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Post Hearing Information Pack of

Knowledge Atlas Technology Joint Stock Company Limited
北京智譜華章科技股份有限公司

(the "**Company**")

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

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Knowledge Atlas Technology Joint Stock Company Limited
北京智譜華章科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**[REDACTED] H Shares (subject to the [REDACTED]**
Number of [REDACTED]	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**[REDACTED] H Shares (subject to reallocation and the [REDACTED]**
Maximum [REDACTED]	**[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**RMB[0.10] per H Share**
[REDACTED]	**[REDACTED]**

***Sole Sponsor,* [REDACTED]**
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[REDACTED]

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[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the **[REDACTED]**. 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 us. 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 **[REDACTED]** are set out in "Risk Factors" of this document. You should read that section carefully before you decide to invest in the **[REDACTED]**. Your **[REDACTED]** decision should be made in light of these considerations.

OVERVIEW

Who We Are

We are a leading AI company in China, dedicated to developing advanced general-purpose large models. We were founded in 2019 on the bold idea of pursuing innovation toward artificial general intelligence (AGI) in China. We have solidly delivered advanced technology across the full spectrum of AI research and steadily scaled up its commercial application to achieve fast growth in revenue. In 2021, we launched GLM framework, China's first proprietary pre-trained large model framework, and debuted our Model-as-a-Service (MaaS) product development and commercialization platform, through which we provide our large model services. In 2022, we open-sourced our first 100 billion–scale model (GLM-130B). We operate in the large language model (LLM) market, a sub-segment of the broader AI market. We offer general-purpose large model services to institutional customers, including private enterprises and public sector entities, as well as individual users, including individual end-users and individual developers. Our models had empowered over eight thousand institutional customers as of June 30, 2025 and approximately 80 million devices as of the Latest Practicable Date. According to Frost & Sullivan, we ranked first among China's independent developers and second among all developers of general-purpose large models with a market share of 6.6% in terms of revenue in 2024.

SUMMARY

We achieved significant growth in revenue during the Track Record Period. In 2022, 2023 and 2024, our revenue was RMB57.4 million, RMB124.5 million and RMB312.4 million, respectively, representing a CAGR of over 130%. For the six months ended June 30, 2024 and 2025, our revenue was RMB44.9 million and RMB190.9 million, respectively.

Industry Leadership[1][2]	Operational Data	Financial Performance
China's Largest Independent general-purpose large model developer by revenue **China's Second Largest** Overall general-purpose large model developer by revenue	**8,000+** Number of institutional customers[2]	**RMB57.4 million, RMB124.5 million, RMB312.4 million and RMB190.9 million** Revenue in 2022, 2023, 2024 and the six months ended June 30, 2025
China's First Pre-trained large model framework	**Approximately 80 million** Number of devices empowered[3][4]	**50%+** Gross profit margin in 2022, 2023, 2024 and the six months ended June 30, 2025
Global No. 1 Coding capabilities of GLM-4.6[5]	**45 million+** Downloads of our open-source models in the global developer community[4]	**130%+** Revenue CAGR from 2022 to 2024

Notes:

(1) According to Frost & Sullivan.

(2) As of June 30, 2025.

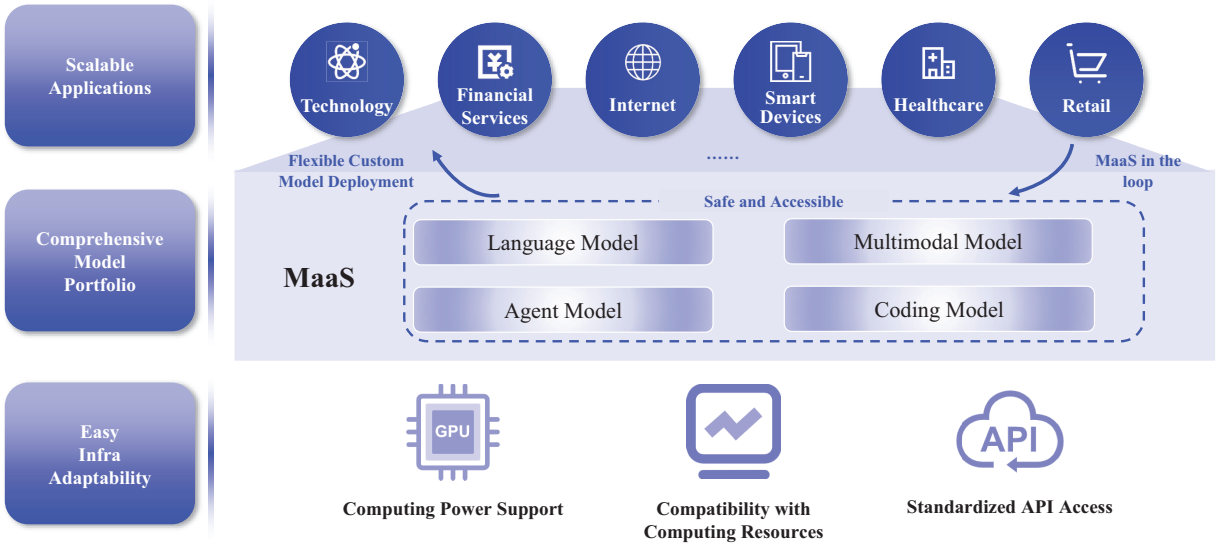
(3) Including smart phones, personal computers and smart vehicles.

(4) As of the Latest Practicable Date.

(5) Ranked in November 2025 by CodeArena, the latest industry-recognized global evaluation platform designed to assess models' coding capabilities.

OUR BUSINESS MODEL: THE MAAS PLATFORM

As we commercialize our technology to seize the tremendous market opportunity presented by advanced AI, we organize our offerings around our all-in-one MaaS platform. Our MaaS platform primarily offers four types of models: language models, multimodal models, agent models and coding models, as well as integrated tools for model fine-tuning, deployment and agent development. The key features of our MaaS platform are comprehensiveness in model capabilities, scalability across broad application scenarios and adaptability with diverse computing infrastructure. Through this product development and commercialization platform, we deliver intelligence to institutional customers, developers and individual customers in the most suitable, sensible and scalable way despite great heterogeneity in computing infrastructure, devices and applications.



Our MaaS platform comprises the following three levels:

- *Comprehensive model portfolio.* We have built a comprehensive portfolio of advanced AI models, showcasing industry-leading performance in language, multimodal, agentic and coding capabilities. From our broad and capable repertoire, customers and developers can always find the most suitable solution for their specific needs.

- *Scalable application*s. Our models and agents are designed for seamless functionality across diverse hardware, application scenarios and business workflows. They are capable of handling complex tasks, enabling AI-native, multimodal and holistic dialogs, and performing deep reasoning. For example, our models and agents can assist institutional customers in streamlining business workflows, processing and analyzing operating data at a massive scale and supporting decision-making. In addition, our MaaS platform provides an agent workspace, which encompasses a variety of agent templates and scenario-based solutions. Through this agent workspace, our customers can swiftly customize agents through streamlined model fine-tuning, incremental model training and prompt engineering.

- *Easy infra adaptability.* In collaboration with our computing infrastructure partners, we co-design an advanced computing infrastructure that enables our MaaS platform to deliver integrated computing, networking, training communications and inference acceleration capabilities. The collaboration also enables our models to offer broad adaptability, supporting model sizes ranging from 1.5 billion to 230 billion parameters and large-scale, real-time deployment across clouds and chipsets. In particular, such adaptability allows our models to scale across mass-use devices such as mobile phones, personal computers and smart vehicles and benefit vast numbers of end consumers.

Our MaaS platform offers flexible custom model deployment options to meet the diverse needs of businesses while maintaining efficiency, scalability and data security. We primarily offer two deployment approaches—on-premise and cloud-based deployment:

- For on-premise deployment, our models are hosted within the customer's own infrastructure. This approach allows organizations to utilize their proprietary or sensitive data to tailor AI models to their specific domains. On-premise deployment offers greater control over performance optimization and infrastructure configuration, making it suitable for complex or highly specialized application scenarios.

- For cloud-based deployment, our models are hosted on a scalable and reliable cloud infrastructure. This approach is sensible for businesses seeking agility and ease of implementation. By utilizing the cloud, customers eliminate the need for costly local infrastructure, allowing them to deploy AI solutions quickly and cost effectively.

For on-premise deployment, we recognize revenue at the point in time when the large model and related services are delivered to the customer's designated location and accepted by the customer. For cloud-based deployment, we recognize revenue over the contract term. Specifically, for subscription-based contracts, we generally recognize revenue ratably over the contract term; for usage-based contracts, we recognize revenue based on the customer's utilization of the resources when the services are rendered to the customers. For details of our revenue recognition policies, see "Financial Information—Material Accounting Policies and Estimates—Material Accounting Policy Information—Revenue Recognition."

OUR MODELS AND AGENTS

To teach machines to think like humans, we must empower AI with three core human faculties: deep thinking, cognition and tool use. We have developed our AI models accordingly, which can be grouped into three corresponding categories: reflection and rumination models, multimodal models and agent models. We have also developed coding models, which generate code autonomously and enhance programming efficiency. All four categories are developed upon our GLM series of foundation models. Foundation models and reflection and rumination models belong to the broader category of language models.

The following chart sets forth our select models and AI agents in our current portfolio:

<table>
<tr><th>Human Faculties</th><th colspan="3">Our Models and Agents</th></tr>
<tr><td rowspan="2">Deep Thinking</td><td rowspan="7">Foundation Models

GLM-4.5</td><td rowspan="2">Reflection and rumination models</td><td>GLM-Z1 (reflection)</td></tr>
<tr><td>GLM-Z1-Rumination (rumination)</td></tr>
<tr><td rowspan="5">Cognition</td><td rowspan="5">Multimodal models</td><td>CogView (image generation)</td></tr>
<tr><td>GLM-4.5V (visual comprehension and reasoning)</td></tr>
<tr><td>CogVideoX (video generation)</td></tr>
<tr><td>GLM-Realtime (realtime video call)</td></tr>
<tr><td>GLM-4-Voice (end-to-end voice model)</td></tr>
</table>

Human Faculties	Our Models and Agents		
Tool use		**AI Agents**	AutoGLM ("from chat to act" – agent for autonomous mission completion) AutoGLM – Rumination ("thinking while working" – agent for autonomous mission completion with deep thinking capabilities)
			CoCo (enterprise agent)
		Coding models	*CodeGeeX* (coding)

Foundation Models

Foundation models are pre-trained LLMs that serve as the foundation for the development of a variety of specialized models. GLM-4.5 is our flagship foundation model, which we open-sourced upon launch. Through multi-stage training and comprehensive post-training with fine-tuning and reinforcement learning, GLM-4.5 achieves strong performance across agentic, reasoning and coding tasks. GLM-4.5 also supports multi-modal extensions and large context processing, allowing it to interpret high-level prompts and autonomously generate practical solutions. GLM-4.5 has a model scale of 355 billion parameters and we have also developed GLM-4.5-Air, a lightweight version with 106 billion parameters.

GLM-4.5 achieves the following leading positions, according to Frost & Sullivan:

- *Benchmark tests.* Based on an evaluation across twelve industry-standard benchmark tests[1] in July 2025, GLM-4.5 ranked third globally, first in China and first among global open-source models. GLM-4.5 achieved a comprehensive score of 63.2 under these twelve benchmarks, compared with scores ranging from 46.3 to 65.0 for industry peer models.

- *Global leaderboards.* GLM-4.5 ranked fifth globally on Chatbot Arena and WebDev Arena in September 2025, which are industry-recognized global leaderboards that rank the overall capabilities and coding capabilities of large models, respectively.

- *Token consumption volume.* Since the launch of GLM-4.5 and up to the Latest Practicable Date, our token consumption volume on OpenRouter, a leading global platform that provides API access to a wide range of large models, had consistently ranked among the top ten globally and the top three among Chinese companies. This sustained performance underscores the strong competitiveness and market recognition of GLM-4.5, demonstrating its advanced efficiency, scalability and real-world applicability.

- *Popularity rankings.* Within only 48 hours of its initial launch, GLM-4.5 ranked first globally on the trending board of Hugging Face, the world's largest platform for open-source models.

[1] Benchmark tests are structured, standardized evaluations that measure LLMs' capabilities across a range of tasks. The twelve industry-standard benchmark tests we used to evaluate GLM-4.5 include three categories: (i) agentic benchmarks, including TAU-Bench, BFCL V3 and BrowseComp. GLM-4.5 achieved a comprehensive score of 58.1 under these agentic benchmarks, compared with scores ranging from 45.0 to 61.1 for industry peer models; (ii) reasoning benchmarks, including MMLU-Pro, AIME 24, MATH-500, SciCode, GPQA, HLE and LCB (2407-2501). GLM-4.5 achieved a comprehensive score of 68.8 under these reasoning benchmarks, compared with scores ranging from 63.5 to 74.2 for industry peer models; and (iii) coding benchmarks, including SWE-Bench Verified and Terminal-Bench. GLM-4.5 achieved a comprehensive score of 50.9 under these coding benchmarks, compared with scores ranging from 36.7 to 55.5 for industry peer models.

- *Hallucination rate.* In September 2025, GLM-4.5 had the world's second-lowest and China's lowest hallucination rate, according to the LLM Hallucination Leaderboard for Retrieval-Augmented Generation (RAG). This benchmark evaluates large models based on how frequently they produce non-existent answers (*i.e.,* hallucinations) in response to intentionally misleading questions.

In September 2025, we released GLM-4.6, a further updated version of our foundational model which primarily features enhanced coding capabilities. In November 2025, GLM-4.6 ranked first globally on CodeArena, the latest industry-recognized global evaluation platform designed to assess models' coding capabilities.

Reflection and Rumination Models

Reflection and rumination models spend additional time "deep thinking" before generating an answer, which makes them better for complex reasoning tasks. Building upon our foundation model, we built our reflection model (GLM-Z1) and rumination model (GLM-Z1-Rumination).

GLM-Z1 is a reflection model designed to tackle problems with *certainty*, aiming for more precise and accurate solutions. It was developed based on the foundation model through extended reinforcement learning and further training on tasks including mathematics, coding and logic.

GLM-Z1-Rumination is designed to address problems with *uncertainty*, especially open-ended, exploratory questions that require gathering and processing external information iteratively. Compared with GLM-Z1, GLM-Z1-Rumination is capable of deeper and longer thinking and using tools to solve more open-ended and complex problems.

Multimodal Models

Multimodal models are capable of processing and integrating information from various modalities, such as text, images, audio and video. We have developed various multimodal models serving different functionalities, such as CogView (image generation), GLM-4.5V (visual comprehension and reasoning), CogVideoX (video generation), GLM-Realtime (realtime video call) and GLM-4-Voice (voice model).

AI Agents

AI agents combine reasoning, planning and tool-use capabilities, and can autonomously perform multi-step tasks without constant human input.

Our foundation agent model is AutoGLM. AutoGLM represents a major step forward in the evolution of our AI universe—from "chat" to "act," bridging the gap between conversation-based AI and real-world task execution. Designed as a foundation agent tailored for autonomous control of digital devices through graphical user interfaces (GUIs), AutoGLM transforms human-like reasoning into concrete actions. AutoGLM achieved SOTA performance under AgentBench, an agentic AI benchmark recognized by the 2024 AI Index published by Stanford University.

In August 2025, we released an updated version of AutoGLM (also known as "AutoGLM 2.0"), which is powered by our then latest foundation model GLM-4.5 and visual comprehension and reasoning model GLM-4.5V. This updated version enables AutoGLM to simulate human actions across a broader range of mobile applications and websites. It can autonomously complete requested tasks on the cloud without occupying the user's mobile phone or computer, allowing users to continue using their own devices without interruption.

AutoGLM Rumination is an advanced version of AutoGLM. It is an autonomous AI agent designed to explore open-ended questions and take action based on its findings. AutoGLM Rumination features "thinking while working"—it leverages outstanding reasoning capabilities powered by the GLM-Z1-Rumination model while incorporating AutoGLM's interactive operational capabilities. AutoGLM Rumination can handle complex tasks involving deep reasoning, iterative research and producing actionable outcomes.

We have also developed CoCo, a sophisticated enterprise AI agent designed to deliver intelligent automation across corporate environments.

Coding Models

CodeGeeX is a powerful coding model designed to enhance programming efficiency and streamline workflows. It enables developers to automatically generate code based on natural language descriptions or complete unfinished lines or blocks of code, significantly improving productivity.

As of the Latest Practicable Date, the select models and agents set forth above had been commercialized.

OUR STRENGTHS

- Pioneer in general-purpose AI innovation;
- Comprehensive large model portfolio;
- Deep academic roots as cornerstone for technological leadership;
- All-in-one MaaS platform maximizing model commercialization;
- Vibrant ecosystem fostered by open-source strategy and agentic agenda; and
- Management and advisory team with extensive research and industry experience.

See "Business—Our Strengths."

OUR STRATEGIES

- Strengthen our R&D capabilities in general-purpose large models;
- Optimize our MaaS platform; and
- Attract and retain the best minds.

See "Business—Our Strategies."

SPECIALIST TECHNOLOGY INDUSTRY

Our industry consultant, Frost & Sullivan, confirms and our Directors are of the view that we fall 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 table sets forth an analysis of how our offerings fall within the acceptable sector:

Specialist Technology Products	Acceptable Sector	Acceptable Sector – Subcategories	Functions and Applicability Analysis
Each of our models and agents See "—Our Models and Agents" above	Next generation Information technology—Artificial Intelligence	AI-powered algorithm programming: image recognition, audio-visual learning, natural language processing, machine learning and deep learning	A large model is a complex set of algorithms that identify and leverage patterns from vast amounts of data by iteratively adjusting billions of parameters to increase accuracy. Such algorithms enable our models to achieve functions such as image recognition, audio-visual learning, natural language processing, machine learning and deep learning. For example, our multimodal models can process and integrate information from various modalities, including text, images, audio and video.
		AI solutions: the design and provision of AI solutions used in different industry verticals.	Our models constitute the foundation for AI solutions to a broad range of industries, such as technology and internet, public service and traditional corporate sectors (*e.g.,* financial services, manufacturing and energy). For example, for the technology and internet sector, our large models help our customers review documents and analyze operating data on a massive scale. For the public service sector, we developed large models for municipal public transportation management that enable accurate monitoring of bus traffic flow and real-time estimation of arrival. See "Business—Our Commercial Use Cases" for more use cases demonstrating the applications of our AI solutions in different industry verticals.

Based on the following analysis and the view of the Directors and Frost & Sullivan, the Sole Sponsor is of the view that the models and agents offered by the Group as described in this document fall 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. As of the Latest Practicable Date, no regulatory approval had been required for our Specialist Technology Products.

INDUSTRY OVERVIEW AND COMPETITIVE LANDSCAPE

As a large model company, we operate in the LLM market, a subset of the AI market. LLM development has experienced great leaps forward in recent years, especially since 2022. The most cutting-edge research is currently conducted in the United States and China, with a number of leading players having emerged in each country.

In terms of revenue, the size of the LLM market in China was RMB5.3 billion in 2024, with institutional customers contributing RMB4.7 billion and individual customers contributing RMB0.6 billion. With the continued advancement of LLM technologies and growing demand from both institutional and

individual consumers, the market is estimated to grow to RMB101.1 billion by 2030, representing a CAGR of 63.5% from 2024 to 2030. With institutional customers remaining as the main growth driver, the enterprise LLM market in China is estimated to reach RMB90.4 billion by 2030, representing a CAGR of 63.7% from 2024 to 2030.

Participants in the LLM market in China can be divided into independent providers and non-independent providers. Independent providers are characterized by being natively built around LLM technology, products and business models from the early stages of their operations; and non-independent providers are typically technology giants that branch into the AI area. Independent providers face very different competitive dynamics as compared with those of non-independent providers. For example, leveraging their pre-existing, diversified business lines, non-independent providers have accumulated massive user bases, which facilitates the promotion of their LLM products. On the other hand, however, enterprise clients may be disinclined to select an LLM product offered by a technology giant if it operates business lines that compete directly with the client's own business. Also, enterprise clients in certain industries can be sensitive about falling or appearing to fall into spheres of influence by certain technology giants and are more inclined to adopt AI solutions from "pure-play" providers.

Ranking of Top LLM Providers in China, in terms of revenue (2024)

Ranking of Top LLM Providers in China				
Ranking	**Company**	**Type**	**Revenue (RMB Billion)**	**Market Share**
1	Company A	Non-independent	0.44	9.4%
2	The Company	Independent	0.31	6.6%
3	Company B	Non-independent	0.30	6.4%
4	Company C	Non-independent	0.29	6.1%
5	Company D	Non-independent	0.22	4.7%

Notes:

1) Company A, founded in 1999, is a public company listed on Shenzhen Stock Exchange.

2) Company B, founded in 1999, is a public company listed on both the Hong Kong Stock Exchange and the New York Stock Exchange.

3) Company C, founded in 2014, is a public company listed on the Hong Kong Stock Exchange.

4) Company D, founded in 2000, is a public company listed on both Hong Kong Stock Exchange and NASDAQ.

Source: Frost & Sullivan

RESEARCH AND DEVELOPMENT

We are, at the core, a company of data scientists and engineers, with R&D ingrained in every aspect of what we do. On a daily basis, we are intensely focused on elevating the intelligence of our foundation models; improving and developing useful and cost-effective AI agents for ever more industry verticals and other use cases; and collaborate with business partners to design and improve our computing infrastructure that enables our MaaS platform to deliver comprehensive capabilities. We achieve these through, first and foremost, our people, as well as our robust technology infrastructure and rigorous R&D processes.

As of June 30, 2025, we had a R&D team of 657 members with background and experience in the relevant fields such as natural language processing, advanced decision-making in complex systems and multimodal semantic analysis. See "Business—Research and Development—Talent."

INTELLECTUAL PROPERTY

Our intellectual property is critical to our innovation which underpins our success. We seek to protect our intellectual property through a combination of patents, copyrights, trademarks, domain names, trade secrets, confidentiality agreements and other measures. As of the Latest Practicable Date, we had 86 registered patents in China, among which 84 were invention patents, and 234 patent applications in China. As of the same date, we had 160 copyrights, 314 trademarks and 58 domain names in China.

We have designed and adopted comprehensive measures to protect our intellectual property. We enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, certain consultants and advisors. They acknowledge that the intellectual property developed by them in connection with their employment with us, including our in-house developed content, is our property. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement of third parties' trademarks, licenses and other intellectual property rights.

COMPETITION

As a large model company, we operate in what is known as the LLM market, a subset of the AI market. The LLM market is highly competitive. According to Frost & Sullivan, LLM vendors compete based on factors including (i) technical capabilities such as self-developed LLM pre-training framework and model customization and optimization, (ii) flexible business models and delivery strategies, (iii) ecosystem building capabilities and (iv) talent with deep technical backgrounds and extensive experience. We compete with both independent and non-independent LLM vendors, both within China and internationally. We may also in the future face competition from new entrants that will increase the competition. Principal competitive factors important to us include scope, performance and safety of our service offerings, user experience, our R&D capabilities and our talents. For additional details regarding the competitive landscape of the industry in which we operate, see "Industry Overview" and "Business—Competition."

BUSINESS SUSTAINABILITY

Our Historical Performance

We achieved strong growth in revenue during the Track Record Period. Our revenues grew from RMB57.4 million in 2022 to RMB124.5 million in 2023 and further to RMB312.4 million in 2024 with a CAGR of over 130%. Our revenue also grew significantly from RMB44.9 million in the six months ended June 30, 2024 to RMB190.9 million in June 30, 2025.

While we achieved sustained business growth, we had loss for the year of RMB143.7 million, RMB788.0 million, RMB2,958.0 million, RMB1,235.6 million and RMB2,357.9 million in 2022, 2023,

2024 and the six months ended June 30, 2024 and 2025, respectively. Our losses during the Track Record Period were primarily due to our significant investments in research and development. Our R&D expenses increased from RMB84.4 million in 2022 to RMB528.9 million in 2023 and further to RMB2,195.4 million in 2024. Our R&D expenses increased by 85.6% from RMB859.2 million in the six months ended June 30, 2024 to RMB1,594.7 million in June 30, 2025.

Path to Profitability

While the absolute amount of our net losses increased during the Track Record Period, we expect to turn around our net loss position through increase in revenue and enhancement in operating efficiency.

Continuous Revenue Growth

Revenue growth is key to achieving profitability. We have built a robust portfolio of AI models and agents to empower a broad range of industries and address unique challenges and optimize workflows in each industry. Leveraging the significant market potential of the LLM market, as well as our technological leadership, we are well positioned to upgrade our AI models and agents in response to emerging market opportunities and continue to achieve revenue growth. The growth in our revenue will gradually cover the relevant costs and expenses and thereby reduce our net losses in general. We plan to increase our revenue by (i) leveraging the growth potential of the LLM market in China; (ii) continuously promote iteration and upgrade of AI models and agents; (iii) broadening our customer reach; and (iv) expanding our solutions use for new industry sectors.

