A data security control device, system, method and its readable storage medium (一種數據安全管控裝置、系統、方法及其可讀存儲介質)	Our Company	PRC	ZL202110225799.4	2021.03.01	2041.02.28
5. . .	A computer with a graphical user interface for data lifecycle management (帶數據生命週期管理圖形用戶界面的電腦)	Our Company	PRC	ZL202330282045.2	2023.05.15	2038.05.14
6. . .	A method and apparatus for constructing a data lineage map (一種數據血緣圖的構建方法及裝置)	Our Company	PRC	ZL202311181062.2	2023.09.14	2043.09.13
7. . .	A waybill – level logistics carbon emission accounting system (一種運單級物流碳排放核算系統)	Our Company	PRC	ZL202310820538.6	2023.07.06	2043.07.05

No.	Patent Name	Patentee	Place of Registration	Patent Number	Application Date (yyyy.mm.dd)	Expiry Date (yyyy.mm.dd)
8. . .	Method for monitoring the average load of containers in cloud platform, terminal device, and readable storage medium (雲平台容器平均負載監視方法、終端設備及可讀存儲介質)	Our Company	PRC	ZL202110337560.6	2021.03.30	2041.03.29
9. . .	A real-time whole-database loading into lake method based on Flink (一種基於Flink的實時整庫入湖方法)	Our Company	PRC	ZL202311133058.9	2023.09.05	2043.09.04
10. . .	A method for predicting enterprise carbon quotas based on enterprise operation data (一種基於企業經營數據的企業碳配額預測方法)	Our Company	PRC	ZL202310968356.3	2023.08.03	2043.08.02
11. . .	A method, system and apparatus for automatically optimizing the layout of table data structure (一種自動優化表數據結構佈局的方法、系統及設備)	Our Company	PRC	ZL202310851427.1	2023.07.12	2043.07.11
12. . .	An Internet-based method for cloud synchronization of carbon asset information (一種基於互聯網的碳資產信息雲端同步方法)	Our Company	PRC	ZL202310965470.0	2023.08.02	2043.08.01
13. . .	A data deduplication management device, system, method and storage medium (一種數據去重管理裝置、系統、方法及存儲介質)	Our Company	PRC	ZL202310826800.8	2023.07.07	2043.07.06
14. . .	A local caching method, apparatus, and medium for OLAP analytics databases (一種面向OLAP分析數據庫的本地緩存方法、設備及介質)	Our Company	PRC	ZL202211672971.1	2022.12.26	2042.12.25

No.	Patent Name	Patentee	Place of Registration	Patent Number	Application Date (yyyy.mm.dd)	Expiry Date (yyyy.mm.dd)
15..	A pore detection method based on full face image (一種基於全臉圖像的毛孔檢測方法)	Our Company	PRC	ZL202110924995.0	2021.08.12	2041.08.11
16..	A fast query method and system for seals based on HOG features (一種基於HOG特徵的印章快速查詢方法及系統)	Our Company	PRC	ZL202310303273.2	2023.03.27	2043.03.26
17..	A fast search method and system applied to a database (一種應用於數據庫的快速檢索方法及系統)	Our Company	PRC	ZL202310281123.6	2023.03.22	2043.03.21
18..	Graphical user interface for computers (Clickhouse management tool) (用於電腦的圖形用戶界面 (Clickhouse管理工具))	Our Company	PRC	ZL202230862417.4	2022.12.27	2037.12.26
19..	Reducing iceberg's upsert function to generate equality-deletes (減少iceberg的upsert功能生成equality-deletes的方法)	Our Company	PRC	ZL202211360115.2	2022.11.02	2042.11.01
20..	A greenplum automatic cold-temperature-hot partitioning data migration system (一種greenplum自動冷溫熱分區數據遷移系統)	Our Company	PRC	ZL202211464232.3	2022.11.17	2042.11.16
21..	A method and system for real-time change data grabbing from database (一種用於數據庫實時變化數據抓取的方法及系統)	Our Company	PRC	ZL202211462125.7	2022.11.17	2042.11.16
22..	A method and system for capturing change data based on Elasticsearch plugin (一種基於Elasticsearch插件的變化數據捕獲方法及系統)	Our Company	PRC	ZL202211440649.6	2022.11.17	2042.11.16