Improving Operating Leverage

Improvement of our operating efficiency is also a significant factor to achieve profitability. We plan to optimize R&D efficiency and improve operational management effectiveness. Since our inception, we have invested significantly in R&D and our MaaS platform. With our deep academic roots as cornerstone for technological leadership, we are constantly making technological advancements and iterations of our foundation models, boosting our profitability. We have also adopted measures to control general and administration expenses and improving operational efficiency. We have simplified workflows and optimized resource allocation to ensuring that operational needs are met in a cost-effective manner. In addition, we have adopted a focused approach to selling and marketing activities to further improve the efficiency of related expenses. By directing resources and efforts toward cloud-based deployment and leveraging data-driven insights, we have optimized our selling and marketing strategies.

See "Business—Business Sustainability" for details. Taking into account our historical growth, the market opportunities and our plan to achieve profitability, we are of the view that we have a sustainable business model.

OUR CUSTOMERS AND SUPPLIERS

Our customers include enterprises, public sector entities and individual users. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, revenue from our five largest customers accounted for 55.4%, 61.5%, 45.5% and 40.0% of our total revenue, respectively. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, revenue from our largest customer accounted for 15.4%, 14.7%, 19.0% and 11.0% of our total revenue, respectively.

Our suppliers primarily consist of (i) providers of computing resources, such as computing hardware and computing services, (ii) hardware equipment vendors, including servers, storage devices and network devices, (iii) providers of research and development support, such as data cleansing and large model evaluation services, and (iv) providers of marketing services. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers accounted for 54.5%,

53.6%, 47.3% and 50.2% of our total purchases, respectively. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our largest supplier accounted for 33.1%, 16.4%, 15.6% and 13.4% of our total purchases, respectively.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the Controlling Shareholders, Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng, by virtue of the Concert Party Agreement entered into among them, were collectively interested in approximately 33.03% of the Shares. See "History, Development and Corporate Structure—Concert Party Arrangement and Our Controlling Shareholders" for further details.

Immediately following the completion the **[REDACTED]**, our group of Controlling Shareholders will in aggregate hold approximately **[REDACTED]**% of the Shares (assuming the **[REDACTED]** is not exercised). Accordingly, upon **[REDACTED]**, they will remain as our group of Controlling Shareholders as defined under the Listing Rules. For further details about our Controlling Shareholders, see "Relationship with our Controlling Shareholders."

PRE-[REDACTED] INVESTMENTS

We completed eight rounds of Pre-**[REDACTED]** Investments and had raised funds of over RMB8,360 million. See "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments" for further details of the Pre-**[REDACTED]** Investments and the Pre-**[REDACTED]** Investors.

RISK FACTORS

Our operations and the **[REDACTED]** involve certain risks and uncertainties, including (i) risks related to our research and development, (ii) risks related to our commercialization, (iii) risks related to our operations, (iv) risks related to our intellectual property, (v) risks related to our financial condition and need for additional capital, (vi) risks related to where we conduct business, and (vii) risks related to the **[REDACTED]**, which are set out in the section headed "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to invest in the **[REDACTED]**. Some of the major risks we face include, but are not limited to:

- The AI industry is characterized by constant changes. If we are not able to upgrade, enhance or innovate our technologies and services, our business, results of operations, financial condition and prospects could be adversely affected.

- We have made and expect to continue to make substantial investments in R&D. If we cannot continuously invest in our R&D activities while achieving technological innovation, our business, results of operations, financial condition and prospects may be materially and adversely affected.

- The development of AGI is still at an early stage and there are substantial uncertainties in the future realization of AGI.

- We are exposed to risks relating to our R&D team and our senior management.

- We rely on third parties to provide computing resources to us, and any disruption of their services or fluctuation of prices could adversely affect our business, results of operations and financial condition.

- Our commercial success depends on the performance of our models. Any failure in research and development efforts to offer high-quality models and solutions could harm our business, results of operations, financial condition and prospects.

- The AI industry is subject to evolving and extensive regulation in China. Future laws and regulations may impose additional requirements and other obligations that could materially and adversely affect our business, results of operations, financial condition and prospects.

- We may not be able to obtain or maintain adequate intellectual property rights protection for our business, or the scope of such intellectual property rights protection may not be sufficiently broad.

- We may not be able to compete effectively against current or future competitors.

- The size of our addressable market 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.

- Any failure of our MaaS platform to perform as required could harm our business, results of operations, financial condition and prospects.

- We have a limited track record in the commercialization of our business.

SUMMARY OF KEY FINANCIAL INFORMATION

The following tables set forth the summary of key financial information during the Track Record Period, extracted from the Accountants' Report as set out in Appendix I to this document. The key financial information set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with the IFRS Accounting Standards.

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

The following table summarizes our results of operations and as percentage of our total revenue for the years/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
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Revenue	57,409	100.0	124,538	100.0	312,414	100.0	44,909	100.0	190,877	100.0
Cost of revenue	(26,049)	(45.4)	(44,056)	(35.4)	(136,525)	(43.7)	(22,950)	(51.1)	(95,453)	(50.0)
Gross profit	31,360	54.6	80,482	64.6	175,889	56.3	21,959	48.9	95,424	50.0
Other income	1,784	3.1	9,965	8.0	19,281	6.2	4,174	9.3	4,614	2.4
Selling and marketing expenses	(15,139)	(26.4)	(101,198)	(81.3)	(387,475)	(124.0)	(144,194)	(321.1)	(208,570)	(109.3)
General and administration expenses	(32,316)	(56.3)	(66,302)	(53.2)	(133,603)	(42.8)	(51,452)	(114.6)	(185,165)	(97.0)
Research and development expenses	(84,377)	(147.0)	(528,884)	(424.7)	(2,195,436)	(702.7)	(859,217)	(1,913.2)	(1,594,661)	(835.4)
Impairment losses on financial assets	(31)	(0.1)	(19,786)	(15.9)	(17,008)	(5.4)	(763)	(1.7)	(10,867)	(5.7)
Loss from operations	**(98,719)**	**(172.0)**	**(625,723)**	**(502.4)**	**(2,538,352)**	**(812.5)**	**(1,029,493)**	**(2,292.4)**	**(1,899,225)**	**(995.0)**
Finance costs	(5,694)	(9.9)	(26,332)	(21.1)	(38,321)	(12.3)	(12,212)	(27.2)	(53,270)	(27.9)
Share of profits less losses of associates	—	—	(453)	(0.4)	21,254	6.8	324	0.7	14,147	7.4
Changes in fair value of financial instruments measured at fair value through profit or loss ("FVPL")	5,972	10.4	26,022	20.9	66,271	21.2	7,004	15.6	9,791	5.1
Changes in the carrying amounts of financial instruments issued to investors	(45,209)	(78.7)	(161,471)	(129.7)	(468,859)	(150.1)	(201,174)	(448.0)	(429,295)	(224.9)
Loss before taxation	**(143,650)**	**(250.2)**	**(787,957)**	**(632.7)**	**(2,958,007)**	**(946.8)**	**(1,235,551)**	**(2,751.2)**	**(2,357,852)**	**(1,235.3)**
Income tax	—	—	—	—	—	—	—	—	—	—
Loss for the year	(143,650)	(250.2)	(787,957)	(632.7)	(2,958,007)	(946.8)	(1,235,551)	(2,751.2)	(2,357,852)	(1,235.3)
Loss attributable to:										
Equity holders of the Company	(143,374)	(249.7)	(787,960)	(632.7)	(2,956,491)	(946.3)	(1,235,551)	(2,751.2)	(2,351,173)	(1,231.8)
Non-controlling interests	(276)	(0.5)	3	0.0	(1,516)	(0.5)	—	—	(6,679)	(3.5)

Non-IFRS Financial Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted loss for the year (a non-IFRS measure), as an additional financial measures which is not required by or presented in accordance with IFRS Accounting Standards. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted loss for the year (a non-IFRS measure) may not be comparable to similar measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS Accounting Standards. We define adjusted loss for the year/period (a non-IFRS measure) as loss for the year/period adjusted for adding back equity-settled share-based compensation expenses, changes in the carrying amount of financial instruments issued to investors, and **[REDACTED]**.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(RMB in thousands)			*(Unaudited)*	
Net loss for the year/period	(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)
Add:					
— Equity-settled share-based compensation expenses[(1)]	1,024	5,502	23,579	4,217	158,852
— Changes in the carrying amount of financial instruments issued to investors[(2)]	45,209	161,471	468,859	201,174	429,295
— **[REDACTED]**[(3)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss for the year/period (non-IFRS measure)	(97,417)	(620,984)	(2,465,569)	(1,030,160)	(1,751,974)

Notes:

(1) Equity-settled share-based compensation expenses represented share-based compensation expenses incurred in connection with our share incentive plan. Equity-settled share-based compensation expenses are not expected to result in future cash payments. The reconciling item is non-cash and does not result in cash outflow, and the adjustment has been consistently made during the Track Record Period.

(2) We adjust changes in the carrying amount of financial instruments issued to investors because it was non-cash, in nature. We recognized the financial instruments at present value of financial instruments, with changes in such carrying amounts being booked in profit or loss, arising from redemption rights issued to Pre-**[REDACTED]** Investors. These redemption rights issued will be terminated and converted into equity upon the **[REDACTED]**.

(3) **[REDACTED]** represent professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**.

Revenue

During the Track Record Period, we derived our revenue from providing large model services through our MaaS platform. The following table sets forth a breakdown of revenue by segment both in absolute amount and as a percentage of our total revenue for the years/periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)						*(Unaudited)*			
On-premise deployment	54,815	95.5%	112,614	90.4%	263,930	84.5%	26,806	59.7%	161,777	84.8%
Cloud-based deployment	2,594	4.5%	11,924	9.6%	48,484	15.5%	18,103	40.3%	29,100	15.2%
Total	**57,409**	**100.0%**	**124,538**	**100.0%**	**312,414**	**100.0%**	**44,909**	**100.0%**	**190,877**	**100.0%**

Starting from 2024, our large model on-premise deployment services have generated revenue from overseas customers, primarily from customers in Southeast Asia. The following table sets forth a breakdown of revenue derived from on-premise deployment by geographical location of our customers both in absolute amount and as a percentage of our total revenue derived from on-premise deployment for the years/periods indicated.

	Years Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)									
On-premise deployment										
Mainland China	54,815	100.0%	112,614	100.0%	262,479	99.5%	26,806	100.0%	142,990	88.4%
Southeast Asia[1]	—	—	—	—	1,080	0.4%	—	—	17,927	11.1%
Hong Kong	—	—	—	—	371	0.1%	—	—	—	—
Others[2]	—	—	—	—	—	—	—	—	860	0.5%
Total	**54,815**	**100.0%**	**112,614**	**100.0%**	**263,930**	**100.0%**	**26,806**	**100.0%**	**161,777**	**100.0%**

Notes:

(1) Includes Malaysia and Singapore.
(2) Include the United States.

Cost of Revenue

During the Track Record Period, our cost of revenue consisted of (i) payroll cost, mainly representing the wages and benefits of service personnel involved in the deployment and maintenance of our services; (ii) computing service fee paid to providers of computing power necessary for providing our services; (iii) provision for warranty; (iv) depreciation and amortization; (v) technical service and consultation fees as we outsourced to third-party service providers certain standard labor intensive tasks to save costs, such as data annotation; (vi) tax and surcharges; and (vii) others.

The following table sets forth a breakdown of our cost of revenue by nature both in absolute amount and as a percentage of our total cost of revenue for the years/periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Payroll cost	16,434	63.1%	15,375	34.9%	74,262	54.4%	10,832	47.2%	37,628	39.4%
Computing service fee	—	—	11,996	27.2%	30,173	22.1%	8,451	36.8%	35,845	37.6%
Provision for warranty	2,101	8.1%	4,522	10.3%	12,171	8.9%	1,672	7.3%	6,670	7.0%
Depreciation and amortization	1,912	7.3%	6,436	14.6%	6,769	5.0%	549	2.4%	2,074	2.2%
Technical service and consultation fees	4,553	17.5%	623	1.4%	9,126	6.7%	356	1.6%	6,165	6.5%
Taxes and surcharges	57	0.2%	1,713	3.9%	541	0.4%	361	1.6%	1,109	1.2%
Others	992	3.8%	3,391	7.7%	3,483	2.5%	729	3.1%	5,962	6.1%
Total	**26,049**	**100.0%**	**44,056**	**100.0%**	**136,525**	**100.0%**	**22,950**	**100.0%**	**95,453**	**100.0%**

The following table sets forth a breakdown of our cost of revenue by segment in absolute amount and as a percentage of our total cost of revenue for the years/periods indicated:

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)						*(Unaudited)*			
On-premise deployment	25,429	97.6%	35,833	81.3%	89,674	65.7%	10,030	43.7%	66,237	69.4%
Cloud-based deployment	620	2.4%	8,223	18.7%	46,851	34.3%	12,920	56.3%	29,216	30.6%
Total	**26,049**	**100.0%**	**44,056**	**100.0%**	**136,525**	**100.0%**	**22,950**	**100.0%**	**95,453**	**100.0%**

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margins, for the years/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
	(RMB in thousands, except for percentages)						*(Unaudited)*			
On-premise deployment	29,386	53.6%	76,781	68.2%	174,256	66.0%	16,776	62.6%	95,540	59.1%
Cloud-based deployment	1,974	76.1%	3,701	31.0%	1,633	3.4%	5,183	28.6%	(116)	(0.4%)
Total	**31,360**	**54.6%**	**80,482**	**64.6%**	**175,889**	**56.3%**	**21,959**	**48.9%**	**95,424**	**50.0%**

Loss for the Year/Period

We recorded accumulated losses during the Track Record Period mainly because, despite achieving substantial revenue growth, we strategically made significant investments in research and development to support the development of advanced models and the ongoing improvement of our foundation models, and investments in sales and marketing activities to increase our customer base.

Our net loss increased from RMB143.7 million in 2022, to RMB788.0 million in 2023, and further increased to RMB2,958.0 million in 2024. Our net loss increased from RMB1,235.6 million for the six months ended June 30, 2024 to RMB2,357.9 million for the six months ended June 30, 2025. Such overall upward trend in our net loss was primarily due to (i) the significant increase in research and development expenses as we expanded our R&D team and procured substantially more computing services from third parties and related computing hardware, generally in line with our business expansion; and (ii) the increase in selling and marketing expenses as we expanded our sales and marketing team and made more advertising investment in order to swiftly take advantage of emerging market opportunities.

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statement of financial position as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	62,445	996,675	1,359,902	1,360,356
Total current assets	299,531	1,863,478	3,015,867	3,740,355
Total current liabilities	(531,855)	(3,608,888)	(7,838,055)	(10,829,216)
Net current liabilities	(232,324)	(1,745,410)	(4,822,188)	(7,088,861)
Total assets less current liabilities	(169,879)	(748,735)	(3,462,286)	(5,728,505)
Total non-current liabilities	(10,309)	(233,858)	(492,859)	(422,336)
Net liabilities	(180,188)	(982,593)	(3,955,145)	(6,150,841)

Our net liabilities increased from RMB180.2 million as of December 31, 2022 to RMB982.6 million as of December 31, 2023, primarily attributable to total comprehensive loss of RMB788.0 million mainly driven by the research and development expenses we incurred, and capital contributions from equity holders of RMB18.8 million, partially offset by the recognition of the equity settled share-based transactions of RMB5.5 million. Our net liabilities further increased from RMB982.6 million as of December 31, 2023 to RMB3,955.1 million as of December 31, 2024, primarily attributable to total comprehensive loss of RMB2,958.1 million mainly driven by the research and development expenses and capital contributions from equity holders of RMB41.0 million, partially offset by the recognition of the equity settled share-based transactions of RMB23.6 million. Our net liabilities further increased to RMB6,150.8 million as of June 30, 2025, primarily attributable to total comprehensive loss of RMB2,357.4 million mainly driven by the research and development expenses, partially offset by the recognition of the equity settled share-based transactions of RMB161.7 million.

Our net current liabilities increased from RMB232.3 million as of December 31, 2022 to RMB1,745.4 million as of December 31, 2023, primarily attributed to an increase of RMB2,721.9 million in financial instruments issued to investors, partially offset by an increase of RMB1,030.4 million in cash and cash equivalents.

Our net current liabilities increased from RMB1,745.4 million as of December 31, 2023 to RMB4,822.2 million as of December 31, 2024, primarily attributed to an increase of RMB3,497.1 million in financial instruments issued to investors, partially offset by an increase of RMB1,019.8 million in cash and cash equivalents.

Our net current liabilities increased from RMB4,822.2 million as of December 31, 2024 to RMB7,088.9 million as of June 30, 2025, primarily attributed to an increase of RMB2,887.8 million in financial instruments issued to investors. For more information, see "Financial Information—Discussion of Selected Items of Consolidated Statements of Financial Position."

During the Track Record Period, we recognized the financial instruments issued to Pre-**[REDACTED]** Investors as financial liabilities. The financial instruments issued to investors will be re-designated from liabilities to equity as a result of the termination of all special rights of the Pre-**[REDACTED]** Investors upon the **[REDACTED]**. For more details, see Note 26 of the Accountants' Report set forth in Appendix I to this document. We expect to turn our net liabilities position into net asset position upon such re-designation.

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years/periods indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(RMB in thousands)			*(Unaudited)*	
Net cash used in operating activities	(68,246)	(648,017)	(2,244,919)	(994,678)	(1,327,150)
Net cash generated from/(used in) investing activities	32,921	(784,965)	(48,559)	(138,775)	(556,373)
Net cash generated from financing activities	191,196	2,463,043	3,312,073	816,341	2,165,110
Net increase/(decrease) in cash and cash equivalents	155,871	1,030,061	1,018,595	(317,112)	281,587
Cash and cash equivalents at the beginning of the year/period	63,057	218,928	1,249,175	1,249,175	2,268,164
Effect of exchange rate changes	—	186	394	3	2,219
Cash and cash equivalents at the end of the year/period	218,928	1,249,175	2,268,164	932,066	2,551,970

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) net cash used in the purchases of property and equipment, (iii) net cash used in/generated from the purchases/disposal of wealth management products and (iv) lease payments. Our historical cash burn rate was RMB3.0 million, RMB105.9 million, RMB194.5 million and RMB327.3 million for each of the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, respectively, mainly representing our investment in R&D activities and business operations. During the Track Record Period, we recorded expenditure in purchase of property and equipment primarily due to our procurement and lease of computing hardware and offices, for the operation activities and R&D activities in line with our business expansion.

We had cash and cash equivalents, short-term investment measured at FVPL, and available committed bank facilities of RMB8,943.1 million in aggregate as of October 31, 2025. We estimate that we will receive **[REDACTED]** of RMB**[REDACTED]** (HK$**[REDACTE**D]) after deducting the **[REDACTED]** and other estimated **[REDACTED]** payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the low-end of the indicative **[REDACTED]** range in this document.

Assuming that the average cash burn rate going forward will be RMB**[REDACTED]**, similar to the cash burn rate level for the six months ended June 30, 2025 based on the underlying assumptions that (i) the

number of our employees will not increase significantly, particularly in the R&D department; (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, short term investment measured at FVPL, and available committed bank facilities as of October 31, 2025 will be able to maintain our financial viability for **[REDACTED]** or, if we take into account 10% of the estimated **[REDACTED]** from the **[REDACTED]** (namely, the portion allocated for our working capital and other general corporate purposes), **[REDACTED]** or, if we also take into account the estimated **[REDACTED]** from the **[REDACTED]**, **[REDACTED]**. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings.

For the six months ended June 30, 2025, our net cash used in operating activities amounted to RMB1,327.2 million, primarily attributable to the loss before tax of RMB2,357.9 million, mainly offset by (i) changes in the carrying amounts of financial instruments issued to investors of RMB429.3 million and (ii) an increase in trade and other payables of RMB238.3 million.

For the year ended December 31, 2024, our net cash used in operating activities amounted to RMB2,244.9 million, primarily attributable to the loss before tax of RMB2,958.0 million, adjusted mainly by (i) increase in trade and other receivables of RMB415.0 million and (ii) fair value changes of FVPL of RMB66.3 million. The foregoing was partially offset by (i) changes in carrying amount of financial instruments issued to investors of RMB468.9 million, (ii) depreciation on property and equipment of RMB270.3 million, and (iii) increase in trade and other payables of RMB416.0 million.

For the year ended December 31, 2023, our net cash used in operating activities amounted to RMB648.0 million, primarily attributable to the loss before tax of RMB788.0 million, adjusted mainly by increase in trade and other receivables of RMB269.5 million. The foregoing was partially offset by (i) increase in trade and other payables of RMB143.2 million, (ii) changes in carrying amount of financial instruments issued to investors of RMB161.5 million, and (iii) depreciation on property and equipment of RMB63.8 million.

For the year ended December 31, 2022, our net cash used in operating activities amounted to RMB68.2 million, primarily attributable to the loss before tax of RMB143.7 million, adjusted mainly by increase in trade and other receivables of RMB19.6 million. The foregoing was partially offset by (i) changes in carrying amount of financial instruments issued to investors of RMB45.2 million, (ii) increase in trade and other payables of RMB12.9 million, (iii) depreciation on property and equipment of RMB16.6 million, and (iv) increase in contract liabilities of RMB13.1 million.

KEY FINANCIAL RATIOS

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

	As of/For the Year Ended December 31,			As of/For the Six Months Ended June 30,
	2022	**2023**	**2024**	**2025**
Revenue growth ratio	/	1.2	1.5	3.3
Current Ratio[(1)]	0.6	0.5	0.4	0.3
Quick Ratio[(2)]	0.5	0.5	0.4	0.3
Gearing ratio[(3)]	7.1%	27.6%	20.4%	12.0%

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.

(2) Quick ratio is calculated by dividing current assets less inventories by current liabilities as of the date indicated.

(3) Gearing ratio is calculated by dividing total interest-bearing bank and other borrowings and lease liabilities divided by total equity as of the end of the period multiplied by 100%.

[REDACTED] STATISTICS

	Based on the minimum [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on the maximum [REDACTED] of HK$[REDACTED] per [REDACTED]
Market capitalization of our Shares(1)	HK$**[REDACTED]** million	HK$**[REDACTED]** million
Unaudited pro forma adjusted net tangible assets per Share(2)	HK$**[REDACTED]**	HK$**[REDACTED]**

Notes:

(1) The calculation of market capitalization is based on **[REDACTED]** H Shares expected to be in issue immediately upon completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised.

(2) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per H Share is arrived at after the adjustments referred to in "Appendix II - Unaudited Pro Forma Financial Information," and on the basis that **[REDACTED]** Shares were in issue (being 402,810,690 Shares in issue and outstanding as of June 30, 2025 taking into account the Share Subdivision and **[REDACTED]** H Shares to be issued pursuant to **[REDACTED]**) and does not take into account of any shares which may be issued upon the exercise of the **[REDACTED]** or the share incentive plans.

FUTURE PLANS AND USE OF [REDACTED]

Assuming that the **[REDACTED]** is not exercised, after deducting the **[REDACTED]** and other estimated **[REDACTED]** payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]**), we estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately [70.0]% (or HK$**[REDACTED]** million) will be used to continuously strengthen our research and development capabilities in general-purpose large AI models;
- Approximately [10.0]% (or HK$**[REDACTED]** million) will be used to continuously optimize our MaaS platform by offering the latest foundation models and training/inference tools and infrastructures;
- Approximately [10.0]% (or HK$**[REDACTED]** million) will be used for the development of our business partner network, as well as for strategic investments; and
- Approximately [10.0]% (or HK$**[REDACTED]** million) will be used for working capital and other general corporate purposes.

For details, please see "Future Plans and Use of **[REDACTED]**."

DIVIDEND POLICY

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised

by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. We recorded **[REDACTED]** of **[REDACTED]** in 2022, 2023, 2024 and for the six months ended June 30, 2025, respectively. Our **[REDACTED]** are estimated to be approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) (including **[REDACTED]**) accounted for **[REDACTED]**% of the **[REDACTED]** of the **[REDACTED]**, assuming that an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the **[REDACTED]** stated in this document) and no exercise of the **[REDACTED]**), among which, approximately RMB**[REDACTED]** (HK$**[REDACTED]** is directly attributable to the issuance of Shares and will be charged to equity upon completion of the **[REDACTED]**, and approximately RMB**[REDACTED]** (HK$**[REDACTED]**) will be charged to our consolidated statements of profit or loss. The **[REDACTED]** we expect to incur would consist of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) **[REDACTED]** and fees, approximately RMB**[REDACTED]** (HK$**[REDACTED]**) non-**[REDACTED]** and fees, which consist of fees and expenses of legal advisors and reporting accountants of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) and other fees and expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**).

ENTITY LIST ADDITION

On January 16, 2025, our Company and nine of our subsidiaries were added to the Entity List administered by the BIS. The addition restricts our ability to purchase or otherwise access certain goods, software and technology that are subject to the EAR without a license from the BIS. However, as we did not rely on any EAR item during the Track Record Period, such incident has not had, and our Directors are of the view that (assuming there is no expansion of the EAR restrictions or the scope of entities added to the Entity List) it will not have in the near future, any material adverse impact on our business and financial performance. In light of the foregoing, our International Sanctions Counsel advised that the fact that our Company is on the Entity List does not and will not cause any material adverse effect on our business and financial conditions of the Group. See "Business—U.S. Export Control Laws and Regulations."

RECENT DEVELOPMENTS

In July and August 2025, we released GLM-4.5, GLM-4.5V and an updated version of AutoGLM (also known as "AutoGLM 2.0"). GLM-4.5 is our flagship foundation model. Through multi-stage training and comprehensive post-training with fine-tuning and reinforcement learning, GLM-4.5 achieves strong performance across agentic, reasoning and coding tasks. GLM-4.5V is our foundational vision-language model (VLM) designed for general-purpose visual comprehension and reasoning. It can perform a variety of highly complex visual comprehension and reasoning tasks autonomously. The updated version of AutoGLM is powered by GLM-4.5 and GLM-4.5V, and can simulate human actions across a broader range of mobile applications and websites. It can autonomously complete requested tasks on the cloud without occupying the user's mobile phone or computer, allowing users to continue using their own devices without interruption. In September 2025, we released GLM-4.6, a further updated version of our foundational model which primarily features enhanced coding capabilities. For details, see "Business—Our Models" and "Business—Our AI Agents."

For the nine months ended September 30, 2025, we had over 12,000 institutional customers, representing a substantial increase compared to the six months ended June 30, 2025. In addition, our average daily token consumption volume was 4.2 trillion in November 2025.

Based on our unaudited management accounts, we estimate our revenue in the three months ended September 30, 2025 to increase by over 60% compared to the same period in 2024. We expect to record a significant increase in net loss for 2025, as we expect to incur substantial amount of research and development expenses in this year and be affected by changes in the carrying amounts of financial instruments issued to investors.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since June 30, 2025, and there is no event since June 30, 2025 which would materially affect the information shown in the Accountants' Report in Appendix I to this document

NO MATERIAL ADVERSE IMPACT OF THE COVID-19 PANDEMIC

The outbreak of the COVID-19 pandemic in 2020 disrupted normal life and daily routines worldwide, prompting governments to implement a range of restrictive measures to curb the outbreak. In particular, the PRC government imposed stringent measures to combat the spread of the pandemic, including travel restrictions, mandatory suspensions of business operations, quarantine requirements, remote and alternative working arrangements, limits on social and public gatherings and lockdowns of cities or regions. In May 2023, the World Health Organization declared that the COVID-19 pandemic is no longer a global health emergency, and the PRC government began to ease restrictions and quarantine measures in China as the pandemic came under control. We are an AI company primarily focused on the development of AI models and agents. Our business operations, including research and development activities, were not materially and adversely affected by the COVID-19 pandemic during the Track Record Period. Our revenue increased significantly by 116.9%, from RMB57.4 million in 2022 to RMB124.5 million in 2023. Based on the foregoing, our Directors are of the view that the COVID-19 pandemic did not, and is not expected to, have any material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

CSRC FILING

We submitted a filing to the CSRC for application of the **[REDACTED]** and the **[REDACTED]** on July 3, 2025. The CSRC confirmed our completion of filing on December 15, 2025.

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

DEFINITIONS

"Accountants' Report"	the accountants' report for the Track Record Period prepared by KPMG, the text of which is set out in Appendix I to this document;
"Articles of Association" or "Articles"	the articles of association of our Company adopted on June 28, 2025, which shall become effective as of the date on which the H Shares are listed on the Stock Exchange, as amended from time to time, a summary of which is set out in "Appendix V—Summary of Articles of Association" to this document;
"associates"	has the meaning ascribed to it under the Listing Rules;
"Beijing Knowledge Future"	Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), a limited liability company established under the laws of the PRC on March 15, 2024, and a wholly owned subsidiary of our Company;
"Beijing Knowledge Haiying"	Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), a limited liability company established under the laws of the PRC on November 6, 2024, and a wholly owned subsidiary of our Company;
"Beijing Knowledge Huixing"	Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), a limited liability company established under the laws of the PRC on October 29, 2024, and a non-wholly owned subsidiary of our Company;
"Beijing Knowledge Linghang"	Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), a limited liability company established under the laws of the PRC on May 22, 2024, and a wholly owned subsidiary of our Company;
"Beijing Knowledge Qingyan"	Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), a limited liability company established under the laws of the PRC on December 5, 2023, and a wholly owned subsidiary of our Company;
"Beijing Knowledge Qingying"	Beijing Knowledge Qingying Culture Media Co., Ltd. (北京智譜清影科技文化傳媒有限公司), a limited liability company established under the laws of the PRC on March 13, 2025, and a wholly owned subsidiary of our Company;
"Beijing Knowledge Xingyao"	Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), a limited liability company established under the laws of the PRC on September 24, 2024, and a wholly owned subsidiary of our Company;

"Beijing Lingxin Intelligent"	Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), a limited liability company established under the laws of the PRC on November 19, 2021, and a wholly owned subsidiary of our Company;
"Beijing Lianpai"	Beijing Lianpai Technology Development Center (Limited Partnership) (北京鏈湃科技發展中心(有限合夥)), formerly known as Beijing Kaiaigeer Technology Development Center (Limited Partnership) (北京凱愛格爾科技發展中心(有限合夥)), a limited partnership established in the PRC on May 10, 2019, and one of the Controlling Shareholders;
"Board" or "Board of Directors"	the board of Directors;
"business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong;
	[REDACTED]
"Chengdu Knowledge Atlas"	Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), a limited liability company established under the laws of the PRC on December 27, 2024, and a wholly owned subsidiary of our Company;
"China" or "PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, the Macau Special Administrative Region and Taiwan of the People's Republic of China;
"close associates(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"	Knowledge Atlas Technology Joint Stock Company Limited (北京智譜華章科技股份有限公司), a limited liability company established under the laws of the PRC on June 11, 2019 and converted into a joint stock company with limited liability on March 26, 2025;
"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"	has the meaning ascribed to it under the Listing Rules;

"Concert Party Agreement"	the concert party agreement entered into by Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng in April 2023;
"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"	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, collectively refers to, Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng, and "Controlling Shareholder" means any one of them and details of which are set out in the section headed "Relationship with our Controlling Shareholders" in this document;
"Conversion of Unlisted Shares"	the conversion of **[REDACTED]** Unlisted Shares (immediately following the Share Subdivision) in aggregate held by existing Shareholders into H Shares upon the completion of the **[REDACTED]**. Such Conversion of Unlisted Shares into H Shares has been filed with the CSRC on July 3, 2025 and an application for H Shares to be listed on the Stock Exchange has been made to the Listing Committee. The CSRC issued the filing notice on December 15, 2025;
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Designated Bank"	HKSCC Participant's **[REDACTED]** Designated Bank;
"Director(s)"	the director(s) of our Company;
"Dr. Li"	Dr. Li Juanzi (李涓子), our co-founder, non-executive Director and one of the Controlling Shareholders;
"Dr. Liu"	Dr. Liu Debing (劉德兵), our co-founder, executive Director, chairman of the Board and one of the Controlling Shareholders;
"Dr. Tang"	Dr. Tang Jie (唐傑), our co-founder and one of the Controlling Shareholders;
"Dr. Xu"	Dr. Xu Bin (許斌), our co-founder and one of the Controlling Shareholders;
"Dr. Zhang"	Dr. Zhang Peng (張鵬), our co-founder, executive Director, chief executive officer, general manager and one of the Controlling Shareholders;
"EIT Law"	the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented or otherwise modified from time to time;
"Employee Incentive Schemes"	our employee incentive schemes adopted and/or amended by resolutions of our Board on June 5, 2025, a summary of the

	principal terms of which is set forth in "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" to this document;
"Employee Ownership Platform(s)"	Huihui and Zhideng;
"Entity List"	the "Entity List" administrated by BIS;
"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period;
"Fast Interface for New Issuance" or "FINI"	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"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party;
	[REDACTED]
"Group"	our Company and all of 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);
"Guide for New Listing Applicants" or "Guide"	The Guide for New Listing Applicants, as published by the Stock Exchange on November 29, 2023 and effective on January 1, 2024, as amended or supplemented or otherwise modified from time to time;
"H Share(s)"	Shares of our Company for which an application has been made for listing and permission to trade on the Stock Exchange;
	[REDACTED]
"Hangzhou Knowledge Atlas"	Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), a limited liability company established under the laws of the PRC on September 20, 2023, and a wholly owned subsidiary of our Company;

[REDACTED]

[REDACTED]

"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC;
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, from time to time in force;
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"Hong Kong dollar(s)" or "HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;

[REDACTED]

"Huangshi Knowledge Atlas"	Huangshi Knowledge Atlas Technology Co., Ltd. (黄石智譜華章科技有限公司), a limited liability company established under the laws of the PRC on November 11, 2025, and a wholly owned subsidiary of our Company;
"Huihui"	Zhuhai Hengqin Huihui Enterprise Management Partnership (Limited Partnership) (珠海橫琴慧惠企業管理合夥企業 (有限合夥)), formerly known as Ningbo Huihui Enterprise Management Partnership (Limited Partnership) (寧波慧惠企業管理合夥企業 (有限合夥)), a limited partnership established in the PRC on June 23, 2021, one of our Employee Ownership Platforms and one of the Controlling Shareholders;

"IFRS Accounting Standards"	IFRS Accounting Standards issued by the International Accounting Standards Board from time to time;
"Independent Third Party(ies)"	individuals or company(ies), who or which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules;
	[REDACTED]
"International Sanctions"	all applicable laws and regulation to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the EU and its member states, the UK, UN or Government of Australia and other competent government authorities;
"International Sanctions Counsel"	King & Wood Mallesons, our legal advisers as to International Sanctions laws in connection with the **[REDACTED]**
	[REDACTED]
"Jincheng Yaoda"	Jincheng Yaoda Technology Limited, a company incorporated under the laws of the British Virgin Islands on January 6, 2022, and a wholly owned subsidiary of our Company;
"Jingsheng Hengxing"	JINGSHENG HENGXING TECHNOLOGY PTE.LTD., a company incorporated under the laws of Singapore with limited liability on November 23, 2023, and an indirect wholly owned subsidiary of our Company;
	[REDACTED]

[REDACTED]

"Latest Practicable Date"	December 12, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication;
	[REDACTED]
"Listing Committee"	the Listing Committee of the Stock Exchange;
	[REDACTED]
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time;
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange;
"Mr. Wang"	Mr. Wang Shaolan (王紹蘭), our co-founder and deputy general manager;
"Nanjing Knowledge Atlas"	Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), a limited liability company established under the laws of the PRC on April 19, 2013, and a wholly owned subsidiary of our Company;

[REDACTED]

[REDACTED]

"Pathfinder SII(s)"	has the meaning ascribed to it in Chapter 2.5 of the Guide;
"PRC Legal Advisors"	Tian Yuan Law Firm, our legal advisors as to PRC laws in connection with the **[REDACTED]**
"Pre-**[REDACTED]** Investment(s)"	the pre-**[REDACTED]** investment(s) in our Company, details of which are set out in "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments" in this document;
"Pre-**[REDACTED]** Investor(s)"	the investor(s) of the Pre-**[REDACTED]** Investments;

[REDACTED]

"Regulation S"	Regulation S under the U.S. Securities Act;
"Renminbi" or "RMB"	the lawful currency of the PRC;
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong;
"Shanghai Knowledge Huanyu"	Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), a limited liability company established under the laws of the PRC on May 14, 2024, and a wholly owned subsidiary of our Company;
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.10 each upon the completion of the Share Subdivision; before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each;
"Share Subdivision"	the sub-division of the Shares by the Company where the Company subdivided its Shares from one Share of RMB1.00 each into ten Shares of RMB0.10 each, which will become effective immediately prior to the **[REDACTED]**;
"Shareholder(s)"	holder(s) of our Share(s);
"Shenzhen Knowledge Atlas"	Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), a limited liability company established under the laws of the PRC on July 21, 2021, and a wholly owned subsidiary of our Company;

"Shenzhen Lingxin Intelligent"	Shenzhen Knowledge Lingxin Intelligent Technology Co., Ltd. (深圳智譜聆心智能科技有限公司), a limited liability company established under the laws of the PRC on August 6, 2025, and a wholly owned subsidiary of our Company;
"Sole Sponsor"	China International Capital Corporation Hong Kong Securities Limited;
"Sophisticated Independent Investor(s)"	has the meaning ascribed to it in Chapter 2.5 of the Guide;
"Specialist Technology"	has the meaning ascribed to it under Chapter 18C of the Listing Rules;
"Specialist Technology Company"	has the meaning ascribed to it under Chapter 18C of the Listing Rules;
"Specialist Technology Industry"	has the meaning ascribed to it under Chapter 18C of the Listing Rules;
"Specialist Technology Product"	has the meaning ascribed to it under Chapter 18C of the Listing Rules;
"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, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited;
	[REDACTED]
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules;
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules;
"Supervisor"	the supervisor of our Company;
"Tianjin Knowledge Atlas"	Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), a limited liability company established under the laws of the PRC on October 25, 2024, and a wholly owned subsidiary of our Company;
"Track Record Period"	the three years ended December 31, 2024 and the six months ended June 30, 2025;
	[REDACTED]
"Unlisted Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB0.10 each (taking into account the Share Subdivision), which is/are not listed on any stock exchange;
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction;

"US$"	United States dollar(s), the lawful currency of the United States;
"U.S. persons"	U.S. persons as defined in Regulation S;
"U.S. Investors"	(i) U.S. persons or (ii) United States person as defined in 31 CFR Part 850.229, the final rule that implements Executive Order 14105 and became effective in January 2025, which includes any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States;
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time;
"we"	the Company or the Group, as the context requires;
"Xiangtai Ruifeng"	Hong Kong Xiangtai Ruifeng Technology Limited, a company incorporated under the laws of Hong Kong with limited liability on September 21, 2023, and an indirect wholly owned subsidiary of our Company;
"Zhideng"	Zhuhai Hengqin Zhideng Enterprise Management Partnership (Limited Partnership) (珠海橫琴智登企業管理合夥企業 (有限合夥)), formerly known as Ningbo Zhideng Enterprise Management Partnership (Limited Partnership) (寧波智登企業管理合夥企業 (有限合夥)), a limited partnership established in the PRC on June 23, 2021, one of our Employee Ownership Platforms and one of the Controlling Shareholders;
"Zhejiang Knowledge Xinpian"	Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), a limited liability company established under the laws of the PRC on February 24, 2025, and a wholly owned subsidiary of our Company;
"Zhuhai Knowledge Future"	Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), a limited liability company established under the laws of the PRC on December 18, 2024, and a wholly owned subsidiary of our Company; and
"Zhuhai Knowledge Linghang"	Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), a limited liability company established under the laws of the PRC on December 16, 2024, and a wholly owned subsidiary of our Company.

ACRONYMS

"AFRC"	the Accounting and Financial Reporting Council of Hong Kong;
"BIS"	the U.S. Department of Commerce's Bureau of Industry and Security;
"CAC"	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室);

"CAGR"	compounded annual growth rate, which is calculated by dividing the amount at the end of the period by the amount of the beginning of that period, raising the result to an exponent of one divided by the number of years in the period, and subtracting one from the subsequent result;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會);
"EAR"	the Export Administration Regulations administered by BIS;
"ESG"	environmental, social and corporate governance;
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited;
"IASB"	International Accounting Standards Board;
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部);
"NDRC"	the 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);
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會);
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC;
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局);
"SCNPC"	the standing committee of the National People's Congress of the PRC (中華人民共和國全國人民代表大會);
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局); and
"VAT"	value-added tax.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

DEFINITIONS AND ACRONYMS

Certain amounts and percentage figures included in this document were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them.

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"AGI"	artificial general intelligence, a sophisticated level of artificial intelligence that matches and even surpasses human capabilities across all cognitive tasks;
"AI"	artificial intelligence, an area of computer science that focuses on machinery simulation of intelligence displayed by humans and other animals;
"AI agent"	a system or program that utilizes AI to perform tasks and achieve goals autonomously on behalf of a user or another system;
"AI model"	mathematical algorithms which can take unstructured data as input and transform them into informative outputs through its "intelligence," namely, the capability of perceiving the world, transcribing and organizing information, enhancing or generating content, or making decisions;
"algorithm"	a procedure or formula for solving a problem, based on conducting a sequence of specific actions, especially by a computer;
"API"	application programming interface, a set of predefined rules, protocols and tools that allow users to integrate AI capabilities into applications, websites or software;
"cloud computing"	the practice of storing computer data and programs on multiple servers that can be accessed through the internet;
"computing power"	the ability of a computer system to process data and perform tasks;
"corpus (plural: corpora)"	a collection of linguistic data, such as written texts or transcriptions of recorded speech, usually stored in a computer database and used as a foundation for linguistic analysis;
"deep learning"	a machine learning technique that constructs artificial neural networks with multiple layers to extract features from the raw input;
"deep neural networks"	deep learning architecture that emulates the information processing and distributed communication nodes found in biological systems, utilized to augment data acquisition and analytical capabilities;
"foundation model"	a pre-trained LLM that serves as the foundation for the development of a variety of specialized models;
"general-purpose large model"	an AI model trained on a vast and diverse dataset and designed to perform a broad range of tasks rather than being limited to a specific, narrowly defined application;

GLOSSARY OF TECHNICAL TERMS

"GPU"	graphics processing unit, a specialized processor originally designed for rendering graphics, but now widely used to accelerate parallel computations in fields like AI, especially for training and inference of deep learning models;
"GUI"	graphical user interface, a user interface that allows individuals to interact with software applications or digital devices through visual elements such as windows, icons, menus and buttons, rather than text-based commands;
"hallucination"	the phenomenon where a large language model generates plausible-sounding but factually incorrect or fabricated information;
"IDE"	integrated development environment, a comprehensive software application that provides developers with a unified interface for writing, editing, debugging, and testing code;
"inference"	the process of applying trained models to new data to generate predictions;
"knowledge graphs"	represents a network of real-world entities, such as objects, events, situations or concepts, and illustrates the relationship between them. This information is usually stored in a graph database and visualized as a graph structure;
"large language model (LLM)"	a deep-learning AI model trained on vast amounts of text to understand, generate and interact in human language;
"large model"	a deep-learning AI model trained on vast amounts of data and designed to perform a broad range of tasks;
"MaaS"	Model-as-a-Service, a delivery model of AI model and agent solutions catered for specific industry verticals or scenarios;
"machine learning"	the scientific study of algorithms and statistical models that computer systems use to effectively perform specific tasks without being explicitly programmed to do so;
"MoE"	mixture of experts, a type of neural network architecture that employs sub-networks, or "experts", to process specific input parts that aims to scale models efficiently;
"natural language processing" or "NLP"	a branch of AI that helps computers understand, interpret and manipulate human language;
"natural language understanding" or "NLU"	a subtopic of natural language processing in AI that deals with machine reading comprehension;
"open source"	a source code that is made freely available for possible modification and redistribution;
"petaflops"	a unit of measurement equal to one quadrillion (10^{15}) floating point operations per second;

"PPO"	proximal policy optimization, a policy-based reinforcement learning algorithm that aims to improve the stability and efficiency of policy gradient methods;
"pre-train"	the process of training models on large-scale data to learn general features prior to task-specific fine-tuning;
"reinforcement learning from human feedback" or "RLHF"	a method for optimizing large model outputs, mainly by collecting human-annotated preference data to refine the model's feedback responses;
"SDK"	software development kit, a set of software development tools that allows the creation of applications for a certain software package;
"SOTA performance"	state-of-the-art performance, a common industry term referring to the highest publicly reported level of effectiveness or accuracy achieved on a given task, benchmark or evaluation at a particular point in time;
"sparse activation"	a technique used to reduce the computing cost and enhance effectiveness and performance of LLMs where only a small number of units, or neurons in a neural network, are active or producing output at the same time;
"supervised fine-tuning" or "SFT"	a technique used to adapt a pre-trained LLM to a specific task by training it on a labeled dataset;
"token"	the basic unit of data processed by AI models;
"Transformer"	a deep learning model, distinguished by its adoption of self-attention, differentially weighting the significance of each part of the input data;
"vector"	a multi-dimensional mathematical object with direction and magnitude, representing data features.

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "seek," "should," "will," "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operation and business prospects;
- our strategies, plans, objectives and goals and our ability to successfully implement them;
- estimates of our costs, expenses, future revenues, capital expenditures and our needs for additional financing;
- our ability to attract and retain senior management and key employees;
- future developments, trends, conditions and competitive landscape in the industry and markets in which we operate;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- our financial condition and operating results and performance;
- our capital expenditure plans;
- our dividend policy;
- industry trends and competition; and
- general political and economic conditions;

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

In this document, statements of or references to our intentions or those of our Directors are made as of the date of this document. Any such information may change in light of future developments.

RISK FACTORS

***You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [REDACTED] *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, results of operations, financial condition and prospects. In any such case, the market price of our H Shares could decline, and you may lose all or part of your* [REDACTED].**

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 document.

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 related to our research and development, (ii) risks related to our commercialization, (iii) risks related to our operations, (iv) risks related to our intellectual property, (v) risks related to our financial condition and need for additional capital, (vi) risks related to the jurisdictions where we conduct business, and (vii) risks related to the **[REDACTED]**.

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, results of operations, financial condition and prospects. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATED TO OUR RESEARCH AND DEVELOPMENT

The AI industry is characterized by constant changes. If we are not able to upgrade, enhance or innovate our technologies and services, our business, results of operations, financial condition and prospects could be adversely affected.

The AI industry in general, and LLM market we focus on in particular, are characterized by constant changes. We expect that new technologies and modes of applications will continue to emerge and evolve. Rapid and significant technological breakthroughs continue to shape the AI industry, including developments of large language models, multimodal integration and AI agents. Thus, our future business, results of operations, financial condition and competitive position depend on our ability to develop and introduce new and enhanced models that incorporate and integrate the latest technological advancements and our ability to commercialize our technology in ways that satisfy evolving customer demands. Our peers, especially non-independent providers who already have an established portfolio of products and services before entering the LLM market, may have or have invested more resources in developing new technologies or have more experience in commercializing their LLM offerings. We may encounter significant unexpected technological challenges, or delays in developing new and enhanced models, which require us to invest significant resources in R&D and also require that we:

- continuously improve commercializing our models and technologies;
- design innovative, accurate and efficiency-enhanced features and functions that differentiate our services from those of our competitors;
- respond effectively to technological changes and new product and solution announcements by our competitors; and

- adjust to changing customer preferences, market conditions and regulatory landscape quickly and cost-effectively.

Considering the rapid advancement of technology, we may be unable to upgrade our technologies promptly, efficiently or cost-effectively, or at all. In addition, the emergence of new or alternative technologies could replace or reduce the demand for our models and solutions, render our technologies obsolete or unattractive. As a result, our business, results of operations, financial condition and prospects may be materially and adversely affected.

We have made and expect to continue to make substantial investments in R&D. If we cannot continuously invest in our R&D activities while achieving technological innovation, our business, results of operations, financial condition and prospects may be materially and adversely affected.

R&D is crucial to our business and operations. However, our AI technology, or the AI industry as a whole, is still at a development stage and is susceptible to significant uncertainties. We have been investing heavily in our R&D efforts with a focus on elevating the intelligence of our foundation model. Our research and development expenses were RMB84.4 million, RMB528.9 million, RMB2,195.4 million, RMB859.2 million and RMB1,594.7 million in 2022, 2023 and 2024 and the six months ended June 2024 and 2025, respectively, representing 147.0%, 424.7%, 702.7%, 1,913.2% and 835.4% of our total revenue in the respective periods. The AI industry is subject to rapid technological changes and is evolving quickly in terms of technological innovation. We must invest substantial resources in R&D to advance our technology, expand our offerings and ensure that our models and solutions remain innovative and competitive. As a result, we may continue to incur significant R&D expenses in the future. However, R&D activities are inherently uncertain. We cannot guarantee that we will be able to continue invest significantly in R&D activities or our R&D efforts, especially out investments in the development of AGI, will yield anticipated benefits or recognition. Through the five stages of LLM, we have developed large models and agents across the first three stages. However, we cannot guarantee that we will be able to the self-perception stage and consciousness stage. 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 or new approaches to known technologies could render our existing technologies and solutions that we are developing or expect to develop in the future unattractive, expensive or even obsolete, thereby limiting our ability to recover related development costs, which could result in a decline in our revenues, profitability and market share.

The development of AGI is still at an early stage and there are substantial uncertainties in the future realization of AGI.

It is widely recognized within the industry that continued advances in AI research will ultimately result in the realization of AGI, which will significantly expand the AI market and generate substantial benefits for industry participants. We share this belief and, since our inception, have been dedicated to advancing our model performance and investing heavily in our R&D activities in pursuit of AGI. However, we cannot assure you that we, or any of our competitors, will ultimately achieve AGI. We believe the industry as a whole is still at an early stage of development, and further fundamental breakthroughs may prove exceptionally difficult or unattainable regardless of collective or individual effort. If AGI is not technically achievable, or if meaningful progress toward AGI slows or stalls, the commercial benefits we achieved may not justify the time, capital and resources we have invested. As a result, our business, results of operations, financial condition and prospects could be adversely affected.

We are exposed to risks relating to our R&D team and our senior management.