No.	Patent Name	Patentee	Place of Registration	Patent Number	Application Date (yyyy.mm.dd)	Expiry Date (yyyy.mm.dd)
23..	A cloud edge collaboration system and cloud edge collaboration method based on native container technology (一種基於原生容器技術的雲邊協同系統及雲邊協同方法)	Our Company	PRC	ZL202011525258.5	2020.12.22	2040.12.21
24..	A data rights processing method and a computer-readable storage medium (一種數據權限處理方法及計算機可讀存儲介質)	Our Company	PRC	ZL202110926318.2	2021.08.12	2041.08.11
25..	A method and system for intelligent control of computing resources in data integration operations (一種數據集成作業中計算資源智能控制方法及系統)	Our Company	PRC	ZL202211440650.9	2022.11.17	2042.11.16
26..	A target object finding method, system, electronic device and storage medium (一種目標對象查找方法、系統、電子設備及存儲介質)	Our Company	PRC	ZL202110924993.1	2021.08.12	2041.08.11
27..	Integrated environment building method, apparatus, electronic device and storage medium (集成環境搭建方法、裝置、電子設備及存儲介質)	Our Company	PRC	ZL202110646019.3	2021.06.10	2041.06.09
28..	Method, apparatus and storage medium for building a data warehouse based on a business model (基於業務模型構建數據倉庫的方法、裝置及存儲介質)	Our Company	PRC	ZL202010449486.2	2020.05.25	2040.05.24

No.	Patent Name	Patentee	Place of Registration	Patent Number	Application Date (yyyy.mm.dd)	Expiry Date (yyyy.mm.dd)
29..	Microservices gateway plugin dynamic loading method, device, system, and storage medium thereof (微服務網關插件動態加載方法、裝置、系統及其存儲介質)	Our Company	PRC	ZL202110318551.2	2021.03.25	2041.03.24
30..	A lightweight data migration device and method (一種輕量級數據遷移裝置及方法)	Our Company	PRC	ZL202211360109.7	2022.11.02	2042.11.01
31..	A method and system for model-based generation of cypher statements (一種基於模型生成cypher語句的方法和系統)	Our Company	PRC	ZL202211384171.X	2022.11.07	2042.11.06
32..	Method and system for displaying tree data with large data volume based on dynamic paging technique (基於動態分頁技術展示大數據量的樹數據的方法及系統)	Our Company	PRC	ZL202211360095.9	2022.11.02	2042.11.01
33..	A method for evaluating the superiority or inferiority of screen quality (一種屏幕質量優缺的評價方法)	Our Company	PRC	ZL201910956448.3	2019.10.10	2039.10.09
34..	Computer with graphical user interface for digital marketing product software (帶數字化營銷產品軟件圖形用戶界面的電腦)	Our Company	PRC	ZL202230074141.3	2022.02.16	2037.02.15
35..	Computer with graphical user interface for data quality management software (帶數據質量管理軟件圖形用戶界面的電腦)	Our Company	PRC	ZL202130751290.4	2021.11.16	2036.11.15
36..	Computer with graphical interface for offline data processing software (帶離線數據處理軟件圖形界面的電腦)	Our Company	PRC	ZL202130685690.X	2021.10.19	2036.10.18