As a leader in the development of advanced general-purpose AI in China, we are fundamentally a company comprised of data scientists and engineers. Our success depends on the continued service of our technology leadership and R&D team and senior management. According to Frost & Sullivan, the LLMs

market in China has a high demand for talent, especially for experts with deep technical backgrounds and extensive experience. Leading industry players have attracted top-tier talent and built strong technical teams, while new entrants face intense competition in acquiring skilled professionals. Our core scientists have significant industry experience, and their knowledge and relationships would be difficult to replace. See "Business—Research and Development—Talent." If one or more of our core scientists were unable or unwilling to continue to contribute their services to us, we may not be able to replace them in a timely manner, or at all. In addition, the status and reputation of our core scientists and senior management in the AI industry and the academic community could directly or indirectly affect us. As a result, our business may be severely disrupted, and our financial condition and results of operations may be materially and adversely affected.

In addition, we rely on our R&D team to support our rigorous R&D process. Our R&D team consists of members with background and experience in fields such as natural language processing, advanced decision-making in complex systems and multimodal semantic analysis. The competition for these highly skilled and qualified employees in our industry is increasingly intense. 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 their compensation. Our employee hiring and retention also depend on our ability to build and maintain a diverse and inclusive working environment and be recognized as an attractive employer and desirable workplace. 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.

We rely on third parties to provide computing resources to us, and any disruption of their services or fluctuation of prices could adversely affect our business, results of operations and financial condition.

We are highly dependent on high-performance and cost-effective computing resources, such as computing hardware and computing services, for R&D activities and business operation. Computing power forms the foundation for training and inference of AI models and is essential for scaling and commercializing AI technologies. As models become increasingly complex and model parameters grow exponentially, the demand for computational resources continues to rise. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2023, our computing service fees amounted to RMB14.6 million, RMB311.7 million, RMB1,552.8 million, RMB603.2 million and RMB1,145.1 million, accounting for 17.3%, 58.9%, 70.7%, 70.2% and 71.8% of our research and development expenses, respectively. Such resources may be subject to price fluctuations, shortages or changes in the terms of service, including the discontinuation of access to core technologies. Any such events could increase our operating costs and expenses, limit the scale of the deployment of our solutions, or otherwise adversely affect our business. We may not be able to obtain adequate replacements on a timely basis, or at all, and we may be forced to purchase computing power at premium prices, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, any limitation on the capacity of our third-party suppliers could impede our ability to deliver solutions and conduct R&D activities in a timely manner, which could adversely affect our business, financial condition and results of operations. Any incident affecting our computing power suppliers' infrastructure that may be caused by cyber-attacks, natural disasters, fire, flood, severe storm, earthquake, power loss, telecommunications failures, terrorist or other attacks and other similar events beyond our control could negatively affect our services. In addition, the continued operations of computing power suppliers depend on highly specialized and regulated global supply chains. Therefore, geopolitical conflicts and changes of the relevant laws and regulations, including export controls, economic sanctions and trade tariffs, may affect the price and services provided by our computing power suppliers, which could negatively affect our business, financial condition and results of operations. A prolonged service disruption affecting our services for any of the foregoing reasons would adversely impact our ability to serve our customers, damage our reputation, expose us to liability, cause us to lose customers or harm our business. We may also incur significant costs for using alternative resources or taking other actions in preparation for, or in reaction to, events that damage the third-party services we use.

Our commercial success depends on the performance of our models. Any failure in research and development efforts to offer high-quality models and solutions could harm our business, results of operations, financial condition and prospects.

Our models are complex and deployed across a wide range of application scenarios. The performance of our models depend on various factors, including our legitimate usage of open-source software, quantity and quality of data used, adequacy of training and others. If the data used are inaccurate, incomplete, unrepresentative or biased, or if our algorithms are flawed, incorrectly designed or calibrated, our models may generate inaccurate, sub-optimal, unfair or otherwise inappropriate outputs, including in relation to matching results. This may adversely affect user experience and outcomes, and may give rise to complaints, negative publicity or increased scrutiny from regulators and other stakeholders. In addition, the correct and proper configuration of our models and the proper provision of implementation, analytical and maintenance services may influence customer experience. Any defects, errors, instability, security vulnerabilities or unintended bias in our models, or any failure to deploy, configure or support our models properly, may result in contract terminations or non-renewals, reduced customer payments, negative publicity or legal claims against us.

In addition, inability to meet specific customer demands may result in customer dissatisfaction or reputational damage, which could materially harm our business. As our business and customer base expand, it is essential to maintain efficient R&D efforts to meet customer demands on a larger scale. However, there is no assurance that we will be able to recruit or retain sufficient qualified personnel with experience in developing and deploying our models.

RISKS RELATED TO OUR COMMERCIALIZATION

We may not be able to compete effectively against current or future competitors.

While the LLM market is still at an early stage of development, it is already highly competitive and is expected to become increasingly competitive. We currently face intense competition from our competitors and may face even greater competition in the future. As the development of large models becomes increasingly resource-intensive, both in China and globally, we expect the industry to consolidate rapidly, with development efforts concentrated among a small group of leading players. Our competitors may have better financial, R&D or marketing resources, stronger brand recognition, better support from upstream and downstream business partners, stronger ability to seek business partners to secure better pricing on computing resource service, more advanced models in terms of scope and performance, or the capability to expand 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 evolvement. Market competition may also result in continued pricing pressures, which may lead to price reductions in certain of our solutions, which may, in turn, materially and adversely affect our profitability and market share.

In addition, new competitors or alliances may emerge with larger market share, broader customer bases, more widely adopted proprietary technologies, greater marketing expertise, stronger financial resources and larger sales forces than us. In light of these factors, even if our models are more advanced, effective and cost-efficient than those of our competitors, current or potential customers may accept competitors' models in lieu of ours. If we are unable to successfully compete in the market, our business, results of operations, financial condition and prospects may be materially and adversely affected.

The size of our addressable market 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 a market that is undergoing rapid changes, including technological and regulatory changes, and it is difficult to predict the timing and scale of such opportunities. If the LLM

market experience a shift in customer or prospective customer demand, our solutions may not compete as effectively, or at all, and they may not be deployed by customers. Given the evolving nature of the LLM market, it is difficult to predict customer demand for our solutions or the future market growth. The addressable market 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 LLM market grows 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 or trends of the addressable market 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.

Any failure of our MaaS platform to perform as required could harm our business, results of operations, financial condition and prospects.

Our success depends on the quality, reliability and efficiency of our MaaS platform. Any deficiencies could lead to customer dissatisfaction, loss of business opportunities or harm to our reputation. In particular, the successful performance of our MaaS platform depends, among other things, on:

- customer acceptance of our MaaS platform;
- delivery of promising models and applications on the platform;
- versatility of our deployment options;
- the relative reliability and robustness of our platform;
- our ability to develop new applications for our customers in different industry verticals;
- competitiveness of the pricing model for our MaaS platform;
- our ability to constantly upgrade, advance and innovate our platform and technologies; and
- our ability to keep abreast of technology and industry trends and continue to advance our platform.

There can be no assurance that we will successfully address any of these or other factors that may affect the market acceptance of our platform. If we are unsuccessful in achieving and maintaining market acceptance of our MaaS platform, our business, financial condition, results of operations and prospects could be adversely affected.

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

We have been expanding our customer base to cover various industries. Our abilities to retain existing customers, attract new customers, as well as increase the spending by existing customers depend on a number of factors, including our ability to offer effective solutions that address the evolving 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 sectors, 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 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, results of operations, financial condition and prospects.

We have a limited track record in the commercialization of our business.

We have a limited track record in launching, sales and marketing and commercialization of our large models. Our ability to successfully commercialize our business may involve inherent risks, longer timelines and higher costs as the consumer market for large models in China is still at its early stage of development. We may incur additional marketing expenses and resources on enhancing the market acceptance of our technologies and solutions. In addition, the success of our sales and marketing efforts depends on our ability to attract, motivate and retain qualified and professional employees in our commercialization team who have, among other things, adequate AI knowledge to communicate effectively with AI professionals, sufficient experience in sales and marketing in the AI industry, and extensive industry resources. Furthermore, 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 commercialization of our business may be adversely affected.

Due to our limited track record in commercializing our business, we cannot guarantee that our efforts to promote customer adoption of our modes will succeed, that our sales results will meet our forecast, that third parties will deploy and operate our models effectively and meet overall user experience, or that we will be able to fully maintain quality control over our models, which may materially and adversely affect the mass commercialization of our business, and, in turn, materially and adversely affect our business, results of operations, financial condition and prospects.

If our attempt to expand our offerings or business model is unsuccessful, our business, results of operations, financial condition and prospects may be materially and adversely affected.

We provide innovative AI-powered solution designed to address diverse needs of our customers across different industries. However, expanding our offering categories into new industry verticals, or expand our business model to involve new services, involves additional risks and challenges. Our lack of familiarity with new verticals or industries 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 or industry that we decide to expand into. Such companies may be able to compete more effectively than us by leveraging their experience in doing business in that market as well as their deeper industry insight and greater brand recognition among customers. We may be required to develop new supply-chain relationships and capabilities. We will need to comply with laws and regulations specific to these industries. Expansion into any new industry sectors and development of new solutions may place significant strain on our management and resources and incur substantial R&D and other costs and expenses before generating any revenues. Failure to expand successfully could have a material adverse effect on our business, results of operations, financial condition and prospects.

If we are unable to ensure compatibility of our models with a variety of hardware, platforms and applications developed by others, including our partners, we may become less competitive and our business, results of operations, financial condition and prospects may be harmed.

Our models may be integrated with a variety of hardware, platforms and applications, and we need to modify and enhance our models to adapt to changes in hardware and software technologies in a timely and cost-effective manner. As of June 30, 2025, our models were compatible with over 40 major global chip platforms. Compatibility of our models with hardware, platform and software developed by others is critical to the performance of our solutions. Failure to ensure compatibility of our models may negatively affect our competitive edge, and our business, results of operations, financial condition and prospects would be harmed.

RISKS RELATED TO OUR OPERATIONS

The AI industry is subject to evolving and extensive regulation in China. Future laws and regulations may impose additional requirements and other obligations that could materially and adversely affect our business, results of operations, financial condition and prospects.

The AI industry in China is evolving and we may experience strengthened regulatory environment along with rapid industry evolution. Government authorities in China may continue to issue new laws, regulations and rules governing the AI industry. For example, on July 10, 2023, the CAC and six other ministries jointly issued the Interim Measures for the Administrative Measures on Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the "Measures on Generative AI Services"), which imposes compliance requirements for providers of generative AI services. The Measures on Generative AI Services require generative AI service providers to take effective measures to enhance the accuracy and reliability of the content created by generative AI. Generative AI service providers shall (i) assume the responsibilities of content producers and perform network information security obligations; (ii) assume the responsibilities of processors of personal information to protect personal information; and (iii) process training data such as conducting pre-training optimization in accordance with applicable laws and regulations. In addition, the providers of generative AI services with public opinion attributes or the capacity for social mobilization shall apply for security assessment and complete the filing formalities of algorithms in accordance with the Provisions on the Administration of Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》). Moreover, the Administrative Provisions on Deep Synthesis in Internet-based Information Services (《互聯網信息服務深度合成管理規定》), jointly promulgated by the CAC and two other ministries on November 25, 2022, which became effective on January 10, 2023, impose certain compliance obligations upon service providers using deep synthesis technology to provide internet-based information services. See "Regulatory Overview—Regulations on Information Industry—Regulations on the Application of Artificial Intelligence Technologies." The interpretation and implementation of existing measures are evolving and the PRC regulatory agencies, including the CAC, may further adopt new laws, regulations, rules, or detailed implementation and interpretation related to the above-mentioned measures, which may negatively affect us. As such, we cannot assure you that our compliance measures are, and will be, always considered sufficient under applicable laws and regulations. If we are unable to comply with the then applicable laws and regulations, such actual and alleged failure could subject us to significant legal, financial and operational consequences.

We are subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, data security and personal information. Actual or alleged failure to comply with privacy and data protection laws, regulations and governmental policies 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 have become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies relating to 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. The Cybersecurity Law 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 August 20, 2021, the Standing Committee of the National People's Congress enacted the Personal Information Protection Law of the

People's Republic of China (《中華人民共和國個人信息保護法》), which became effective on November 1, 2021. This law establishes principles and specific rules for personal information processing throughout its entire lifecycle, and imposes obligations on personal information processors. 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 Internet Information Security and Privacy Protection—Regulations Relating to Cybersecurity and Internet Information Security."

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. Failure or alleged failure to comply with these laws and regulations may expose us to potential legal liability, harm our reputation and brand and, consequently, our business. In addition, 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. We may be unable to safeguard the data of our users due to factors beyond our control. We may source training data from third-party vendors, public websites, public datasets or other publicly accessible sources during the operation of our business. There is no guarantee as to the effectiveness of the measures we have taken to urge or supervise such third-party vendors or public data controllers to abide by applicable cybersecurity, data protection and personal information protection laws and regulations. If any of these entities fails, or is deemed to have failed, to obtain such data in a reasonable and lawful manner, or to comply with applicable cybersecurity and data privacy and protection laws and regulations, it could have a material adverse effect on our service as well as our reputation. Moreover, we cannot guarantee that we can effectively filter, desensitize, anonymize data obtained from third-party vendors and publicly accessible sources before further processing to comply with relevant laws and regulations due to the inherent limitations of current data processing technologies. 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 cyber attacks. 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 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 Internet Information Security and Privacy Protection—Regulations Relating to Cybersecurity and Internet Information Security." Although we are not obligated to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed **[REDACTED]**, regulatory authorities may initiate cybersecurity review if they determine that our solutions or data processing activities have or could have influence on the national security. However, the CAC Measures provide no further explanation or interpretation for the criteria on determining the risks that "have or could have an influence on national security." In addition, since the interpretation and implementation of these laws and regulations with respect to cybersecurity review keep evolving, therefore, we cannot assure you that there will not be any additional regulatory requirements regarding cybersecurity review relating to new laws and regulations.

In accordance with the Regulations on Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which were promulgated by the State Council on July 30, 2021 and became effective on September 1, 2021, a critical information infrastructure (the "CII") refers to important network facilities or information systems in important industries or fields such as public communication and information service, energy, communications, water conservation, finance, public services, e-government

affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, competent authorities and administration departments of each important industry and field shall be responsible for formulating determination rules and determining the critical information infrastructure operator (the "CIIO") in the respective critical industry or field. As of the Latest Practicable Date, we had not received any notification from relevant regulatory authorities regarding our identification as a critical information infrastructure operator. We cannot guarantee that authorities will not classify our MaaS platform as CII in the future. If deemed a CIIO in the future, where we procure network products or services and such procurement affects or may affect national security, we would be required to apply for a cybersecurity review with the Cybersecurity Review Office. In addition, if the relevant regulatory authorities determine that the network products or services used by us or our data processing activities affect or may affect national security, we may be subject to cybersecurity review. Any such review process could result in increased compliance costs, delays to our business operations or product deployment, and may have a material adverse effect on our business, financial condition and results of operations.

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 on September 1, 2022, and 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, provide that the transfer of personal information and important data by data handler 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 our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such cases, 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.

We anticipate that new laws and regulations concerning cybersecurity, data protection and personal information protection will continue to be proposed and adopted. The impact of such future laws and regulations on our business cannot yet be fully determined. New laws and regulations, amendments to or re-interpretations of existing laws and regulations may require us to incur additional costs and restrict our business operations. In addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, 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, results of operations, financial condition and prospects. 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 may have a material effect on our business, results of operations, financial condition and prospects.

We are subject to risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations may be materially and adversely affected.

We are subject to the risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.

In recent years, complexities in international relations, such as the geopolitical tensions between China and the U.S., have presented new challenges and ongoing uncertainties. For example, in April 2025, the U.S. government announced substantial new tariffs affecting a wide range of products and jurisdictions and has indicated an intention to continue developing new trade policies. In response, certain other governments

announced or implemented retaliatory tariffs and other protectionist measures. While China and the U.S. made announcement on a joint statement to substantially move down the tariff levels in May 2025, there is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be being subject to tariffs or new trade policies introduced by the two countries. These circumstances could reduce levels of international trade, investment, technological exchange, and other economic activities. They might also lead to changes in political and economic relations between countries, sanctions, export controls, and other geopolitical issues. These developments have created a dynamic and unpredictable trade landscape, which may adversely impact our business, financial condition, results of operations and prospects.

Trade disputes, tariffs and other political tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability and economic recessions or downturns. Any prolonged economic downturn or escalation in trade tensions could materially and adversely affect our business, financial condition, results of operations and prospects.

We may be subject to the risks associated with export controls, economic sanctions and investment restrictions, and our business, financial condition and results of operations may be materially and adversely affected.

Geopolitics and international trade tensions have led to certain countries and organizations utilizing economic sanctions, export controls, investment restrictions and other restrictive measures targeting high-technology solutions, including in the AI industry. These policies have introduced uncertainties to global investment activities, increased compliance costs and limited access to critical resources necessary to R&D activities and operations for companies operating in affected industries.

On January 16, 2025, we and nine of our subsidiaries ("Listed Entities") were added to the entity list (the "Entity List") administered by the U.S. Department of Commerce, Bureau of Industry and Security ("BIS"). The addition of Listed Entities to the Entity List (the "Entity List Addition") restricts our ability to purchase or otherwise access goods, software and technology (collectively, the "Items") that are subject to the Export Administration Regulations (the "EAR") without a license from the BIS. Items subject to the EAR include, among other things, U.S.-origin items, as well as certain items of non-U.S.-origin that contain more than a *de minimis* portion of U.S.-origin controlled content, and non-U.S.-origin items that are the direct product of certain U.S. origin controlled software or technology. For further information, see "Regulatory Overview—U.S. Export Control laws and Regulations." In order to address the EAR-related risks after the Entity List Addition, we have put in place a series of export control compliance measures. However, there can be no assurance that our export control compliance measures could be strictly followed and implemented, or that the implementation of such export control compliance measures would be sufficient for us to address concerns under the EAR.

Additionally, there can be no assurance that the U.S. or other governments or organizations will not impose additional sanctions or export controls on us and/or our subsidiaries. Any such event could materially and adversely affect our business, financial condition and results of operations. Given recent calls by the U.S. government to enhance control over cloud computing leases, we cannot assure you that the U.S. government will not impose additional restrictions on the provision of cloud computing services for AI training to PRC enterprises. Such measures could be implemented through the enactment of new legislation by the U.S. Congress or amendments to the EAR. In addition, on April 9, 2025, the Remote Access Security Act, which seeks to address perceived gaps in current export control laws that have permitted companies affiliated with the PRC Communist Party to obtain access to restricted U.S. technology via cloud services, was reintroduced. The bill received unanimous bipartisan support in the U.S. House Foreign Affairs Committee. If enacted into federal law, such legislation could adversely affect our business, financial condition and results of operations.

Furthermore, as our business is closely interrelated with our customers and suppliers, any imposition of economic sanctions or export control, that impact our customers or suppliers could materially and adversely affect our business, financial condition and results of operations. Moreover, we may be subject to review and enforcement under domestic and foreign laws that govern foreign investment and acquisitions. In both U.S. and non-U.S. jurisdictions, these regulatory requirements may apply different requirements based on the nature of the company and the profiles of the investors involved. As a result, investments by particular investors may need to be filed with local regulators or could even be prohibited under certain circumstances, which limits our ability to engage in strategic transactions that might otherwise be beneficial to us and our investors. These laws are also regularly changed and updated. For example, recently issued U.S. government regulations, such as the final rule (the "Final Rule") implementing Executive Order 14105 which became effective in January 2025, restricts direct and indirect investment by U.S. persons (as defined under the Final Rule) into companies with specified connections to China that use specific technologies of concern. Notably, on February 21, 2025, the U.S. government issued the "America First Investment Policy" proposing to further expand the set of technologies of concern. These rules are aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China in certain sectors, and may introduce new hurdles and uncertainties for cross-border collaborations, investments and funding opportunities of China-based issuers, including us. As advised by our International Sanctions Counsel, we are deemed a covered foreign person as our business activities are notifiable under the Final Rule. However, due to the addition of our Company to the Entity List, pursuant to the Final Rule, U.S. persons (as defined under the Final Rule) are prohibited to acquire any equity interest in our Company that is not yet publicly traded, except through valid exemptions, or unless such investments were completed prior to the effective date of the Final Rule. Accordingly, as advised by our International Sanctions Counsel, U.S persons (as defined under the Final Rule) are prohibited to invest in our Company in the **[REDACTED]**. Accordingly, we have structured the **[REDACTED]** so that the **[REDACTED]** will be offered and sold outside the United States to persons that are not, and are not acting for the account or benefit of, U.S. Investors, which term includes U.S. persons as defined under the Final Rule as well as Regulation S, in offshore transactions. The investment restrictions could limit our ability to raise funds, in particular, from U.S. Investors, and the liquidity and market price of our publicly traded securities could be adversely affected due to a lack of participation from these investors. As advised by our International Sanctions Counsel, once our Company's H Shares are issued and become publicly traded, U.S. persons are exempted under the publicly traded securities exception regardless of whether the company engages in covered activities. Hence, the investments in our Group's publicly traded H Shares after **[REDACTED]** will not be subject to any reporting requirement or prohibition under the Final Rule. Continuing changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance and growth prospects.

We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We have a limited operating history. Since our inception in 2019, we have been dedicated to developing high-performance, safe and reliable general-purpose intelligent systems. Our operations provide a limited basis for you to assess our ability to successfully market and commercialize our solutions. Certain of our solutions are still at various stages of development. Consequently, predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields. If we do not address these risks and difficulties successfully, we may not be successful in our future business and operations.

As a result of our limited operating history, particularly in light of the rapidly evolving and competitive nature of our industries, it may be difficult to evaluate our current business or reliably predict our future performance based on our historical performance. Our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition or prospects. We may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, and may not be able to achieve promising results in future periods. If we cannot address these risks and overcome these difficulties successfully, our business, results of operations, financial condition and prospects will suffer.

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

Our business plans and strategies are based on our assumptions of future events, which may entail certain risks and uncertainties inherent to our business. 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, seize 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 desirable and profitable results, such as changes in local laws and regulations and governmental policies, the availability of skilled professionals and changes in customer demand. Moreover, our business plans and strategies may divert the attention of our senior management, increase our operating 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.

Our business is dependent on the strengths and market acceptance of our brand. If we fail to maintain and enhance our brand, or if we incur excessive expenses in this effort, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Our business and financial performance depends on the strength and market acceptance of our brand. To enhance the market acceptance of our brand, we participate in online and offline events, such as industry conferences, product launch events and developer forums from time to time to showcase client success stories and developer breakthroughs and to deepen industry connections. However, these events may substantially increase our marketing expenses and we cannot assure you that these activities will be successful or that we will be able to achieve the promotional effect we expect.

If we are unable to maintain our reputation, enhance our brand recognition or promote our solutions, or if we incur excessive expenses in this effort, our business, results of operations, financial condition and prospects may be materially and adversely affected.

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

AI technologies are in the process of rapid development and continue to evolve. Similar to many innovations, AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications that may breach public confidence or violate applicable laws and regulations in China and other jurisdictions. Flaws or misuse of AI technologies may also lead to litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights such as privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of AI technologies.

In addition, we cannot assure you that any measures we haven taken or may take to prevent the misuse of our technologies will always be effective, or that our technologies will not be misused or applied in a way that is inconsistent with our intention or public expectation. 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 and/or other organizations and heightened scrutiny by the regulators. Each of the foregoing events may in turn materially and adversely affect our business, results of operations, financial condition and prospects.

Our legal right to some leased properties may be challenged.

As of the Latest Practicable Date, we leased 17 properties in the PRC, mainly as our offices. As of the Latest Practicable Date, we had not received copies of the real property title certificates from the lessors or the property owners for five properties we leased. As advised by our PRC Legal Advisors, if the relevant lessor has no right to lease the leased property and a third party other than the parties to the relevant lease contracts have legal title to such leased property, such third party may claim that the relevant lease contracts are null and void or have no effect thereto, or request us to cease our use and move out of such leased property.

As of the Latest Practicable Date, 13 out of our 17 leased properties used as our offices had not been registered and filed with relevant land and real estate administration bureaus in the PRC. Under the Measures for Administration of Lease of Commodity Properties (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010 and became effective on February 1, 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. We cannot assure you that we will be able to comply with the relevant laws and regulations by completing all required filings of our existing and future lease agreements in China. We may be required by relevant government authorities to file future lease agreements for registration within a time limit and may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease exceeding such time limit.

We may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.

We may be subject to claims and various legal and administrative proceedings. Claims arising out of actual or alleged violations of law, breach of contract or torts could be asserted against us by customers, business partners, suppliers, competitors, employees or governmental entities in investigations and legal proceedings.

Regardless of the merit of any particular claim, legal and administrative proceedings may be expensive, time-consuming or disruptive to our operations and may divert management's attention from our business operations. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations, and our business, results of operations, financial condition, prospects and reputation could be materially and adversely affected. In recognition of these considerations, we may enter into agreements to settle litigation and resolve such disputes. There is no assurance that such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements may also significantly increase our operating expenses. Legal or administrative proceedings and claims may arise in the future, which may cause us to incur legal costs, divert our managements' attention, suffer reputational damage and financial losses, and our business, results of operations, financial condition and prospects could be materially and adversely affected.

If we fail to obtain and maintain the requisite licenses and approvals required under the regulatory environment applicable to our business, or if we are required to take actions that are time consuming or costly in order to obtain and maintain such licenses and approvals, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Under the current PRC regulatory scheme, a number of governmental authorities including but not limited to the MIIT, the MPS and the CAC, jointly regulate major aspects of our industries. We cannot

assure you that we can successfully renew the licenses required for our business in a timely manner or that these licenses are sufficient to conduct all of our present or future business. The interpretation and implementation of existing and future laws and regulations governing our business activities may change from time to time in the future. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings, we may be subject to various penalties, such as confiscation of the revenue that was generated through the implicated operations, 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, financial condition and prospects.

We may be unable to expand and maintain existing strategic partnerships with academic institutions.

We have formed strategic partnerships with universities around the world to establish joint research laboratories. See "Business—Research and Development—Talent." Through these joint laboratories, we identify and engage highly skilled and qualified candidates to enrich our talent pool, gain deeper industry insight and establish stronger brand recognition. However, there can be no assurance that these institutions will continue to collaborate with us on commercially reasonable terms, or at all. We also cannot assure you that we will be able to establish new joint laboratories, or extend existing relationships with these institutions when our agreements with them expire. If we are unable to maintain our relationships with these institutions, or any of our collaborations with these institutions are terminated, we may not be able effectively attract qualified talents and enhance our brand awareness through these collaborations, which could adversely affect our business, results of operations, financial condition and prospects.

We may be subject to supplemental contributions of social insurance and housing provident funds required by relevant governmental authorities.

PRC laws and regulations require us to participate in various government sponsored employee benefit plans. These benefit plans include social insurance, housing provident funds and other welfare-oriented payment obligations. If we are deemed to be not in compliance, competent authorities may require us to make supplementary payments for social insurance shortfalls. See "Business—Employees." As of the Latest Practicable Date, we had not received any notice for payment of penalties of social insurance premium and housing provident funds from the competent authorities, nor had we been subject to any material administrative penalties during the Track Record Period and up to the Latest Practicable Date. However, if the relevant PRC authorities hold a different view with us and, for instance, determine that we shall make supplemental contributions, that we are not in compliance with labor laws and regulations or that we are subject to fines or other administrative penalties, our results of operation, financial conditions, business and prospects may be adversely affected.

Our technology infrastructure and information technology system may experience unexpected failure, interruption, inadequacy, security breaches or cyberattacks. Our reputation, business, results of operations, financial condition and prospects may be harmed by service disruptions or by our failure to timely and effectively scale up and adapt our existing technology and infrastructure.

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload, and by damages from fires, floods, earthquakes and other natural disasters, telecommunication failures, power loss, human error or other accidents. Our infrastructure and systems may be breached if any vulnerabilities therein are exploited by unauthorized third parties. We cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defense procedures are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. The occurrence of unanticipated problems that affect our technological infrastructure could result in interruptions in the availability of our services. It may be difficult for us to respond to such interruptions in a timely manner, or at all.

Furthermore, we rely on information technology networks and systems across various aspects of our operations including R&D and operations. These information technology systems 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, telecommunication failures, user errors or catastrophic events. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. In addition, our information technology systems may be susceptible to computer viruses and attacks by computer hackers. Such instances may result in system failures, operational disruptions, or unauthorized usage of our computing power.

Any such disruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could affect the ability of customers to use our services and reduce our customer satisfaction. Any actual or perceived attack or security breach may damage our reputation and brand, expose us to risks of potential litigation and liabilities, and require us to expend significant capital and other resources to alleviate problems caused by such attacks or security breaches. As a result, our reputation, business, results of operations, financial condition and prospects could be adversely affected.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations, financial condition and prospects.

Our insurance may not be adequate to fully compensate for all kinds of losses we may suffer in the future. For example, we do not maintain key man life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties. In addition, our insurers will review our policies every year and we cannot guarantee that our policies can be renewed on similar or other acceptable terms or at all. Furthermore, if we suffer unexpected severe losses or losses that far exceed the policy limits, it could materially and adversely affect our business, results of operations, financial condition and prospects.

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, financial condition and prospects.

Although substantially all of our revenue during the Track Record Period was generated in China, we are in the process of expanding our international outreach. In the six months ended June 30, 2025, we derived RMB18.8 million from overseas markets, accounting for 9.8% of our total revenue during the period. Leveraging the advanced performance and safety of our models, we are continuously expanding our global reach and actively participating in building national and municipal foundation model platforms in countries and regions such as China and Southeast Asia. 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. 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 such as those regarding cybersecurity, data security and personal information, 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. Furthermore, changes in foreign tax rules, regulations and other requirements, such as changes in tax rates and statutory and judicial interpretations of tax laws may adversely affect our global operation. In addition, operating in the AI industry, we are especially susceptible to the changes in geopolitical situations and laws and regulations relating to data security and personal information, especially those in jurisdictions where we do business. 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 may experience any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases.

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, including COVID-19 pandemic, avian influenza, severe acute respiratory syndrome, H1N1 influenza or Ebola virus, may materially and adversely affect our business, results of operations, financial condition and prospects. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business. Moreover, China has experienced natural disasters such as earthquakes, floods and droughts in the past few years. Any future occurrence of severe natural disasters in China may materially and adversely affect its economy and therefore our business.

We are also vulnerable to natural disasters and other calamities because our properties and information systems are susceptible to damage or disruption from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks, or similar events. Any of the foregoing events may give rise to interruptions, damage to our property, breakdowns, system failures, technology platform failures, or internet failures, which could result in disruptions to our business operations and adversely affect our business, results of operations, financial condition and prospects.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY

We may not be able to obtain or maintain adequate intellectual property rights protection for our business, or the scope of such intellectual property rights protection may not be sufficiently broad.

We consider our patents, software copyrights, trademarks and other intellectual property rights to be critical to our business operations. We rely on a combination of patent, copyright, trademark and trade secret laws to protect our intellectual property rights. However, the steps we take to protect our intellectual property might not be adequate to prevent or deter infringement or other misappropriation of our intellectual property by competitors, former employees or other third parties. We have been protecting the proprietary technologies that we consider commercially important by, among others, filing patent applications and registering software copyrights in the PRC and other jurisdictions. As of the Latest Practicable Date, we had 86 registered patents in China, among which 84 were invention patents, and 234 patent applications in China. In addition, as of the Latest Practicable Date, we had 160 copyrights 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, or at all. In addition, we may however 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. Our patent applications may not be granted in the end. 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.

Further, the application of laws governing intellectual property rights in China is evolving, and could involve substantial risks to us. In the event that we have to resort to litigation and other legal proceedings to enforce our intellectual property rights, such action, litigation or other legal proceedings could result in substantial costs and diversion of our management's attention and resources and could disrupt our business. There is no assurance that we will be able to enforce our intellectual property rights effectively or otherwise prevent others from the unauthorized use of our intellectual property. Failure to adequately protect our intellectual property could materially and adversely affect our brand and reputation, and our business, financial condition and results of operations.

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 property by third parties may harm our brand and reputation and may materially and adversely affect our business.

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. We may also encounter difficulties in protecting and defending our intellectual property rights in overseas jurisdictions. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Competitors may use our technologies in jurisdictions where we have not obtained intellectual property protection to develop their own technologies.

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 technologies. 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 business. Such a loss of intellectual property protection could materially and adversely affect our business.

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.

Obtaining and maintaining intellectual properties can be challenging. 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.

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 patents and copyrights, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our business 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 include 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 claims that third parties have misappropriated and are using our trade secrets may be costly and time-consuming, and the outcome of such proceedings is inherently uncertain.

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 may claim that the commercial use of our solutions has infringed their 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. Infringements of the intellectual property involve 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 providing solutions that incorporate the challenged intellectual property;
- require us to redesign 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 use 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.

RISKS RELATED 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 achieved growth during the Track Record Period. Our revenue increased by 116.9% from RMB57.4 million in 2022 to RMB124.5 million in 2023 and further increased by 150.9% to RMB312.4 million in 2024. Our revenue increased by 325.0% from RMB44.9 million in the six months ended June 30, 2024 to RMB190.9 million in the six months ended June 30, 2025. However, there is no assurance that we will be able to maintain our historical growth rates in future periods. Our growth was primarily driven by the commercialization of our general-purpose large models, which could be affected by the development of the AI and the related industry, accumulation of AI experts in China, awareness of enterprises to deploy AI applications, our investment in technology innovation and AI solutions and our ability to create value for users with our advanced large model solutions. 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.

We have incurred accumulated losses during the Track Record Period and incurred net losses in 2022, 2023 and 2024, the six months ended June 30, 2024 and 2025 and may continue to experience net losses in the foreseeable future.

We have incurred, and may continue to incur, significant research and development expenses, selling expenses, administrative expenses and other expenses related to our ongoing operations. We recorded accumulated losses during the Track Record Period mainly because, we made significant investments in research and development to support the development of advanced models and the ongoing improvement of our foundation models, and investments in sales and marketing activities to increase our customer base. For the years ended December 31, 2022 and 2023 and 2024 and the six months ended June 30, 2024 and 2025, we had net loss of RMB143.7 million, RMB788.0 million, RMB2,958.0 million, RMB1,235.6 million and RMB2,357.9 million, respectively. See "Financial Information—Results of Operations" for a discussion of our financial performance during the Track Record Period. Our ability to generate revenue will depend primarily on our ability to sell our solutions, as well as the overall development of the AI and the related industry and awareness of enterprises to deploy AI applications, which is subject to significant uncertainty. We expect to continue to incur significant expenses and losses for the foreseeable future. We anticipate that our expenses will increase significantly as we continue to advance performance.

The amount of our future net losses will depend, in part, on our future expenses resulted from costs and expenses incurred by our research and development and in relation to our operations and our ability to generate revenues if we cannot leverage our MaaS platform to deliver intelligence to clients in the most effective and efficient form, or fails to achieve market acceptance among enterprise clients and developers, our business may not become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods thereafter. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on business, financial position and results of operations.

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. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had net current liabilities of RMB232.3 million, RMB1,745.4 million, RMB4,822.2 million and RMB7,080.6 million, respectively, and net liabilities of RMB180.2 million, RMB982.6 million, RMB3,955.1 million and RMB6,150.8 million, respectively. We were in such positions primarily due to (i) an increase in financial instruments issued to investors, and (ii) a decrease in cash and cash equivalents. We expect that the financial instrument issued to investors will be

reclassified from liabilities to equity, because the redemption rights granted to the Pre-**[REDACTED]** investors will terminate upon **[REDACTED]** and the relevant financial instrument issued to investors will be reclassified to equity. 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. Also, we recorded net cash outflow from operating activities of RMB68.2 million, RMB648.0 million, RMB2,244.9 million, RMB994.7 million and RMB1,327.2 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. See "Financial Information—Liquidity and Capital Resources—Cash Flows." 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 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 or third parties, which would adversely affect our liquidity and financial condition.

Our cash flow and business sustainability are subject to the timely settlement of payments by our customers. Our customers primarily include enterprises, public sector entities and individual users. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our trade and other receivables amounted to RMB27.9 million, RMB416.4 million, RMB666.8 million and RMB453.4 million, respectively, and we recorded provision for trade receivables of RMB 29.0 thousand, RMB1.0 million, RMB9.0 million and RMB25.9 million. For more details on our trade and other receivables, see "Financial Information—Discussion of Selected Items of Consolidated Statements of Financial Position—Trade and Other Receivables." We cannot assure you that we will be able to collect all or any of our trade receivables or collect the amount for any unbilled work on time, or at all, after meeting the agreed contractual milestones. Our customers may face unexpected circumstances, including, but not limited to, long payment cycle, adverse operating condition or financial condition of our customers, and our customers' inability to pay caused by their end customers' delay in payment. Our customers may delay or even default in their payment obligation. As a result, we may not be able to receive such customer's payment of uncollected debts in full, or at all, and we may need to make provisions for trade and notes receivables. The occurrence of such event would materially and adversely affect our financial condition and results of operations.

The changes in the carrying amounts of financial instruments issued to investors may adversely affect our financial condition and results of operations.

During the Track Record Period, we recognized the financial instruments issued to Pre-**[REDACTED]** Investors as financial liabilities. The Pre-**[REDACTED]** Investors were granted redemption rights to require us to redeem all of the instruments upon certain redemption or liquidation events. See "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments." The financial liabilities are initially recognized and subsequently measured at the present value of the redemption amount, which represents the settlement that would be triggered by the event with the highest settlement outcome. Changes in the carrying amounts of the financial liabilities are recognized as "changes in carrying amounts of financial instruments issued to investors" in profit or loss. We recognized losses in the changes in the carrying amounts of financial instruments issued to investors of RMB45.2 million, RMB161.5 million, RMB468.9 million and RMB429.3 million in 2022,

2023, 2024 and the six months ended June 30, 2025, respectively. Any significant fluctuations in the changes in the carrying amounts of financial instruments issued to investors may materially affect our financial condition and results of operations.

We may not be able to raise adequate capital to finance our business operations, expansion plans or R&D strategies, or we may be able to do so only on unfavorable terms.

The implementation of our business and R&D strategies requires a substantial outlay of capital. In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our net cash used in operating activities amounted to RMB68.2 million, RMB648.0 million, RMB2,244.9 million, RMB994.7 million and RMB1,327.2 million, respectively. Our capital expenditures were RMB31.7 million, RMB508.6 million, RMB132.8 million, RMB104.5 million and RMB23.9 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. As we pursue our business and R&D strategies and seek to respond to developments in our business and opportunities and trends in our industry, our actual capital expenditure may differ from our expected capital expenditures. No assurance can be given that our available funds and cash flow from operations will be 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 may record impairments of intangible assets and goodwill.

We may record impairments of intangible assets and goodwill, which may adversely affect our financial condition and results of operations. Impairment tests on goodwill are undertaken annually or when there is an indication of possible impairment at each reporting date. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When these events occur, we measure impairment by comparing the carrying value of the asset to the recoverable amount of such asset, which is the greater of the fair value less costs of disposal and the value in use. If the recoverable amount is less than the carrying amount of such asset, we recognize an impairment loss based on the recoverable amount of such asset.

The application of impairment test to our intangible assets and goodwill requires management's judgment, including an estimate of the recoverable amount which is the higher of its value in use and its fair value less costs of disposal. We use the value in use of the cash-generating unit to which the goodwill is allocated to determine the recoverable amount. The cash flow projections used to determine the value in use of a cash-generating unit is based on assumptions, such as revenue growth rates, long term growth rate, gross profit margin rates, and discount rate applied to the projected cash flows. These assumptions may be affected by unexpected changes in future market or economic conditions. If our estimates and judgments are inaccurate, the recoverable amount determined could be inaccurate and the impairment recognized may not be adequate, and we may need to record additional impairments in the future.

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 business, results of operations, financial condition and prospects, 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 and 2024 and the six months ended June 30, 2024 and 2025, we incurred share-based payment expenses of RMB1.0 million, RMB5.5 million, RMB23.6 million, RMB4.2 million and RMB 158.9 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, 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 **[REDACTED]**.

We may experience discontinuation, reduction or delay of any preferential tax treatments or government grants.

We and certain of our PRC subsidiaries enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. Our PRC subsidiaries recognized as high and new technology enterprises are subject to a reduced EIT rate of 15%. In addition, certain of our PRC subsidiaries recognized as small and low-profit enterprises are subject to a reduced EIT of 20%. Such preferential tax treatments are subject to change and termination. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation of any of the various types of preferential tax treatment we enjoy could materially and adversely affect our results of operations.

We also receive grants from local governments, which are discretionary and vary from year to year. In 2022, 2023 and 2024 and the six months ended June 30, 2025, we recorded government grants as deferred income amounting RMB10.3 million, RMB29.7 million, RMB34.8 million and RMB36.2 million, respectively. Local governments may decide to adjust such grants in the future. We cannot assure you of the continued availability of the government grants currently enjoyed by some of our PRC subsidiaries. Any reduction, cancelation, or repayment of government grants could adversely affect our business, financial condition and results of operations.

RISKS RELATED TO THE JURISDICTIONS WHERE WE CONDUCT BUSINESS

Changes in China's economic, political and social conditions, as well as government policies, could have a material adverse effect on our business and prospects.

Our business, financial condition and results of operations may be influenced by the general political, economic and social conditions in China, where we operate and conduct our R&D activities. 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 AI industry 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.

We may be subject to the approval or other requirements of the China Securities Regulatory Commission or other PRC governmental authorities in connection with future security activities.

As the PRC laws and regulations in relation to overseas issuance and listing of shares develop, we are required to make filings with or report to CSRC or other PRC regulatory authorities for our future capital raising activities. 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 their implementation guidelines. The Trial Measures, which came into effect on March 31, 2023, mainly provide the scope of activities subject to the filing requirement, the entities subject to filing obligations, and the filing procedures. See "Regulatory Overview—Regulations Relating to Overseas Securities Offering, Listing and Full Circulation of H Shares-Regulations on Overseas Securities Offering and Listing. We are required to file with the CSRC in accordance with the Overseas Listing Trial Measures after our application for the **[REDACTED]** is submitted. If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as

order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. In addition, such failure may restrict our ability to complete the proposed **[REDACTED]** and to finance the development of our business and may have a material and adverse effect on our business, financial condition and prospects.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關于加强境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Archives Rules"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. Any failure to comply with Archives Rules may materially and adversely affect our business, results of operations, financial condition and prospects.

We are closely monitoring how they will affect our operations and our future financing. In addition, if the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this **[REDACTED]** or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such requirements, if and when procedures are established to obtain such a waiver. Any unforeseen situations or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, financial condition, prospects and the trading price of our Shares.

It may be difficult to effect service of process, enforce foreign judgments or bring original actions against us, our Directors, Supervisors and senior management residing in China.

We are a company incorporated under the PRC laws and substantially all of our assets and subsidiaries are located in China. Substantially all of our Directors and senior management reside within China. As a result, it may not be possible for you to effect service of legal process within China on us or our Directors or senior management. Judgments of courts of another jurisdiction may be reciprocally recognized or enforced if the jurisdiction has a treaty on that with China. Currently, China does not have treaties providing for the reciprocal enforcement of judgments in civil and commercial matters by courts with Japan, the United States, the United Kingdom or most other western countries. On July 14, 2006, Hong Kong and China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "Arrangement"), pursuant to which reciprocal recognition and enforcement of the judgment may be possible between these two jurisdictions provided that the judgment is rendered by a designated court of these two jurisdictions and the parties has a expressly written choice of court. On January 18, 2019, the Supreme People's Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"), which became effect on January 29, 2024, which seeks to establish a mechanism with further clarification on and certainty for reciprocal recognition and enforcement of judgments in a wider range of civil and commercial matters between Mainland China and Hong Kong. Although the New Arrangement has been signed, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. In addition, Hong Kong has no arrangement for

reciprocal enforcement of judgments with the United States and certain other jurisdictions. As a result, you may encounter difficulty in enforcing foreign judgments against us or our Directors or senior management.

Laws and regulations over foreign currency conversion and on the remittance of Renminbi into and out of China may affect our utilization of our revenue and our ability to remit dividends.

The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of Renminbi into and out of China. Under the existing PRC foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we do not meet the procedural approvals in respect of the foreign exchange administration, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Fluctuations in exchange rates of Renminbi against Hong Kong dollar, U.S. dollar or other foreign currencies could affect our business, results of operations, financial condition, and the value of your investment.

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in China's and international political and economic conditions. The **[REDACTED]** from the **[REDACTED]** will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against U.S. dollar, Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our **[REDACTED]** from the **[REDACTED]**. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on our H Shares in foreign currencies. We have not utilized, and may not in the future utilize, any instrument to reduce our foreign currency risk exposure. All of these factors could affect our business, results of operations, financial condition and prospects, and could affect the value of, and dividends payable on, our H Shares in foreign currency terms.

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税法》) 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.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRSs in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

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 (《關于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 completion of the **[REDACTED]**. 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 RELATED TO THE [REDACTED]

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

Prior to the **[REDACTED]**, 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 **[REDACTED]**. The **[REDACTED]** range for our H Shares was the result of negotiations between us, the **[REDACTED]** and the **[REDACTED]** on behalf of the **[REDACTED]** and the **[REDACTED]** may differ significantly from the market price for our H Shares following the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]** 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.

You will incur immediate and significant dilution if the [REDACTED] of our H Shares is substantially higher than the net tangible book value per H Share, and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of the Shares is higher than the net tangible book value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the Shares in the **[REDACTED]** will experience an immediate dilution in pro forma net tangible book value, and our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share of their Shares. In addition, holders of our Shares may experience further dilution of their interests if the **[REDACTED]** exercise the **[REDACTED]** or if we issue additional shares in the future to raise additional capital.

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, 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—Dividend Policy."

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

Certain facts, forecasts and other statistics contained in this document relating to China, the PRC economy and the industry in which we operate have been derived from various official government publications. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot assure you of the accuracy or completeness of information obtained from these sources. The information from official government sources has not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]** or any other party involved in the **[REDACTED]** and no representation is given as to its accuracy. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your investment in our H Shares.

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

Prior to the publication of this document, there has been and there may also be, subsequent to the date of this document but prior to the completion of the **[REDACTED]**, press and media coverage regarding us, our business, our industry and the **[REDACTED]** which contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of such projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.

WAIVER FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the **[REDACTED]**, our Group has sought the following waiver from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

All of our executive Directors currently reside in the PRC and in the future will not be ordinarily resident in Hong Kong. Since most of our Group's core business operations are based, managed and conducted outside of Hong Kong, our Group does not have, and in the foreseeable future will not have, a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for[, and the Stock Exchange has granted us,] a waiver from compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to, among others, the following conditions:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed two authorized representatives (the "Authorized Representatives"), Dr. Liu Debing (劉德兵), our executive Director and chairman of the Board, and Cheng Ching Kit (鄭程傑), our company secretary, who will act as our Company's principal channel of communication with the Stock Exchange. Each of our Authorized Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and/or email (where available). Each of our Authorized Representatives is authorized to communicate on our behalf with the Stock Exchange;

(b) each of our Authorized Representatives has means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Each of our Directors has provided his/her respective mobile phone numbers, office phone numbers, fax numbers and/or email addresses (where available) to our Authorized Representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our Authorized Representatives or maintain an open line of communication via his/her mobile phone. Each of our Directors and Authorized Representatives has provided his/her mobile phone numbers, office phone numbers, fax numbers and/or email addresses (where available) to the Stock Exchange;

(c) pursuant to Rule 3A.19 of the Listing Rules, we have appointed Maxa Capital Limited as our Compliance Advisor, which shall have access at all times to our Authorized Representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication between the Stock Exchange and us upon **[REDACTED]**; and

(d) meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange of any changes of our Authorized Representatives, the Directors and/or the Compliance Advisor as soon as practicable in accordance with this Listing Rules.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Name	Address	Nationality
Executive Directors		
Dr. Liu Debing (劉德兵)	Unit 1304, Unit 3, Building 3 District 2, Chaoxin Jiayuan Xili Chaoyang District, Beijing PRC	Chinese
Dr. Zhang Peng (張鵬)	Unit 201, 6th Floor, Building 5 Courtyard 5, Liqing Road Chaoyang District, Beijing PRC	Chinese
Ms. Zhang Xiaohan (張笑涵)	Room 603 No. 17, Lane 300, Qinzhou South Road Xuhui District, Shanghai PRC	Chinese
Non-executive Directors		
Dr. Li Juanzi (李涓子)	Apartment 1701, Unit 4, Building 10 Xueqingyuan, Xueqing Road Haidian District, Beijing PRC	Chinese
Mr. Li Jiaqing (李家慶)	Room 302 No. 8, Lane 800, Jinxiu Road Pudong New Area, Shanghai PRC	Chinese
Mr. Wang Meng (王盟)	Room 101, Unit 2, Building 11 One Sino Park No. 2 Qijia Village South Street Xingshikou Road Haidian District, Beijing PRC	Chinese
Independent non-executive Directors		
Dr. Yang Qiang (楊強)	Room 22M, Tower 1B Henley Park, 8 Muk Tai Street Kowloon, Hong Kong	Chinese (Hong Kong)
Mr. Xie Deren (謝德仁)	Apartment 1202, Unit 2, Building 5 Xueqingyuan, Xueqing Road Haidian District, Beijing PRC	Chinese

DIRECTORS, SUPERVISOR AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. Tang Ying (唐穎)	Room 1902, Building 3 Courtyard 23 Guangqu Road Chaoyang District, Beijing PRC	Chinese
Supervisor [Note]		
Mr. Pei Bo (裴博)	Room 1085, 8th Floor, Building 20 Xiajiayuan Subdistrict Office Chaoyang District, Beijing PRC	Chinese

Note: In accordance with the applicable PRC laws and regulation, the Supervisor will resign as Supervisor of the Company with effect from the completion of **[REDACTED]**.