No.	Patent Name	Patentee	Place of Registration	Patent Number	Application Date (yyyy.mm.dd)	Expiry Date (yyyy.mm.dd)
37..	Computer with Knowledge Graph Build Storage Software Graphical User Interface (帶知識圖譜構建存儲軟件圖形用戶界面的電腦)	Our Company	PRC	ZL202130790978.3	2021.11.30	2036.11.29
38..	Computer with Clustered Container Management Software GUI (帶集群容器管理軟件圖形用戶界面的電腦)	Our Company	PRC	ZL202130621086.0	2021.09.18	2036.09.17
39..	A security sandbox system to support secure fusion of multiple data sources (一種支撐多數據源安全融合的安全沙箱系統)	Our Company	PRC	ZL202110401069.5	2021.04.14	2041.04.13
40..	A multi-scene headcounting method based on TOF camera (一種基於TOF相機的多場景人數統計方法)	Our Company	PRC	ZL201910621363.X	2019.07.10	2039.07.09
41..	An enterprise middle office system with domain layered design (一種採用領域分層設計的企業中台系統)	Our Company, Guangzhou Deepexi	PRC	ZL201910746853.2	2019.08.14	2039.08.13
42..	A signal sampling recovery method, device and OvXDM system suitable for OvXDM system (一種適用於OvXDM系統的信號採樣恢復方法、裝置及OvXDM系統)	Guangzhou Deepexi	PRC	ZL201610885617.5	2016.10.10	2036.10.09
43..	Data correction and supplementation method, device, equipment and system (數據糾偏補數方法、裝置、設備及系統)	Our Company	PRC	ZL202310126921.1	2023.02.06	2043.02.05
44..	Method, system and device for knowledge base construction based on large models (基於大模型的知識庫構建方法、系統及設備)	Our Company	PRC	CN202511044525X	2025.07.29	2045.07.28

*Domain Name*

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration Date (yyyy.mm.dd)	Expiry Date (yyyy.mm.dd)
1. . . . .	deepexiyun.com	Guangzhou Deepexi	2021.08.02	2026.08.02
2. . . . .	fastfabric.cn	Our Company	2023.12.25	2026.12.25
3. . . . .	deepexi.com	Our Company	2018.04.20	2027.04.20
4. . . . .	deepexi.cn	Our Company	2018.04.20	2027.04.20
5. . . . .	icloudx.com	Our Company	2011.06.16	2026.06.17
6. . . . .	openkube.cn	Our Company	2020.12.23	2026.12.23
7. . . . .	datafacts.cn	Our Company	2021.04.22	2027.04.22
8. . . . .	deepexicloud.com	Our Company	2021.06.23	2026.06.23
9. . . . .	fastdata.cn	Our Company	2017.07.25	2027.07.25
10. . . .	2048lab.com	Our Company	2021.04.22	2027.04.22
11. . . .	fastdatacloud.com	Our Company	2021.11.22	2026.11.22
12. . . .	deepnova.cn	Our Company	2022.02.08	2027.02.08
13. . . .	dataval.cn	Our Company	2021.04.22	2027.04.22
14. . . .	fastdatacloud.cn	Our Company	2022.04.18	2027.04.18
15. . . .	fastagi.cn	Our Company	2023.04.14	2027.04.14
16. . . .	2048lab.cn	Our Company	2021.04.22	2027.04.22
17. . . .	deepexi.tech	Our Company	2020.07.10	2030.07.11

## C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 1. Particulars of Directors' service contracts and appointment letters

#### (a) *Executive Directors*

Each of our executive Directors has entered into a service contract with us pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the date of their appointments.

*(b) Non-executive Director and Independent Non-executive Directors*

Each of the non-executive Director and independent non-executive Directors has entered into an appointment letter with our Company. The initial term for their appointment letters shall be three years from the date of their appointments or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, (subject always to re-election as and when required under the Articles of Association), until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

Details of our Company's remuneration policy is described in section headed "Directors and Senior Management — Remuneration of Directors and Senior Management."

**2. Remuneration of Our Directors**

Save as disclosed in "Directors and Senior Management" and "Appendix I — Accountants' Report — Notes to The Historical Financial Information — Directors' and Chief Executives' emoluments" for the three years ended December 31, 2024 and the six months ended June 30, 2025, none of our Directors received other remunerations of benefits in kind from us.