For further information regarding our Directors and Supervisor, see "Directors, Supervisor and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor, [REDACTED]

China International Capital Corporation Hong Kong Securities Limited

29/F, One International
Finance Centre, 1 Harbour View Street
Central, Hong Kong

[REDACTED]

Legal advisers to our Company

As to Hong Kong and U.S. laws:
Linklaters
11/F, Alexandra House
Chater Road
Central
Hong Kong

As to PRC laws:
Tian Yuan Law Firm
Unit 509, Tower A
Corporate Square
35 Financial Street
Xicheng District
Beijing
PRC

	As to International Sanctions laws: **King & Wood Mallesons** 10F, Building B4, Xinchen Lingang Center Lane 9, North Yunjuan Road, Shengang Street Pudong New District, Shanghai PRC
Legal advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Baker & McKenzie** 14/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong *As to PRC laws:* **Commerce & Finance Law Offices** 12-14th Floor, China World Office 2 No. 1 Jianguomenwai Avenue Beijing PRC
Reporting Accountants and Independent Auditor	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road, Central Hong Kong
Industry consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 West Nanjing Road Jing'an District Shanghai PRC

[REDACTED]

CORPORATE INFORMATION

Headquarters and registered office in the PRC	10th Floor, Building 9 Yard 1, Zhongguancun East Road Haidian District Beijing PRC
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East, Wanchai Hong Kong
Company's website	**www.zhipuai.cn** *(information on this website does not form part of this document)*
Company Secretary	**Mr. Cheng Ching Kit (鄭程傑)** *(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 40/F, Dah Sing Financial Centre 248 Queen's Road East, Wanchai Hong Kong
Authorized representatives	**Dr. Liu Debing (劉德兵)** 10th Floor, Building 9 Yard 1, Zhongguancun East Road Haidian District Beijing PRC **Mr. Cheng Ching Kit (鄭程傑)** 40/F, Dah Sing Financial Centre 248 Queen's Road East, Wanchai Hong Kong
Audit Committee	Mr. Xie Deren (謝德仁) *(Chairperson)* Dr. Yang Qiang (楊強) Dr. Li Juanzi (李涓子)
Remuneration Committee	Mr. Tang Ying (唐穎) *(Chairperson)* Dr. Liu Debing (劉德兵) Mr. Xie Deren (謝德仁)
Nomination Committee	Dr. Yang Qiang (楊強) *(Chairperson)* Mr. Tang Ying (唐穎) Dr. Li Juanzi (李涓子)
ESG and Strategy Committee	Dr. Li Juanzi (李涓子) *(Chairperson)* Dr. Liu Debing (劉德兵) Dr. Yang Qiang (楊強)

CORPORATE INFORMATION

Compliance advisor

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

[REDACTED]

Principal banks

China Merchants Bank Co., Ltd.
(Beijing Tsinghua Yuan Technology and Finance Branch)
G/F, Building B, Technology Tower
Tsinghua Science Park
Haidian District, Beijing
PRC

*Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by us and prepared by an independent third party, Frost & Sullivan. The information from official government sources has not been independently verified by us, the Sole Sponsor, [***[REDACTED]***, the* **[REDACTED]***, the* **[REDACTED]***, the* **[REDACTED]***, the* **[REDACTED]***] or any of their respective directors, officers, employees, advisors or agents or any other parties involved in the* **[REDACTED]***, and no representation is given as to its accuracy, fairness and completeness.*

OVERVIEW OF ARTIFICIAL INTELLIGENCE MARKET

Artificial Intelligence Has Brought the Fourth Industrial Revolution to An Inflection Point

The Fourth Industrial Revolution represents a profound global technological transformation, characterized by the convergence of the physical, digital and biological worlds. Unlike the first three industrial revolutions which were powered by steam, electricity and computers and Internet, the Fourth Industrial Revolution is unfolding at a faster pace, on a broader scale, and with deeper impacts on society and the economy. Artificial intelligence (AI) is one of the most critical drivers and defining forces of this revolution. It plays an irreplaceable role in enabling other digital technologies, realizing intelligent automation, creating new business models and industries and merging the physical and digital realms.

AI is a major branch of computer science, referring to technologies that simulate and extend human intelligence, enabling machines to perceive, understand, reason, learn and make autonomous decisions. These capabilities allow machines to perform complex tasks without human intervention. The development of AI is profoundly transforming economic growth, business operations and human life. It is estimated that AI will empower at least 20% of daily business decision-making worldwide and enable at least 80% of consumer mainstream smart devices globally by 2030, creating an AI-influenced economy of over US$20 trillion.

Computing power, algorithms and data are key drivers of the AI market growth:

- *Computing power*. Computing power forms the foundation for training and inference of AI models and is essential for scaling and commercializing AI technologies. As models become increasingly complex and model parameters grow exponentially, the demand for computational resources continues to rise.

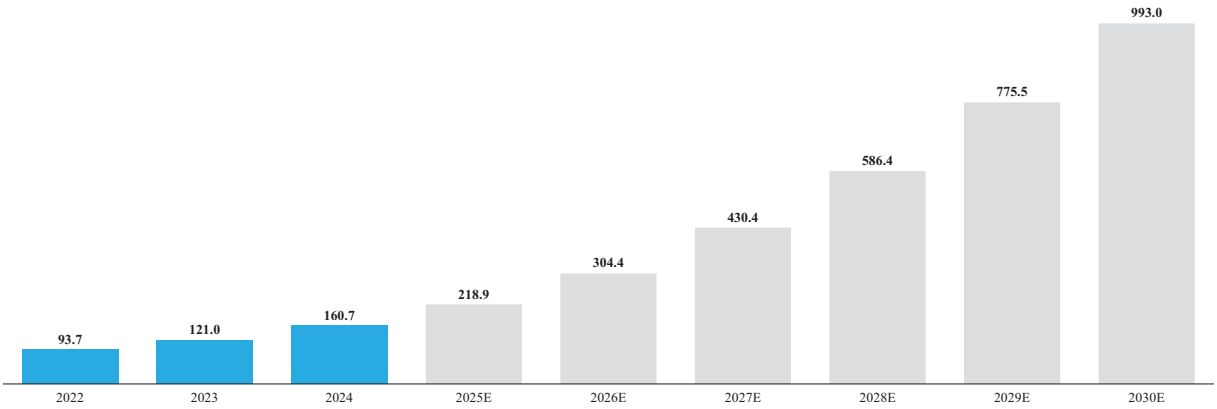
- *Algorithms*. Algorithms are essential building blocks that enable AI to mimic—and even exceed—human intelligence. The optimization and innovation of algorithms directly influence learning efficiency, general capabilities and adaptability. From simpler algorithms used in early days such as decision trees and support vector machines to advanced approaches nowadays such as deep neural networks and Transformer-based algorithm architectures, the evolution of algorithms has driven breakthroughs in fields such as multimodal interaction and agent-based task execution. Superior algorithms improve model performance and significantly reduce reliance on computing power, enhancing the feasibility and cost-effectiveness of AI applications.

- *Data*. Data are a fundamental element for training and continuously optimizing AI models. The improvement of AI capabilities depends on large volume of high-quality data inputs. By deeply mining data and recognizing patterns, AI models gradually enhance their performance in perception, understanding and decision-making tasks. Therefore, the scale, quality and diversity of data directly determine the learning outcomes and intelligence levels of AI systems.

The size of the AI market in China grew from RMB93.7 billion in 2022 to RMB160.7 billion in 2024, representing a CAGR of 31.0% from 2022 to 2024, and it is estimated to further increase to RMB993.0 billion in 2030 with a CAGR of 35.5% from 2024 to 2030.

Market Size of AI Market in China, in terms of revenue (RMB billions)

	2022-2024	2024-2030E
CAGR	31.0%	35.5%



Note: The size of AI market in China represents the market players' revenue derived from the provision of AI solutions.

Source: Frost & Sullivan, China Academy of Information and Communications Technology (CAICT)

Key Differences Between Large Language Models and Discriminative AI

AI technology is undergoing a significant shift from traditional discriminative AI to large language models (LLMs). Traditional discriminative AI focuses primarily on recognition and judgment tasks, such as classification, regression and object detection. At its core, it learns the mapping relationship between inputs and labeled outputs to help machines make accurate decisions. LLMs are very large deep learning models that are pre-trained on vast amounts of data and are built upon neural networks with billions to hundreds of billions of parameters, making them capable of understanding and generating natural language and other types of contents to perform a wide range of tasks. As a result, they are capable of handling tasks that traditional discriminative AI methods struggle with. The main differences between discriminative AI and LLMs can be summarized as follows.

	LLMs	Discriminative AI
Main Functions	• Capable of performing various generative tasks including text, image, audio and code generation, and content summarization, translation and style transformation. The core lies in generating semantically coherent content based on contextual understanding. • With autonomy, perception, decision-making and execution capabilities, LLMs can act independently in response to external changes and set goals.	• Focuses on classifying input data into predefined categories or making predictions based on labeled data. Emphasizes recognition and abstraction of existing knowledge. Mainly applied in tasks such as image recognition, voice interaction and intelligent recommendation.

	LLMs	Discriminative AI
Application Examples	• Generative tools for text, images, audio, video, code and AI agents.	• Facial recognition, speech recognition and media content recommendation.
Computing Power	• Requires high-performance GPUs or specialized AI chips, and optimized hardware architecture to support large-scale training and inference. Especially during training, it demands massive distributed computing clusters.	• Typically has fewer parameters and can be trained or run using general-purpose CPUs or GPUs. Usually does not require large-scale distributed computing clusters.
Algorithms	• Primarily based on Transformer architectures with billion or more parameters, along with reinforcement learning techniques.	• Typically uses techniques such as logistic regression, support vector machines, decision trees, random forests and smaller neural networks.
Data	• Relies mainly on large-scale unstructured data (especially in pre-training), with relatively low dependency on labeled data (mostly needed in later fine-tuning stages).	• Heavily dependent on structured, high-quality labeled data.

Compared with LLMs, discriminative AI has clear limitations in generalization, semantic understanding and multimodal processing as well as autonomous decision-making and interaction capabilities, making it difficult to meet increasingly complex and diverse application demands.

- *Limited semantic understanding and multimodal capabilities.* Discriminative AI struggles with deep semantic comprehension, making it difficult to handle multi-turn dialogs and process multimodal information effectively.

- *Limited generalization.* Discriminative AI is typically designed for specific tasks, making it less adaptable to new tasks and lacking in flexibility and general-purpose applicability.

- *Lack of autonomous decision-making.* Discriminative AI primarily operates in a passive and reactive manner, lacking the ability to make independent decisions.

OVERVIEW OF LLMS MARKET IN CHINA

LLMs Emerge as a Core Force Driving Paradigm Shifts in the AI Market

AI is currently transitioning from Artificial Narrow Intelligence (ANI), which is limited to specific tasks, toward Artificial General Intelligence (AGI), which represents a sophisticated level of artificial intelligence that matches and even surpasses human capabilities across all cognitive tasks. LLMs are at the heart of this shift and are emerging as the key driving force behind this new era in AI development. With continuous breakthroughs in parameter scale, semantic understanding, multimodal fusion and self-evolution

capabilities, LLMs have overcome the limitations of fragmented traditional discriminative AI applications. They are beginning to show technical potential to approach general intelligence.

Based on levels of capabilities, LLMs can be categorized into five stages:

- **Pre-training stage.** Capable of understanding, writing and speaking natural language, with basic language interaction abilities such as text-based conversations, it represents the earliest form of linguistic intelligence.

- **Alignment and reasoning stage.** With multimodal understanding and output capabilities, these models are aligned with human intentions and are further developed to reason and plan. This enhances safety, reduces hallucination and extends alignment capabilities beyond text to include images, videos, audio, and actions.

- **Self-learning stage.** Capable of using tools and calling external resources (such as APIs, standard software or physical devices) to solve real-world problems, these models can plan and execute multi-step tasks through self-critique, self-reflection and rumination, marking a transition from closed models to open ecosystem collaboration.

- **Self-perception stage.** Operating independently of human oversight, these models form their own attitudes and simulated emotions by observing and interpreting behavior on their own.

- **Consciousness stage.** Attaining a form of awareness regarding both their internal processes and external environment, these models can explore scientific laws and address philosophical questions. These models demonstrates systematic thinking and organizational skills. These models may integrate themselves into complex social structures or develop self-organizing systems.

There is no official standard but the AI industry (both in China and the world) has a strong converging view on the stages of development toward AGI, according to Frost & Sullivan. The sequence is closely modeled on developmental stages observed in cognitive science, where intelligence is seen as progressing from basic perception and linguistic capability, through the acquisition of reasoning and problem-solving skills, to the emergence of self-awareness and abstract thinking. This analogy underpins the rationale for understanding artificial intelligence development into stages that reflect increasing complexity and autonomy.

Leading institutions further validate this approach. For example, OpenAI, one of the globally leading AI companies, has articulated a similar framework to describe the evolution of AI capabilities, which is also structured around five levels of development as of the date of this document. At Level 1, Conversational AI refers to systems that interact with users through natural, conversational language. Level 2, Reasoning AI, describes systems that perform basic problem-solving tasks at a level comparable to a person with doctorate-level education. Level 3, Autonomous AI, involves agents that can independently take actions and complete tasks on a user's behalf. Level 4, Innovating AI, covers systems that generate new ideas and innovations without human intervention. Finally, Level 5, Organizational AI, represents the stage sometimes described as "super-AI," in which AI performs the full range of functions typically carried out by an entire organization. This growing harmonization of thinking among the academia and technology companies suggests that the five-stage taxonomy provides a useful and widely acknowledged roadmap.

Enterprise Scenario is the Primary Commercial Application Focus for LLMs in China

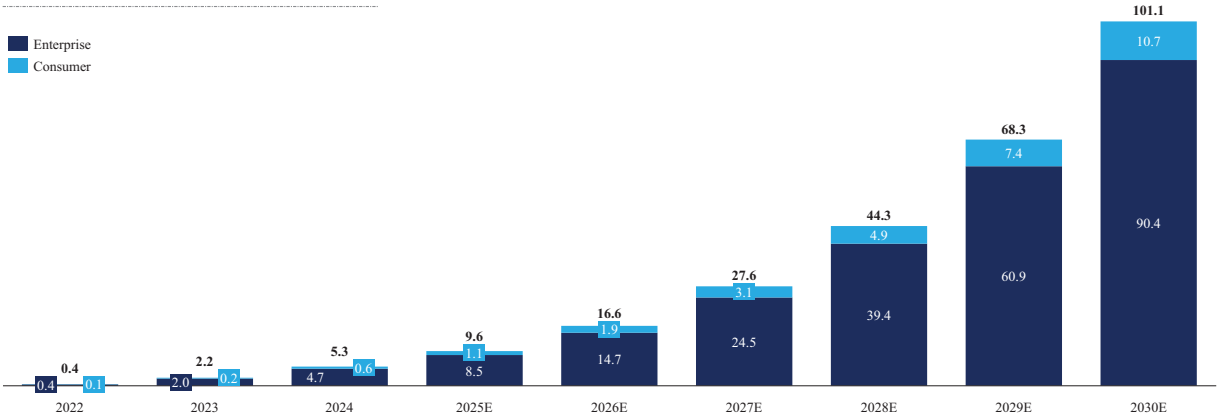
The commercialization of LLMs involves offering model capabilities, toolchain support and training or fine-tuning services for enterprises, and offering AIGC (AI-generated content) applications for individual users. Through deployment methods such as cloud-based deployment and on-premises deployment, LLM providers enable enterprises to build intelligent capabilities in text generation, semantic understanding, logical reasoning and multimodal interaction.

In terms of the progress of commercialization, the consumer market for LLMs in China is still at its early stage. While consumer-facing applications like AI assistants and AIGC tools are emerging, the users' willingness to pay for LLMs remains low. In contrast, the enterprise scenario is the main driver of growth in LLM market in China. Enterprises have clear and strong practical needs for LLM deployment and show higher ability to pay and better efficiency in adopting LLMs in their business operations. As a result, the current focus of commercialization of LLMs in China is centered on adoption by institutional customers. LLMs are increasingly being integrated into enterprise business workflows to enhance efficiency and productivity across multiple functions. For customer service, LLM-powered chatbots and virtual agents deliver personalized communication based on customer profiles and interaction histories. For marketing and sales activities, LLMs enable automated campaign content generation and personalized messaging to improve engagement and conversion. For productivity and workflow automation, LLMs are embedded into productivity software and tools, supporting tasks such as email drafting, meeting note generation and documentation processing, thereby reducing time spent on routine work. By leveraging LLMs, enterprises can automate repetitive, text-heavy processes, make more informed and data-driven decisions and generate highly personalized and contextually relevant content.

In terms of revenue, the size of the LLM market in China was RMB5.3 billion in 2024, with institutional customers contributing RMB4.7 billion and individual customers contributing RMB0.6 billion. With the continued advancement of LLM technologies and growing demand from both institutional and individual customers, the market is estimated to grow to RMB101.1 billion by 2030, representing a CAGR of 63.5% from 2024 to 2030. With institutional customers remaining as the main growth driver, the enterprise LLM market in China is estimated to reach RMB90.4 billion by 2030, representing a CAGR of 63.7% from 2024 to 2030.

Size of the LLMs Market in China, in terms of revenue (RMB billions)

CAGR	2022-2024	2024-2030E
Total	**264.0%**	**63.5%**
Enterprise	261.3%	63.7%
Consumer	192.8%	61.6%



Source: Frost & Sullivan, CAICT

Diversified Business Models in Enterprise LLMs Market in China

With the continuous evolution of LLM technology and the rapid growth of enterprises' demand, the commercialization path of China's enterprise LLM market has become increasingly clear and is showing a diversified landscape. Currently, the main business models for enterprise LLMs include two approaches: cloud-based deployment and on-premise deployment, each catering to different enterprise needs in terms of cost, data security and real-time business requirements. Cloud-based deployment solutions offer LLM toolchains, application development platforms and model services (typically delivered via APIs) provided

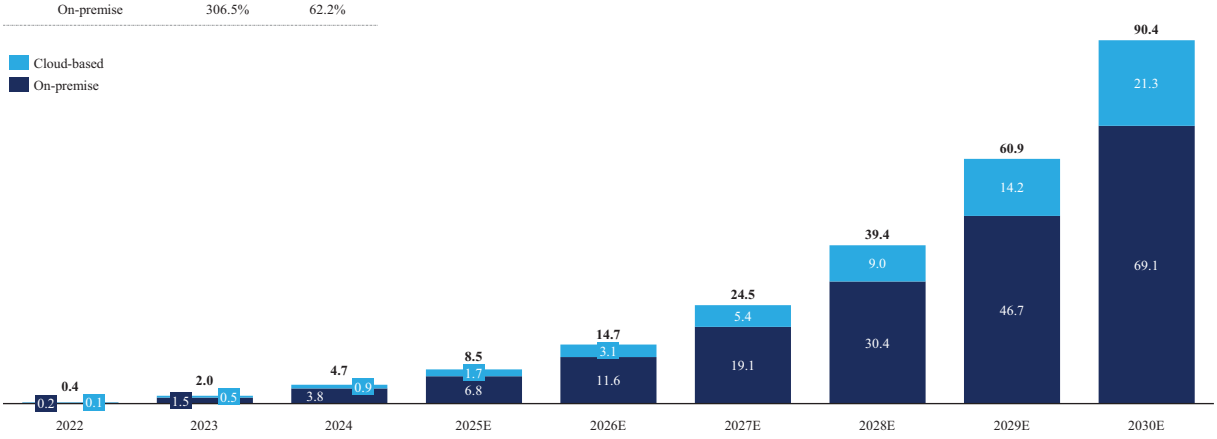
by LLM providers to enterprises through the cloud. On-premise deployment solutions, by contrast, are customized software and services installed within an enterprise's own IT environments. These solutions include locally deployed LLMs, toolchains and tools for model training and fine-tuning. This setup allows organizations to build, train and use LLMs tailored to their needs, all within their own infrastructure.

	Cloud-based Deployment	On-Premise Deployment
Pricing Model	• Subscription-based / Pay-per-use • Embedded in software licensing / hardware bundling	• Based on the specific products and/or services provided to clients
Typical Clients	• Software application service providers, smart hardware manufacturers and small and medium-sized enterprises	• Large enterprises
Core Features	• Standardized, easy to integrate, pay-as-you-go and highly flexible • Suitable for lightweight deployment and rapid testing	• Can be customized based on specific requirements, strong data control and high level of security • Suitable for industries with strict data privacy and system stability requirements
Use Cases	• Enterprises integrate general LLM capabilities via API access	• Enterprises deploy LLMs locally to build proprietary model systems

In terms of revenue, the size of the enterprise LLMs market in China was RMB4.7 billion in 2024, of which the cloud-based deployment market accounted for RMB0.9 billion and the on-premise deployment market accounted for RMB3.8 billion. By 2030, the enterprise LLMs market in China is estimated to increase to RMB90.4 billion, with cloud-based deployment market accounting for RMB21.3 billion and on-premise deployment market accounting for RMB69.1 billion. The cloud-based enterprise LLMs market in China is estimated to grow at a CAGR of 69.4% from 2024 to 2030, outpacing the average CAGR of the overall enterprise LLMs market in China of the same period.

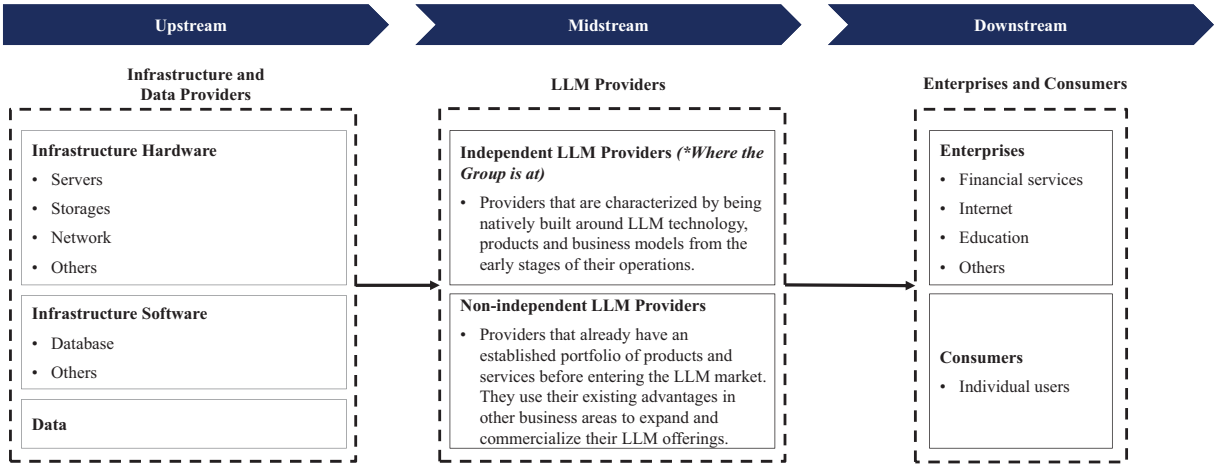
Market Size of Enterprise LLMs Market in China, in terms of revenue (RMB billions)

CAGR	2022-2024	2024-2030E
Total	**261.3%**	**63.7%**
Cloud-based	163.1%	69.4%
On-premise	306.5%	62.2%



Source: Frost & Sullivan, CAICT

Key participants in the LLM industry value chain include upstream participants, comprising infrastructure and data providers, midstream participants, represented by independent LLM providers, such as the Company, and non-independent LLM providers, and downstream participants, comprising of enterprises and individual consumers. The following chart sets forth key participants in the LLM industry value chain.



Source: Frost & Sullivan

Cloud-based Solutions Provide Enterprises With "Ready-to-Use" LLM Capabilities

As enterprises in China advance their digital transformation, cloud-based deployment is gradually becoming an important path for integrating LLM capabilities. Compared to on-premises deployment, cloud-based deployment offers "ready-to-use" and "scalable" features, enabling software vendors, device manufacturers of AI devices (such as smartphones, embodied AI robots and AI glasses) and various enterprises to access LLM services more efficiently and conveniently, thus meeting diverse business needs.

For software and device providers, cloud-based deployment offers an efficient way to embed LLM functions. Through standardized APIs, they can integrate capabilities such as text generation, image

generation and voice generation into existing products such as customer service platforms, marketing content generators and service robots, or even create new products based on capabilities of LLMs.

For end-use enterprises, training and deploying LLM typically involves intensive investments in computing resources and complex engineering works, making it hard for most to build end-to-end solutions independently. Under the cloud-based model, LLM providers handle centralized training, deployment, fine-tuning and inference, while enterprises access these capabilities through standard APIs and pay by usage or subscription, significantly reducing the barriers of adoption and upfront investment. Cloud-based deployment improves accessibility and shortens the cycle from planning to commercial deployment.