**3. Disclosure of Interests of Directors and Chief Executive of our Company**

Save as disclosed below, immediately following the completion of the Global Offering, so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

*Interests in our Company*

<b>Name</b>	<b>Position</b>	<b>Nature of interest</b>	<b>Number of Shares Held</b>	<b>Approximate shareholding percentage immediately after the Global Offering<sup>(1)</sup></b>
Mr. Zhao . . . . .	Founder, Chairman of the Board, executive	Beneficial interests	49,468,200 Shares	15.14%
	Director and chief executive officer	Interest in controlled corporation <sup>(2)</sup>	43,663,800 Shares	13.37%
		Interest held jointly with other person <sup>(3)</sup>	11,711,400 Shares	3.59%
Mr. Yang . . . . .	Co-founder, executive Director and president of our product and solution staff team (PSST)	Beneficial interests	11,711,400 Shares	3.59%

*Notes:*

- (1) The calculation is based on the total number of 300,000,000 H Shares to be converted from Unlisted Shares in issue pursuant to the Full Circulation and 26,632,000 H Shares to be issued pursuant to the Global Offering.
- (2) As of the Latest Practicable Date, Deepexi Huachuang held 37,299,300 Shares of the Company and Deepexi Huaying held 6,364,500 Shares of the Company. The general partner of Deepexi Huachuang is Deepexi Huichuang, which is held as to 99% by Mr. Zhao and as 1% by Mr. Cao Lianfei, our Director. Under the SFO, Mr. Zhao was deemed to be interested in the Shares held by each of Deepexi Huachuang and Deepexi Huaying.
- (3) As of the Latest Practicable Date, Mr. Yang held 11,711,400 Shares of the Company, accounting for 2.93% of the equity interests of the Company. Pursuant to the Concert Party Agreement, Mr. Yang irrevocably agreed to, among others, act in concert with Mr. Zhao and follow his instructions in exercising his vote at the shareholders' meetings of our Company. The Concert Party Agreement will remain effective after the proposed Listing. Under the SFO, Mr. Zhao was deemed to be interested in the Shares held by Mr. Yang.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the Global Offering, has any interests and/or short positions in the Shares, underlying Shares and debentures of our Company's associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

#### 4. Disclosure of Interests of Substantial Shareholders

##### (a) *Interests in our Company*

For information on the persons who will, immediately following the completion of the Global Offering, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed “Substantial Shareholders.”

##### (b) *Interests of substantial shareholders of other members of our Group*

As of the Latest Practicable Date, so far as our Directors are aware, none of the person (other than our Directors or chief executive of our Company) were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other member of our Group.

Our Directors are not aware of any persons (other than our Directors or chief executive) will, immediately following the completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

#### 5. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or any of the parties listed in “— D. Other Information — 5. Consents and Qualification of Experts” below is:
  - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this prospectus, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
  - (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (b) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in “— D. Other Information — 5. Consents and Qualification of Experts” below:
  - (i) is interested legally or beneficially in any shares in any member of our Group;  
or

- (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

## **D. OTHER INFORMATION**

### **1. Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

### **2. Litigation**

Save as disclosed in this prospectus and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

### **3. Joint Sponsors**

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

As of the Latest Practicable Date, approximately 1.00% of our share capital was held by CMBC Financial Investment. CMBC Financial Investment and CMBC International Capital Limited (“**CMBC**”), one of our Joint Sponsors, are members of a “sponsor group” as defined under the Listing Rules. Notwithstanding the above, CMBC group, any director or close associate of a director of CMBC collectively holds and will, immediately following the completion of the Listing, hold, directly or indirectly, less than 5% of the number of issued Shares of the Company and CMBC, having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules.