Driving Forces of Cloud-Based Solutions Market

- *Significantly lowering the barriers and costs for enterprise access to LLMs drives demand for cloud-based deployment.* Cloud-based deployment provides "ready-to-use" services via the cloud in the form of APIs. Enterprises do not need to worry about the underlying model architecture, computing resource management or maintenance issues. With on-demand usage and pay-as-you-go pricing, cloud-based deployment greatly reduces initial investment and operational costs. For example, if an enterprise opts not to deploy on the cloud, a single H100 GPU costs approximately USD 25,000. For enterprises that require multiple GPUs configured within a single system, the expenses can be substantial, particularly for small- and medium-sized enterprises. Cloud deployment reduces or eliminates the need for substantial capital expenditures, such as purchasing GPUs, by enabling operational expenditure models where you pay for usage as needed, avoiding large upfront hardware investments. Through standardized services and tiered pricing mechanisms, cloud-based deployment enables small and medium-sized enterprises and innovation teams to access high-quality LLM capabilities with lower barriers. The inclusive nature of cloud-based deployment helps transform AI technology from a tool exclusive to large enterprises into a universal infrastructure for all types of enterprises, accelerating the intelligent transformation of the entire industry.

- *The agile nature of cloud-based deployment also drives demand.* In fast-changing and highly competitive environments, enterprises increasingly require flexible and scalable AI capabilities. With cloud-based standardized interfaces, cloud-based deployment allows enterprises to integrate models within hours, enabling rapid transitions from testing to deployment. The "elastic supply and fast delivery" model enables businesses to experiment and implement solutions quickly and flexibly. In contrast, on-premises deployment may progress more slowly depending on internal infrastructure build-out, and its scalability could be constrained by the capacity of purchased hardware.

- *Strong and rapidly evolving technical capabilities.* Leading cloud-based LLMs providers invest heavily in computing power, training data and engineering resources to train proprietary LLMs with robust generalization and reliability. These models are continuously fine-tuned and optimized by expert teams, with updates pushed via the cloud. This rapid iteration ensures that enterprises always have access to the most advanced AI capabilities, a benefit that most on-premise deployments cannot match.

Future Trends of the Cloud-Based Deployment Model

- *Leading market players expected to increase market share.* As the cloud-based solutions market matures, leading providers are consolidating their advantages in model performance, ecosystem development, customer resources and service delivery. Their large-scale delivery capacity and accumulated expertise allow them to create full-cycle commercial models and diverse monetization strategies. Given the service-dependency and high client loyalty of cloud-based solutions, market leaders are also more likely to retain and expand their user base. As enterprises

increasingly prioritize model stability, service reliability and ongoing optimization, smaller players face challenges in computational resources, product maturity and domain-specific customization. This will likely lead to increased market concentration.

- *Multimodal integration.* Multimodal integration is emerging as a critical direction. Enterprises now seek models that can process and generate not only text but also visual, audio and motion data. For example, manufacturers want models to analyze images and video streams from production lines for quality checks and fault detection. In finance, multimodal data fusion enhances risk assessment and customer interaction. In the future, LLMs will expand from text processing to image recognition, video analysis, 3D modeling and more, enabling holistic AI solutions and better decision-making for enterprises.

On-Premise Deployment Offers More Secure and Customizable LLM Capabilities

In the current AI application landscape, on-premise deployment is becoming a key strategy for large enterprises aiming to build proprietary AI capabilities. By hosting models and supporting infrastructure within their own IT environments, enterprises in sectors such as finance, government and healthcare, which require high levels of security, control and response stability, can ensure greater privacy and autonomy. On-premise deployment also allows enterprises to fine-tune models based on internal data and workflows, meeting the complex, and high-stakes demands of various specialized scenarios.

Drivers of the On-Premise Deployment Model

- *Demand for secure and controllable AI capabilities*. For enterprises with mission-critical systems, on-premise deployment reduces reliance on external networks and minimizes service disruption caused by connectivity issues or cloud service failures. Enterprises gain full control over system architecture and resource allocation, improving system reliability and responsiveness. Additionally, as data privacy has been one of the top concerns for enterprises deploying LLMs, keeping data within internal infrastructure helps meet strict data security, privacy and compliance requirements, particularly important for institutions in finance, healthcare and government sectors where data protection, sovereignty and direct operational control outweigh the benefits of cloud-deployment.

- *Need for industry-specific customization*. LLM applications are often highly specialized, involving areas such as intelligent customer service, legal document review, financial analytics and medical diagnosis. On-premise deployment allows enterprises to privately train and fine-tune models using proprietary data and domain-specific knowledge bases. This leads to better alignment with business workflows and significantly improves real-world performance and value.

Future Trends of the On-Premise Deployment Model

- *Dual-engine model of open source and commercialization*. Open-source and closed-source models will co-exist and develop alongside each other. Open-source models, because of their flexibility and accessibility, will likely remain attractive to enterprises. They help lower the costs of innovation and make it easier for enterprises to develop customized applications. Their openness also drives fast technology diffusion and collaborative innovation, accelerating model adoption. At the same time, closed-source models, developed and maintained by professional technical teams, offer more stable and efficient performance and more robust support services. In the future, open-source models will play a key role in driving technical innovation and fostering collaboration within the community, while closed-source models will take the lead in commercial applications and enterprise services. This dual-engine development will offer enterprises a wider range of choices to meet diverse needs across industries and scenarios.

- I*mprovement of the LLM value chain and ecosystem building*. The rapid growth of enterprise AI market in China is supported by a maturing value chain, from upstream data collection, annotation and computing resource infrastructure, to midstream model development and algorithm optimization, and downstream industry-specific applications and commercialization. This ecosystem is becoming increasingly collaborative, with deeper partnerships across the value chain that promote sustainable market growth.

- *Coexistence of general-purpose foundations and vertical ecosystems*. The market will evolve into a structure combining general-purpose foundations with vertical ecosystems. General-purpose models, often offered by tech giants, will serve as digital infrastructure, providing standardized services for general semantic understanding and generation. Meanwhile, industry-specific vertical models and solutions will emerge. For example, in healthcare industry, LLMs will integrate with medical imaging and electronic health records to form a vertical medical ecosystem. In finance industry, LLMs will focus on scenarios such as risk analysis and investment decisions to build a financial ecosystem. This coexisting structure offers enterprises both the broad capabilities of general models and the deep functionality of vertical solutions, advancing the market toward greater diversity and specialization.

COMPETITIVE LANDSCAPE OF LLM MARKET IN CHINA

Overview and Ranking of LLM Market in China

Participants in the LLM market in China can be divided into independent providers and non-independent providers. Independent providers are characterized by being natively built around LLM technology, products and business models from the early stages of their operations. Their businesses typically do not compete with those of their clients within the industry ecosystem. In contrast, non-independent providers already have an established portfolio of products and services before entering the LLM market. They use their existing advantages in other business areas to expand and commercialize their LLM offerings.

In term of revenue in 2024, the Company is the largest independent LLM provider and the second-largest overall LLM provider in China.

Ranking of Top LLM Providers in China, in terms of revenue (2024)

Ranking of Top LLM Providers in China				
Ranking	Company	Type	Revenue (RMB Billion)	Market Share
1	Company A	Non-independent	0.44	9.4%
2	The Company	Independent	0.31	6.6%
3	Company B	Non-independent	0.30	6.4%
4	Company C	Non-independent	0.29	6.1%
5	Company D	Non-independent	0.22	4.7%

Notes:

1) Company A, founded in 1999 in Hefei, is a public company listed on Shenzhen Stock Exchange. It 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 and enterprise AI solutions, among others, to both institutional and individual customers based on various monetization method such as project-based method and sales of products. It had approximately 5,000 employees as of December 31, 2024.

2) Company B, founded in 1999 in Hangzhou, is a public company listed on both the Hong Kong Stock Exchange and the New York Stock Exchange. It provides a wide range of services, including cloud and AI services, logistics services, local lifestyle services, entertainment services and e-commerce services to both institutional and individual customers based on a variety of monetization method, such as project-based method and take rate-based method. It had less than 0.2 million employees as of December 31, 2024.

3) Company C, founded in 2014 in Hong Kong, is a public company listed on the Hong Kong Stock Exchange. It is an AI company primarily adopting computer vision technology and primarily provides computer vision AI solutions, automobile solutions and computing infrastructure solutions, among others, to institutional customers based on project-based monetization method. It had less than 5,000 employees as of December 31, 2024.

4) Company D, founded in 2000 in Beijing, is a public company listed on both Hong Kong Stock Exchange and NASDAQ. It is an AI company that offers a wide range of products and services including mobile internet services, cloud services and intelligent driving system, among others, to both institutional and individual customers based on various monetization method, such as project-based method and subscription-base method. It had less than 0.4 million employees as of December 31, 2024.

Source: Expert interview, Frost & Sullivan

The MaaS platform of the Company also has a comprehensive model portfolio with diversified features supported.

	Language	Code generation	Image generation	Video generation	Audio generation	Real-time video	Inference	Character	GUI Agent	Phone/Web Use	Computer Use
The Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Company A	✓		✓		✓		✓				
Company B	✓	✓	✓	✓	✓		✓				
Company C	✓		✓			✓	✓				
Company D	✓		✓		✓		✓				
Company E	✓	✓	✓	✓	✓	✓	✓				
Company F	✓	✓	✓	✓	✓	✓	✓				

Notes:

1) Company E, founded in 2015 and headquartered in California, United States, is a global AI company specializing in the development of general-purpose AI.

2) Company F, founded in 1998 and headquartered in California, United States, is a global technology company a diversified portfolio of businesses centered on internet-related services and products.

The MaaS platform provided by the Company differs from a traditional Platform-as-a-Service (PaaS) offering, according to Frost & Sullivan. PaaS provides developers with a general-purpose, cloud-based environment that includes middleware, databases and APIs to build, test and deploy software applications. The targeted customers of a PaaS offering are limited to developers, as such platforms are designed to

provide middleware software, runtime environments and other deployment capabilities required for application development. As a result, their primary users are individual developers or development teams within enterprises. The MaaS platform provided by the Company, on the other hand, operates at a higher level of abstraction, focusing specifically on delivering pre-trained large models and model development toolkits as services, enabling enterprises and developers to access, fine-tune and integrate advanced AI models.

The following table sets forth a comparison of MaaS and PaaS platforms.

	MaaS	PaaS
Core Offering	• Provides pre-trained large models, model development toolkits for fine-tuning and integrating advanced AI capabilities into various applications	• Provides a cloud development and deployment platform that enables users to build, deploy, and manage applications without needing to manage the underlying infrastructure
Technical Focus	• Operates at a higher level, delivering AI-native development services where the AI models themselves can also be the core offerings	• Operates at the application development layer that abstracts infrastructure
Target User	• Developers specifically for AI model development without building AI models particularly large models from scratch	• Developers seeking scalable environment for general application development

Key Success Factors of LLMs Market in China

- *Technical barriers.* Leading vendors rely on independently developed LLM pre-training frameworks to build a comprehensive and multi-layered model portfolio with both breadth and depth, which forms a complete matrix that ranges from lightweight edge models to flagship models with hundreds of billions of parameters, supporting various application scenarios such as text generation, image understanding, code generation, multimodal interaction, retrieval-augmented generation and video synthesis. These architectures, which cover multi-dimensional task capabilities, not only meet the increasingly diverse needs of clients but also continuously enhance model general capability and training efficiency through iterative development. In addition, leading companies can quickly customize and optimize models based on real client feedback, driving the evolution of foundational technologies through accumulated scenario data and industry demands. This forms a positive feedback loop featuring low training costs, strong model performance and high adaptability to applications. The systematic synergy from the foundational framework and model design to application feedback significantly raises the technical difficulty for new entrants to replicate or surpass, forming the core technological barrier in the LLMs market in China.

- *Flexible business models and delivery strategies*. Enterprises differ greatly in terms of industry characteristics, data sensitivity, computing power infrastructure and budget levels. Therefore, the ability of vendors to provide flexible and customizable business models as well as diversified delivery strategies has become a key factor in determining their breadth of client coverage and market penetration capabilities. Leading LLM vendors typically offer a range of business models, such as on-demand usage, subscription-based payments and one-time deployment options, to meet the multi-tiered needs of both small and medium enterprises and large enterprises.

- *Ecosystem building capabilities*. Building a large-scale and well-integrated ecosystem has become a crucial barrier to sustainable competitive advantage for leading vendors. Top enterprises have

developed comprehensive ecosystem networks encompassing developer communities, hardware partners, industry clients and public sector users. This expands the application scope and deployment efficiency of their model capabilities, and significantly raises the barriers for new entrants. In the developer ecosystem, some vendors have taken the lead in open-sourcing their models, continuously iterating them while building active communities, thereby accumulating a vast developer base and extending their technological reach. Upstream, leading vendors work closely with major computing chip manufacturers to enable high-efficiency adaptation across multiple hardware platforms and optimize model inference and training performance. Downstream, they collaborate with independent software vendors and key clients in industries such as finance, healthcare, government and manufacturing to jointly develop intelligent solutions, accelerating real-world adoption. This "multi-directional expansion and closed-loop feedback" ecosystem model, which connects open-source communities, software-hardware synergy and industry applications, not only accelerates technical optimization and product iteration but also achieves a deep integration of resources, capabilities and clients, forming an unique ecosystem barrier that is difficult to replicate.

- *Talent barriers*. The LLMs market in China has a high demand for talent, especially for experts with deep technical backgrounds and extensive experience. Leading industry players have attracted top-tier talent and built strong technical teams, while new entrants face intense competition in acquiring skilled professionals.

SOURCE OF INFORMATION

In connection with the **[REDACTED]**, we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the markets in which we operate (the "Frost & Sullivan Report"). 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 RMB600,000 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 **[REDACTED]** 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 **[REDACTED]**.

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 document 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.

REGULATIONS ON INFORMATION INDUSTRY

Regulations on the Application of Artificial Intelligence Technologies

Based on our understanding of the regulatory regime of artificial intelligence technologies and as advised by our PRC Legal Advisor, we are subject to the following AI- related laws and regulations ("AI-related Laws and Regulations").

On November 25, 2022, the CAC, the MIIT and the Ministry of Public Security jointly promulgated the Administrative Provisions on Deep Synthesis in 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. These provisions impose certain compliance obligations on service providers that use deep synthesis technology to provide internet-based information services, including but not limited to establishing databases to identify illegal or malicious information, labeling information generated from using deep synthesis technologies and verifying users' real identities before allowing them to use deep synthesis information publishing services. Deep synthesis technology refers to the use of generative synthetic algorithms such as deep learning and virtual reality to create online content, including text, images, audios, videos, virtual scenes and other related content. In addition, deep synthesis service providers with public opinion attributes or social mobilization capabilities shall conform with filing requirements, modification procedures or cancelation of filing in accordance with the Administrative Provisions on Recommendation Algorithms in Internet-based Information Services (《互聯網信息服務算法推薦管理規定》). Where deep synthesis service providers develop new products, new applications and new functions with public opinion attributes or social mobilization capabilities, they shall conduct a security assessment in accordance with the relevant provisions. As our cloud-based AI model and agent solutions would be considered as internet-based information services using deep synthesis technology, we are subject to the compliance requirements of these provisions.

On July 10, 2023, the CAC and six other ministries jointly published the Interim Administrative Measures on Generative AI Services (《生成式人工智能服務管理暫行辦法》) ("Interim Measures on Generative AI"), which came into effect on August 15, 2023. The Interim Measures on Generative AI apply to the provision of generative content such as text, images, audios and videos to the public within the territory of China by utilizing generative AI technology. As our AI model and agent solutions are generative AI services, we are subject to the Interim Measures on Generative AI.

The Interim Measures on Generative AI impose various obligations on generative AI service providers, from content filtering and control to protecting the personal information of users. Specifically, (i) service providers shall be responsible as producers of the online information. Upon discovering any "illegal content," service providers shall promptly take appropriate measures, such as suspending generation, halting transmission, removing relevant content, implement rectification measures, including model optimization training, and report the foregoing to competent authorities. Service providers shall also add marks to generated content such as images and videos; (ii) service providers shall sign service agreements with users, protect users' personal information and fulfill the obligation to protect users' input information and usage records in accordance with the law. Service providers shall not collect unnecessary personal information, unlawfully retain input information or usage records that can identify users' identities, or unlawfully provide users' input information or usage records to others; (iii) service providers shall specify and publicly disclose the applicable users, scenarios and purposes of their services. Service providers shall guide users to scientifically and rationally understand and use generative AI technology in compliance with applicable laws. Service providers shall implement effective measures to prevent minors from developing excessive dependence on or addiction to generative AI services; and (iv) service providers shall, upon discovering that users are engaging in illegal activities through generative AI services, promptly implement appropriate measures, including issuing warnings, restricting service functions, suspending or terminating services in compliance with relevant laws or as agreed, preserve relevant records and report to the competent authorities.

The Interim Measures on Generative AI provide special requirements for data training activities such as pre-training and fine-tuning. In particular, (i) service providers shall use data and base models from lawful sources; (ii) service providers shall not infringe others' legally vested intellectual property rights; (iii) service providers shall obtain consents from individuals or ensure that other conditions provided by laws and regulations are met if personal information is used; (iv) service providers shall implement effective measures to enhance training data quality, ensuring authenticity, accuracy, objectivity and diversity of the training data; and (v) service providers shall comply with the requirements of relevant laws.

In addition, the Interim Measures on Generative AI require service providers offering generative AI services with public opinion attributes or social mobilization capabilities to conduct security assessments and comply with filing formalities, modification procedures and filing cancellation procedures with the CAC in accordance with the Administrative Provisions on Recommendation Algorithms in Internet-based Information Services (《互聯網信息服務算法推薦管理規定》). To comply with the Measures on Generative AI Services, we have completed eight generative AI filings during the period from August 2023 to June 2025. Furthermore, we have taken measures including but not limited to (i) protecting users' personal information and privacy by providing user agreements and privacy policy which clarify the rights and obligations between parties; (ii) establishing complaint and reporting mechanism to set up a convenient channel for users to file complaints and reports with us; and (iii) taking reasonable disposal measures for illegal information identified during the generative AI service. To identify illegal information during the generative AI service, we established a comprehensive sensitive vocabulary database combined with multilevel review protocols to conduct automated content review. We utilized our models to improve contextual comprehension, enabling detection of illegal information. We also implemented a two-stage review process for high-risk content, including automated initial screening followed by sampled manual re-examination.

On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security and the State Administration for Market Regulation (the "SAMR") joint promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》), which became effective on March 1, 2022. The Administrative Provisions on Internet Information Service Algorithm Recommendation implement classification and grading management for algorithm recommendation service providers based on various criteria and stipulates that algorithm recommendation service providers with public opinion attributes or social mobilization capabilities shall file with the CAC within ten business days from the date of providing such services. We have completed 14 filings of Internet information services algorithm between June 2023 and November 2025.

On March 7, 2025, the CAC, the MIIT, the Ministry of Public Security and the National Radio and Television Administration jointly promulgated the 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 became effective on September 1, 2025. The Measures for the Identification of AI-Generated and Synthesized Content requires that all AI-generated text, images, audio, video and virtual scenes be clearly identified with both explicit and implicit markings. Explicit markings, such as visible text prompts and visual indicators, must be presented prominently to users. Implicit markings, such as metadata and digital watermarks, must embed key production details within the content itself. Service providers, platforms and application distributors are responsible for ensuring compliance. Users must declare when content is generated by AI and tampering with any identification marks is expressly prohibited. The measures provides exemptions for non-public research and development activities. Breaches may result in penalties. As we generate and synthesize content utilizing generative AI technologies, we are subject to such regulations. We make explicit and implicit markings on all AI-generated and sythesized content which is subject to such requirements to make sure that such contents are identified pursuant to the foregoing Measures.

As (i) we have completed relevant filings required under AI-related Laws and Regulations, including algorithms filings and Generative AI filings, and (ii) we have not been subject to any administrative penalties, litigations or criminal liabilities or any material regulatory inquiries, formal notice, warnings, sanctions or penalties in related to AI-related Laws and Regulations during the Track Record Period and up to the Latest Practicable Date, our Directors are of the view, and as confirmed by our PRC Legal Advisors, that during the

Track Record Period and up to the Latest Practicable Date, (a) there was no material discrepancy between requirements under AI-related Laws and Regulations and our practices from PRC legal prospective, (b) we were not in violations of any applicable AI-regulated Laws and Regulations in all material respects, (c) we were not involved in any material investigations by the CAC or received any material regulatory inquiries, formal notice, warnings, sanctions or penalties in relation to AI-related Laws and Regulations. We do not expect the AI-related Laws and Regulations to have any material adverse impact on our business operation and financial performance. Based on the foregoing and the due diligence work performed by the Sole Sponsor, nothing material has come to their attention that contradicts such view of the Directors.

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年本)》), which was promulgated by the National Development and Reform Commission (the "NDRC") on December 27, 2023 and came into effect on February 1, 2024, big data, cloud computing, software and information technology services and blockchain information services are classified as encouraged categories to the extent permitted under relevant PRC laws and regulations.

REGULATIONS RELATING TO INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Regulations relating to Cybersecurity and Internet Information Security

In accordance with the Decisions on Protection of Internet Security (《關於維護互聯網安全的決定》), which were enacted by the SCNPC on December 28, 2000 and amended on August 27, 2009, the following activities conducted through the internet, if constitute a crime according to PRC laws, are subject to criminal punishment: (i) intrusion into a strategically significant computer or system; (ii) intentionally inventing and disseminating destructive programs, such as computer viruses, to attack the computer system and the communications network, thereby destroying the computer system and the communications networks; (iii) violating national regulations, suspending the computer networks or the communication services without authorization; (iv) leaking state secrets; (v) spreading false commercial information; or (vi) infringing intellectual property rights through the internet.

In accordance with the Provisions on Technical Measures for the Internet Security Protection (《互聯網安全保護技術措施規定》), which were promulgated by the Ministry of Public Security on December 13, 2005, internet service providers shall take proper measures including anti-virus, data back-up, record keeping of certain information such as the login-in and exit time of users and other related measures, keep records of certain information about their users for at least 60 days and detect illegal information.

In accordance with the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), which was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, a graded system for cybersecurity protection is adopted, under which network operators are required to perform the obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered. In addition, network operators shall formulate emergency plans and promptly respond and handle security risks, initiate emergency plans, take appropriate remedial measures and report to regulatory authorities in the event comprising cybersecurity threats and provide technical assistance and support to public security and national security authorities for protection of national security and facilitate criminal investigations in accordance with the law.

In accordance with the Administrative Measures for the Classified Protection of Information Security (《信息安全等級保護管理辦法》), which was jointly promulgated by the Ministry of Public Security, the State Secrecy Administration, the State Cryptography Administration and the Information Office of the State Council on June 22, 2007 and came into effect on the same date, and the Guide for the Classification

of Information Security and Cybersecurity (《信息安全技術網絡安全等級保護定級指南》), which was promulgated by Standardization Administration of the PRC on April 28, 2020 and came into effect on November 1, 2020, the classified protection of the information security at the national level shall follow the principle of "independent grading and independent protection." Accordingly, the security protection grade of the information system shall be determined by entities operating and using an information system in accordance with the applicable rules.

In accordance with the State Security Law of the People's Republic of China (《中華人民共和國國家安全法》), which was promulgated by the SCNPC on February 22, 1993 and most recently amended on July 1, 2015, the government shall establish a network and information security assurance system, enhance cybersecurity protection capabilities, strengthen innovation in network and information technologies and achieve secure and controllable mastery of core network technologies, critical infrastructure, major information systems and data. The government shall intensify network governance, prevent, suppress and lawfully punish cybercrimes including cyberattacks, network intrusions, cyber espionage and dissemination of illegal or harmful information, thereby safeguarding national cyberspace sovereignty, security and developmental interests.

In accordance with the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), which was promulgated by the National People's Congress on July 1, 1979 and most recently amended on December 29, 2023, a network service provider is subject to criminal liability if such network service provider fails to fulfill its information network security management obligations prescribed by applicable laws or administrative regulations, and refuse to rectify upon being ordered by regulatory authorities if they meet specified circumstances.

In accordance with the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021 and came into effect on September 1, 2021, the government safeguards data-related rights and interests of individuals and organizations, encourages the reasonable and effective utilization of data in accordance with the law, ensures the orderly and lawful free flow of data and promotes the development of the digital economy with data as a critical enabler. The government establishes a data classification and grading protection system and data security review system, and conducts national security reviews of data processing activities that affect or may affect national security. Decisions rendered in accordance with the law through such reviews shall be final. Data processing activities shall comply with laws and regulations by establishing and improving a whole-process data security management system, organizing data security education and training and implementing technical measures and other necessary safeguards to ensure data security. When conducting data processing activities via the internet or other information networks, such obligations shall be fulfilled on the basis of compliance with the cybersecurity graded protection system. Any organization or individual that engages data processing activities in violation of the Data Security Law of the People's Republic of China shall bear corresponding civil, administrative or criminal liability depending on the specific circumstances.

In accordance with the Regulations on Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which were promulgated by the State Council on July 30, 2021 and became effective on September 1, 2021, a critical information infrastructure (the "CII") refers to important network facilities or information systems in important industries or fields such as public communication and information service, energy, communications, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, competent authorities and administration departments of each important industry and field shall be responsible for formulating determination rules and determining the critical information infrastructure operator in the respective critical industry or field. The result of the determination of critical information infrastructure operator shall be communicated to the operator and reported to the public security department of the State Council.