As of the Latest Practicable Date, approximately 1.27% of our share capital was held by Angel Prosperity. Angel Prosperity is a limited company incorporated under the laws of Hong Kong, and it is a subsidiary of Guotai Junan International PE fund and ultimately wholly owned by Guotai Junan International Holdings Limited (“**GTJA Holdings**”), a company listed on the Stock Exchange (stock code: 1788). Guotai Junan Capital Limited (“**GTJA**”), one of our Joint Sponsors, is indirectly wholly owned by GTJA Holdings. Notwithstanding the above, GTJA group, any director or close associate of a director of GTJA collectively holds and will, immediately following the completion of the Listing, hold, directly or indirectly, less than 5% of the number of issued Shares of the Company and GTJA, having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules.

As of the Latest Practicable Date, 3.84% and 0.64% of our share capital was held by SPDBI Waltz and SPDBI Star, respectively, both of which are wholly owned by SPDBI New Economy I LPF, whose general partner is SPDBI Deep Management Limited. SPDBI Deep Management Limited is wholly owned by SPDB International (Hong Kong) Limited (“**SPDBI HK**”), which is in turn ultimately wholly-owned by SPDB International Holdings Limited (“**SPDBI**”), which is wholly-owned by Shanghai Pudong Development Bank Co., Ltd.. SPDB International Investment Management Limited (“**SPDBI IM**”) is wholly-owned by SPDBI and is affiliated with SPDBI HK. SPDB International Capital Limited (“**SPDBIC**”), which is controlled by SPDBI, is also one of the Joint Sponsors. Notwithstanding the above, SPDBIC group, any director or close associate of a director of SPDBIC collectively holds and will, immediately following the completion of the Listing, hold, directly or indirectly, less than 5% of the number of issued Shares of the Company and SPDBIC, having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules.

As of the Latest Practicable Date, approximately 0.64% of our share capital was held by BOCOM AM. BOCOM AM is a limited company incorporated in Hong Kong and is wholly owned by BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 3329). BOCOM AM is a licensed corporation under the Hong Kong Securities and Futures Ordinance with Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. BOCOM AM and BOCOM International (Asia) Limited (“**BOCOMI (A)**”), one of our Joint Sponsors, are members of a “sponsor group” as defined under the Listing Rules. Notwithstanding the above, BOCOMI (A) group, any director or close associate of a director of BOCOMI (A) collectively holds and will, immediately following the completion of the Listing, hold, directly or indirectly, less than 5% of the number of issued Shares of the Company and BOCOMI (A), having conducted its own assessment taking into consideration the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules, considers itself to be independent under Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate of US\$2.5 million for acting as the sponsor for the Listing.

#### 4. Preliminary Expenses

Our Company incurred RMB1.35 million of preliminary expenses at the Conversion. Save as disclosed, our Company did not incur any material preliminary expenses.

#### 5. Consents and Qualification of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
CITIC Securities (Hong Kong) Limited . . . . .	Licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of regulated activities under the SFO
CMBC International Capital Limited . . . . .	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities under the SFO
Guotai Junan Capital Limited . . . . .	Licensed to conduct Type 6 (advising on corporate finance) of regulated activities under the SFO
SPDB International Capital Limited . . . . .	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities under the SFO
BOCOM International (Asia) Limited . . . . .	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities under the SFO
Ernst & Young . . . . .	Certified Public Accountants and Registered Public Interest Entity Auditor
Haiwen & Partners . . . . .	Legal Advisor to our Company as to PRC laws (including PRC data compliance laws)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. . . . .	Industry consultant
Hogan Lovells . . . . .	International Sanctions Legal Advisor of our Company

Save as disclosed in this prospectus, as of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

## 6. Promoter

The promoters of our Company are set out as follows:

No.	Shareholders
1 . . . . .	Mr. Zhao Jiehui
2 . . . . .	Mr. Yang Lei
3 . . . . .	Deepexi Huachuang
4 . . . . .	Deepexi Huaying
5 . . . . .	HH AUT
6 . . . . .	CHH AUT
7 . . . . .	Evolution
8 . . . . .	Tianjin Dehui
9 . . . . .	Youxuan Fund
10 . . . . .	Xinyuan Fund
11 . . . . .	Jiequan Fund
12 . . . . .	SPDBI Waltz
13 . . . . .	SPDBI Star
14 . . . . .	Zhuhai Zhike
15 . . . . .	Zhuhai Songheng
16 . . . . .	Pleasure Focus
17 . . . . .	Chuzhe Zhixin
18 . . . . .	Chuxin Growth
19 . . . . .	Chuxin LLC
20 . . . . .	Chuxin Limited
21 . . . . .	Lighthouse
22 . . . . .	Qingdao Ruidi
23 . . . . .	Tianjin Ruidi
24 . . . . .	Axilight
25 . . . . .	Zhizhao No. 2
26 . . . . .	Shanghai AI
27 . . . . .	CMVC Fund
28 . . . . .	CM Innovation Fund
29 . . . . .	BAI
30 . . . . .	Ruihui Haina
31 . . . . .	Gongqingcheng Hangjian
32 . . . . .	Angel Prosperity
33 . . . . .	DDZ Holdings
34 . . . . .	CMBC Financial Investment
35 . . . . .	BOCOM AM
36 . . . . .	Yinxu Youxuan No. 1

Within the two years immediately preceding the date of this prospectus, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

#### **7. Binding Effect**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding up and Miscellaneous Provisions) Ordinance so far as applicable.

#### **8. Bilingual Prospectus**

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

#### **9. Compliance Advisor**

Our Company has appointed SPDB International Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

#### **10. No Material Adverse Change**

The Directors confirm that there has been no material change in our financial or trading position since June 30, 2025.

#### **11. Taxation of Holders of H Shares**

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

**12. Miscellaneous**

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
  - (i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and
  - (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.
  
- (b) Save as disclosed in this prospectus:
  - (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
  - (ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) there are no arrangements under which future dividends are waived or agreed to be waived;
  - (iv) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
  - (v) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
  - (vi) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
  - (vii) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought; and
  - (viii) our Company has no outstanding convertible debt securities or debentures.

**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) the written consents referred to under the paragraph headed “Statutory and General Information — D. Other Information — 5. Consents and Qualifications of Experts” in Appendix VI to this prospectus; and
- (ii) copies of the material contracts referred to in the paragraph headed “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix VI to this prospectus.

**DOCUMENTS AVAILABLE ON DISPLAY**

Copies of the following documents will be available on display on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and our website at [www.deepexi.com](http://www.deepexi.com) during a period of 14 days from the date of this prospectus:

- (i) the Articles of Association;
- (ii) the Accountants’ Report of our Group from Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (iii) the audited consolidated financial statements of our Group for the three years ended December 31, 2024 and the six months ended June 30, 2025;
- (iv) the report on the unaudited pro forma financial information of our Group from Ernst & Young, the text of which is set out in Appendix II to this prospectus;
- (v) the service contracts referred to in “Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 1. Particulars of Directors’ service contracts and appointment letters” in Appendix VI to this prospectus;
- (vi) the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix VI to this prospectus;
- (vii) the written consents referred to under the paragraph headed “Statutory and General Information — D. Other Information — 5. Consents and Qualifications of Experts” in Appendix VI to this prospectus;

- (viii) the PRC legal opinions issued by Haiwen & Partners, our legal advisor on PRC law, in respect of certain aspects of our Group;
- (ix) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed “Industry Overview” in this prospectus;
- (x) the PRC Company Law, the PRC Securities Law, the Trial Measures, together with their respective unofficial English translations;
- (xi) the international sanctions memorandum issued by Hogan Lovells, our international sanctions legal advisor; and
- (xii) the memorandum issued by Haiwen & Partners, our legal advisor on PRC data compliance law, in respect of data compliance of our Group.



滴普科技股份有限公司  
Deepexi Technology Co., Ltd.