On December 28, 2021, the CAC and twelve other PRC regulatory authorities jointly revised and promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on

February 15, 2022 and replaced the previous version. The Cybersecurity Review Measures provide that the purchase of cyber products and services by critical information infrastructure operators (the "CIIOs") and the network platform operators (the "Network Platform Operators") which engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC. Specifically, CIIOs that purchase network products and services shall anticipate the potential national security risk of products and services after they enter operation. If they affect or may affect national security, a cybersecurity review shall be reported to the Cybersecurity Review Office. In addition, Network Platform Operators holding personal information of more than one million users that seek listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office.

On July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the "Security Assessment Measures"), which came into effect on September 1, 2022. The Security Assessment Measures outline the requirements and procedures for security assessments on outbound transfer of important data or personal information collected within the territory of mainland China. More specifically, the security assessment shall be required provided that: (i) the data transferred out of mainland China is important data; (ii) a critical information infrastructure operator or data processor that processes personal information of more than one million individuals intends to provide personal information overseas; (iii) the data processor who has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals to overseas recipients, in each case as calculated cumulatively, since January 1 of the previous year, intends to provide personal information overseas; or (iv) under other circumstances as stipulated by the CAC. The assessment result is valid for two years. In the case of changes to the transfer circumstances, the recipient country's data laws, or other major situational changes, the data processing entity may also need to re-submit an application.

On December 8, 2022, the MIIT issued the Administrative Measures for Data Security in the Industrial and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. According to these administrative measures, industrial and telecommunication data processors shall implement data classification and grading on a regular basis. Furthermore, industrial and telecommunication data processors are required to establish and improve a comprehensive data classification management system, implement protective measures corresponding to the types and levels of the data risk level, and apply the highest level of required protection when processing different levels of data simultaneously if it is difficult to take separate protection measures. The measures also impose certain obligations on industrial and telecommunication data processors regarding the implementation of data security work system, key management administration, data collection, storage, usage, transmission, provision, publicity, destruction, safety audits, and emergency planning, among other aspects.

On February 17, 2023, the China Securities Regulatory Commission (the "CSRC") issued the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") and five supporting guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, (i) provision of personal information, important data to overseas parties in relation to overseas offering and listing of domestic companies shall be in compliance with applicable laws, administrative regulations and relevant state rules; and (ii) overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of cybersecurity and data security, and duly fulfill their obligations to protect national security. If the proposed overseas offering and listing necessitates a national security review, relevant security review procedures shall be completed according to law before the application for such offering and listing is submitted to any overseas parties such as securities regulatory agencies and trading venues.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》), effective on the date of promulgation. The provisions

provide several exemptions from undergoing data security assessment, obtaining personal information protection certification, or entering into standard contract for outbound transfer of personal information for businesses. These exemptions include, among others, scenarios where a data processor, other than CIIO, has cumulatively transferred overseas the personal information (excluding sensitive personal information) of fewer than 100,000 individuals since January 1 of the current year. A data processor, other than critical information infrastructure operator, shall enter into a standard contract with overseas recipients for the cross-border transfer of personal information, or obtain certification for personal information protection if since January 1 of the current year, the data processor has cumulatively transferred to overseas recipients personal information (excluding sensitive personal information) of more than 100,000 but less than 1,000,000 individuals, or sensitive personal information of less than 10,000 individuals. The provisions also explicitly state that data processors are not required to conduct data security assessment for cross-border transfers of data if the data has not been notified or published as important data by relevant departments or regions.

On September 24, 2024, the Cyber Data Security Regulations (《網絡數據安全管理條例》) were promulgated by the State Council, which came into effect on January 1, 2025. The Cyber Data Security Regulations implemented and reiterated the general requirements on data security management from the Cybersecurity Law, the Data Security Law and the Personal Information Protection Law. The specific provisions include, but are not limited to, the following: (i) data processors must establish and improve data security protection, and adopt technical measures such as encryption, backup and access control to protect data from being tampered with, damaged, leaked, illegally obtained or illegally used; (ii) a network data processor shall inform an individual in accordance with the law by way of formulating rules for the processing of personal information prior to the processing of personal information; and (iii) where personal information and important data are provided to third parties, the data processor must agree on the purpose, method, scope, and security protection obligations by contract or other means. The Cyber Data Security Regulations also aligns with the existing relevant laws and regulations on cybersecurity review, the protection of important data and cross-border security management of network data. Network data processors that conduct network data processing activities affecting or may affect national security shall undergo national security review in accordance with relevant state regulations. For data recognized as important data, the relevant regions and departments shall promptly notify or publicly release to the network data processors. Notably, if the data has not been notified or publicly released as important data by relevant regions or departments, there is no need to apply for an outbound important data transfer security assessment before transferring the data overseas.

Regulations relating to Personal Information Protection

In accordance with the Decisions on Strengthening the Protection of Online information (《關於加強網絡信息保護的決定》), issued by the SCNPC in 2012 and the Protection Provisions for the Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》) promulgated by the MIIT in 2013, telecommunication business operators and internet service providers are required to set up their own rules for collecting and use of internet users' information and are prohibited from collecting or using such information without consent from users. Moreover, they shall strictly keep users' personal information confidential and shall not divulge, tamper with, damage, sell or illegally provide others with such information.

On May 28, 2020, the SCNPC issued the PRC Civil Code (《中華人民共和國民法典》), effective on January 1, 2021, which provides that the personal information of natural person shall be protected by law, and the processing of personal information shall be subject to the principles of legitimacy, lawfulness and necessity, with no excessive processing.

The PRC Minor Protection Law (《中華人民共和國未成年人保護法》), which came into effect on June 1, 2021 and last amended in April 2024, provides that online service providers for products and services such as social networking are required to establish special management systems of user duration, access authority and consumption for the minors.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which became effective on November 1, 2021. Pursuant to the PRC Personal Information Protection Law, the handling of personal information shall follow the principles of lawfulness, legitimacy, necessity, shall be for a specific and reasonable purpose and shall be limited to the minimum scope for achieving the purpose. The PRC Personal Information Protection Law specified the rules for handling sensitive personal information. Personal information handlers shall bear responsibility for their personal information handling activities and adopt the necessary measures to safeguard the security of the personal information they handle. If personal information handlers do not handle personal information in accordance with the law, they will be ordered to correct, suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On June 27, 2022, the CAC promulgated the Provisions on the Administrative of Account Information of Internet Users (《互聯網用戶帳號信息管理規定》), which came into effect on August 1, 2022. These provisions apply to the registration, use, and management of internet users' account information by internet information service providers. The provisions stipulate that internet information service providers must, among others, equip themselves with professional and technical capabilities appropriate to the scale of services, establish, improve and strictly implement the authentication of real identity information, verification of account information, security of information content, ecological governance, emergency responses, protection of personal information and other management systems. The internet information service providers shall set up a convenient portal for complaints and whistleblowing at an eye-catching position and timely handle the complaints and whistleblowing of users and the public.

On February 12, 2025, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), effective on May 1, 2025. Personal information processors that process personal information of more than ten million individuals shall carry out a compliance audit of personal information protection at least once every two years. Where a personal information processor conducts a compliance audit on personal information protection by itself, it shall have its internal department, or a commissioned professional institution regularly conduct compliance audits on its compliance with laws and administrative regulations in processing personal information. In certain circumstances, national cyberspace administration authorities and other departments performing personal information protection duties may require personal information processors to commission professional institutions to conduct compliance audits on personal information processing activities. When conducting compliance audits, personal information processors shall follow the Guidelines for Personal Information Protection Compliance Audits outlined in these Measures.

Regulations relating to Mobile Internet Application Information Services

The Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》), issued by the CAC on June 28, 2016 and amended on June 14, 2022, provides that mobile internet application providers are prohibited from utilizing applications to engage in activities that may threaten national security, public interests or infringe on the legitimate rights of individuals or organizations. Mobile internet application providers shall fulfill the responsibility for information content management, establish and improve information content security management, information content ecological governance, network data security, personal information protection, protection of minors and other management systems to ensure content security, foster a healthy online environment, and strengthen the protection of user rights. In addition, mobile internet application providers offering information services through mobile internet applications are required to verify the identity of the registered users. If an internet information service provider violates relevant laws and regulations and service agreement with the mobile application distribution platforms, mobile app stores may issue warnings, suspend services, or remove the applications from distribution, and report the violations to governmental authorities.

The Announcement of Conducting Special Supervision against the Illegal Collection and Use of Personal Information by App (《關於開展App違法違規收集使用個人信息專項治理的公告》) jointly issued

by the CAC, the MIIT, the Ministry of Public Security and the SAMR on January 23, 2019, pursuant to which, (i) application operators are prohibited from collecting any personal information irrelevant to their services; (ii) information collection and usage policies should be presented clearly and simply, with voluntary user consent; and (iii) user authorization should not be obtained through coercive methods, such as default settings, bundling clauses, or making consent a prerequisite for service access. Applications operators violating such rules may face corrective orders within a specified period of time, public reporting, suspension of operations for rectification, or revocation of business licenses or operational permits.

The Notice on Further Special Rectification of App Infringing upon Users' Personal Rights and Interests (《關於開展縱深推進App侵害用戶權益專項整治行動的通知》), issued by the MIIT on July 22, 2020, mandates inspections of app service providers for practices including, among others, (i) collecting or using personal information without user consent, collecting or using personal information beyond the scope necessary for providing services, or forcing users to receive advertisements; (ii) excessively or frequently requesting user permissions or launching third-party apps; and (iii) deceiving or misleading users into downloading apps or sharing personal information. The notice specifies a regulatory inspection period, requiring non-compliant entities to rectify violations within five business days, failing which the MIIT may publicly announce violations, remove the apps from the app stores, or impose other administrative penalties.

The Notice from the Ministry of Industry and Information Technology on Further Improving the Service Capabilities of Mobile Internet Applications (《工業和信息化部關于進一步提升移動互聯網應用服務能力的通知》), issued by the MIIT on February 6, 2023 and came into effect on the same day, requires app providers to inform users of personal information processing rules in a concise, clear and easy-to-understand manner. Any changes to these rules must be promptly communicated to users. The data processors shall clearly outline the purpose, method, and scope of sensitive personal information processing activities, maintain a list of collected personal information, and shall not use methods such as default ticking, reducing text size, or lengthy texts to induce users' consent.

The Notice on the Filing of Mobile Internet Applications (《關於開展移動互聯網應用程序備案工作的通知》), which was promulgated by the MIIT on July 21, 2023 and came into effect on the same day, mandates that app operators providing internet information services in China complete filing procedures as required by the PRC Anti-telecommunications Network Fraud Law (《中華人民共和國反電信網絡詐騙法》) and the Administrative Measures on Internet Information Service (《互聯網信息服務管理辦法》). App operators shall complete filing procedures with the provincial-level communications administration bureau where they are registered. The filing process is conducted online via the National Internet Basic Resources Management System (國家互聯網基礎資源管理系統), with applications submitted through network access service providers and app distribution platforms, including those for mini-programs and quick applications, for review and approval.

REGULATIONS RELATING TO FOREIGN INVESTMENT

In March 2019, the Foreign Investment Law of PRC (《中華人民共和國外商投資法》) was promulgated by National People's Congress and came into effect on January 1, 2020, which replaced the Sino-Foreign Equity Joint Venture Enterprise Law of PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of PRC and the Wholly Foreign-owned Enterprise Law of PRC, and became the legal foundation for foreign investment in the PRC.

According to the Foreign Investment Law of the PRC, the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments. The Foreign Investment Law grants national treatment to foreign-invested entities, except for those investing in the industries specified in the Negative List.

The NDRC and the Ministry of Commerce of the People's Republic of China (the "MOFCOM") jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024

version) (《外商投資准入特別管理措施 (負面清單) (2024年版)》) in November 2024 (the "2024 Negative List"). The 2024 Negative List sets out the industries in which foreign investments are prohibited or restricted. Pursuant to the Foreign Investment Law and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the 2024 Negative List, while foreign investments must satisfy certain conditions stipulated in the 2024 Negative List for investment in restricted industries. Industries not listed in the 2024 Negative List are generally deemed "permitted" for foreign investments.

On December 30, 2019, the MOFCOM and 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, cancelation 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. The following categories of foreign investment shall require foreign investors or domestic relevant parties to proactively declare the security review prior to implementation: (i) investments in national defense security-related sectors such as military industry, military supporting industries, or within geographical areas adjacent to military facilities and military industrial installations; and (ii) investments in major sectors affecting national security, including critical agricultural products, energy and resources, major equipment manufacturing, critical infrastructure, significant transportation services, essential cultural products and services, major information technology and internet products/services, critical financial services, key technologies and other vital domains, where the investor acquires actual control over the invested enterprise.

REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATION SERVICES

Regulations on Value-Added Telecommunications Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "Telecommunications Regulations") as promulgated by the State Council in 2000 and most recently amended in 2016, requires telecommunications service providers to obtain operating licenses prior to the commencement of their operations. The Telecommunications Regulations distinguish "infrastructure telecommunications services" from "value-added telecommunications services." According to the Telecommunications Regulations, operators of value-added telecommunications services shall obtain value-added telecommunications business operation licenses from the MIIT or its provincial branches prior to the commencement of such services.

Moreover, the Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》), revised by the MIIT in July 2017, set forth more provisions to specify the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for applying such licenses and the administration and supervision of such licenses. According to the Catalog of Telecommunications Business (《電信業務分類目錄》) most recently amended by the MIIT on June 6, 2019, internet information services fall within the value-added telecommunications services.

Regulations on Foreign Investment Restriction on Value-Added Telecommunications Services

Pursuant to the Regulations for the Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which was promulgated by the State Council in 2001 and most recently amended on March 29, 2022, the ultimate foreign equity ownership in a foreign-invested value-added

telecommunication enterprise is subject to a cap of 50%, except as otherwise stipulated by the state. The 2024 Negative List further states that the equity ratio of foreign investment in the value-added telecommunications enterprises operating telecommunication services opened up pursuant to the PRC WTO Accession Commitments shall not exceed 50% except for the investment in e-commerce operation business, domestic multi-party communication business, information storage and re-transmission business or call center business. As we provide Internet information services to our users through our mobile apps and websites, we are classified as a value-added telecommunication enterprise under the category of Internet content provider, which is restricted from foreign investments under the 2024 Negative List. Therefore, the ultimate foreign equity ownership in our Company is subject to and in compliance with a cap of 50%.

In 2006, the Ministry of Information Industry, currently known as the MIIT, issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (《信息產業部關于加强外商投資經營增值電信業務管理的通知》), according to which, a foreign investor in the telecommunications service industry in the PRC must establish a foreign invested enterprise and apply for a telecommunications business operation license, while a PRC domestic company that holds a value-added telecommunications business operation licenses is prohibited from leasing, transferring or selling such license to foreign investors in any means, and from providing any assistance, including providing resources, sites or facilities, to foreign investors that illegally conduct value-added telecommunications business in the PRC.

Regulations on Internet Information Services

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council in September 2000 and most recently amended on December 6, 2024, set out guidelines on the provision of internet information services. Such measures classify internet information services into commercial internet information services and non-commercial internet information services, and according to which, a commercial operator of internet content provision services must obtain a value-added telecommunications business operation license with the scope of internet information service from the appropriate telecommunications authorities.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》) and its implementation rules, patent is classified as invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and ten years, respectively, all of which calculated from the date of application. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. The National Intellectual Property Administration is responsible for examining and approving patent applications. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) and its implementation rules, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the trademark bureau for record. Conducts that constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine.

The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) and implementation rules, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights.

Pursuant to the Regulation on Computer Software Protection (《計算機軟件保護條例》) and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Domain names

The Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) provide that the MIIT shall supervise the domain names services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name. In November 2017, the MIIT promulgated the Notice on Regulating the Use of Domain Names in Providing Internet-based Information Services (《工業和信息化部關于規範互聯網信息服務使用域名的通知》), which became effective on January 1, 2018. Pursuant to the notice, the domain name used by an internet-based information service provider in providing internet-based information services must be registered and owned by such provider in accordance with the law. If the internet-based information service provider is an entity, the domain name registrant must be the entity (or any of the entity's shareholders), or the entity's principal or senior manager.

REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Regulations Relating to Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) 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》). Pursuant to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Contract Law of the PRC and the Labor Law of the PRC may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Regulations Relating to Social Insurance and Housing 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 by the SCNPC on October 28, 2010 and amended on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance, medical insurance and other welfare plans. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its establishment. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Employer shall make contribution to the social insurance in full and on time, and failure to do so will result in late fees and fines. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and revised on March 24, 2019 prescribes the details concerning the collection and payment of social insurance.

According to the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was implemented on April 3, 1999 and most recently revised on March 24, 2019, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as at its establishment. After that, the entity shall open a housing accumulation fund account for its employees in an entrusted bank. Within 30 days as at the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund management center and go through the formalities of opening housing provident fund accounts on behalf of its employees. Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the relevant procedures within a prescribed time limit. Any entity failing to complete the relevant procedure within the time limit will be fined RMB10,000 to RMB50,000. Any entity that fails to make payment of housing provident fund within the time limit or has a shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING, LISTING AND "FULL CIRCULATION" OF "H SHARES"

Regulations on Overseas Securities Offering and Listing

The Overseas Listing Trial Measures adopt a filing and regulatory regime to regulate the direct and indirect overseas listing of securities of PRC domestic enterprises. If a domestic enterprise fails to comply with the filing procedures as required, or if it is listed outside of PRC despite being prohibited from doing so, the CSRC may order the domestic enterprise to rectify the situation, issue a warning and impose a fine of not less than RMB1,000,000 and not more than RMB10,000,000. A warning may be given to the directly responsible officer and other directly responsible persons and a fine of not less than RMB500,000 and not more than RMB5,000,000 shall be imposed. If the controlling shareholder or the actual controller of the domestic enterprise organizes or instructs to engage in the above illegal acts, he may be liable to a fine of not less than RMB1,000,000 and not more than RMB10,000,000. The Overseas Listing Trial Measures also stipulate that in the event of any material events such as change of control, investigation or punishment by the overseas securities supervisory authority or relevant authorities, change of listing status or transfer of listing segment, or termination of listing on its own initiative or compulsory termination of listing after the issuer's overseas listing, the issuer shall report the specific circumstances to the CSRC within three working days from the date of the announcement of the relevant event.

On February 24, 2023, the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration of China jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關于加强境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "Confidentiality and Archives Administration Provisions"), which became effective on March 31, 2023. According to the Confidentiality and Archives Administration Provisions, if a domestic joint stock

company with a direct overseas listing or a domestic operating entity with an indirect overseas listing provides or publicly discloses through its overseas listed entity, documents or information involving state secrets or secrets of the work of state organs, or other documents or information the disclosure of which would adversely affect national security or public interests, the corresponding procedures shall be strictly complied with in accordance with the relevant state regulations.

Regulations on "Full Circulation" of "H Shares"

"Full circulation" represents listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, CSRC announced the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請全流通業務指引》) ("Full Circulation Guidelines"), which were amended on August 10, 2023. As regulated in the Full Circulation Guidelines, shareholders of domestic unlisted shares have the flexibility to jointly decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, the H-share listed company corresponding to these shares may be authorized to file for "full circulation" with the CSRC. An unlisted domestic joint stock company may file with the CSRC for "full circulation" at the time of its offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be converted back domestically. Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering shares and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and offering on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC. Additionally, they are required to authorize the domestic company to submit the conversion application to the CSRC on their behalf. On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business (《H股全流通業務實施細則》) (the "Measures for Implementation"). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, and other details in relation to the H-share "full circulation" business are subject to the Measures for Implementation.

REGULATIONS RELATING TO 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 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 categorized as resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are established in accordance with the law within the territory of China, or enterprises that are established in accordance with foreign (regional) laws but have their actual place of management within the territory of China. Non-resident enterprises refer to an enterprise that is established in accordance with foreign (regional) laws and whose actual place of management is not within the territory of China, but which has established establishments or premises within the territory of China, or enterprises that have not established establishments or premises within the territory of China but derive income from sources within 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 Mainland 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于對所得避免雙重徵税和防止偷漏税的安排》) and relevant protocols, which were promulgated by the State Taxation Administration 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 (《非居民納税人享受協定待遇管理辦法》), which was promulgated by the State Taxation Administration on October 14, 2019, came into effect on January 1, 2020, non-resident taxpayers who enjoy treaty benefits shall follow the procedure of "self-assessment, declaration and enjoyment, and retention of documentation for inspection." If a non-resident taxpayer self-assesses that it meets the conditions for enjoying treaty benefits, it may declare and enjoy such benefits during its own tax filing, or through the withholding agent during withholding declarations. Such taxpayer must simultaneously collect and retain relevant documentation for inspection in accordance with such measures, and is subject to subsequent administration by the tax authorities.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017, 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税暫行條例實施細則》), which was promulgated by the Ministry of Finance on December 25, 1993 and most recently amended on October 28, 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 Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (《關於簡併增值税税率有關政策的通知》), announced by the Ministry of Finance and the State Taxation Administration on April 28, 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 (《財政部、國家税務總局關于調整增值税税率的通知》) announced by the Ministry of Finance and the State Taxation Administration on April 4, 2018, effective from May 1, 2018, with respect to VAT taxable sales or imported goods of a taxpayer, the previous applicable 17% and 11% tax rates are adjusted as 16% and 10% respectively. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》) announced by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on March 20, 2019, 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%, and the originally applicable VAT rate of 10% shall be adjusted to 9%.

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 most recently 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 in securities outside China unless prior approval or registration of the State Administration of Foreign Exchange (the "SAFE") or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關于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 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 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 (《關于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 (《關于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 business 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).

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關于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, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by SAFE in due time in accordance with international revenue and expenditure situations

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《關于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 (《國家外匯管理局關于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 accounts, 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.

REGULATIONS RELATING TO DIVIDEND DISTRIBUTION

In accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》), which most recently amended on December 29, 2023, and the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》), foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company, including foreign-invested enterprise, is required to set aside as general reserves at least 10% of its after-tax profit, until the cumulative amount of such reserves reaches 50% of its registered capital, and shall not distribute any profits until any losses from prior fiscal years have been offset.

REGULATIONS RELATING TO 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 and most recently amended on June 27, 2025 with effect from October 15, 2025, 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 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. Such provisions provide 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.

U.S. EXPORT CONTROL LAWS AND REGULATIONS

The U.S. government imposes export controls for national security, foreign policy and other various policy reasons. One of the primary U.S. export control regimes is governed by the EAR, which are administered and enforced by the BIS. BIS is responsible for regulating the export, reexport or transfer (in-country) of a diverse range of goods, software and technology (collectively, "items") including most commercial items, "dual-use" items (i.e., those items having both commercial and military or proliferation applications) and less-sensitive military items.

BIS regulates the export, reexport and in-country transfer of items that are "subject to the EAR." The following items are subject to the EAR: (i) all U.S.-origin items wherever they are located in the world; (ii) any item physically in or moving in transit through the United States or U.S. Foreign Trade Zone (including items of foreign origin); (iii) any foreign-made item containing more than a de minimis amount of certain controlled U.S.-origin content; and (iv) certain foreign made items that are the "direct product" of certain highly-controlled U.S.-origin software or technology (or are the direct product of a plant or major plant component that is itself the direct product of such U.S.-origin software or technology). Generally, foreign-made items that incorporate controlled U.S.-origin content accounting for less than 25% of the value of such items are not subject to the EAR when exported, reexported or transferred (in-country) to any country except for Cuba, Iran, North Korea or Syria (for which the de minimis threshold is 10%), unless the controlled content is of a certain type for which there is no de minimis threshold. For purposes of the de minimis analysis, any item that by itself requires a destination-based license to be exported to, reexported to or transferred (in-country) within the country at issue is considered to be a controlled item.

Items that are subject to the EAR may require a license from the BIS prior to the export, reexport or transfer (in-country) of the item. Violations of U.S. export controls may have serious consequences including, but not limited to, civil monetary penalties of up to $374,474 in 2025 (as periodically adjusted for inflation) or twice the value of the transaction, whichever is greater; or criminal penalties of up to $1 million per violation and/or up to 20 years in prison; loss of access to items subject to the EAR; inclusion on one or more BIS lists of parties of concern; and/or reputational harm. To determine whether a license is required for the export, reexport or transfer (in-country) of an item subject to the EAR, it is necessary to review the following:

- *Classification of the Item.* BIS maintains the Commerce Control List ("CCL," Supplement 1 to 15 C.F.R. Part 744), which provides descriptions of items under Export Control Classification Numbers ("ECCNs"). Items that are not described under an ECCN on the CCL, but that are nevertheless subject to the EAR, are designated EAR99;

- *Country-based License Requirements.* Each ECCN identifies reasons for control, which indicate licensing requirements to certain destinations based on a review of the Commerce Country Chart (Supplement 1 to 15 C.F.R. Part 738). EAR99 items do not have specific reasons for control and do not require a license for most destinations, except for countries subject to comprehensive U.S. sanctions. Items on the CCL may also be subject to restrictions imposed by comprehensive U.S. sanctions;

- *Restricted Parties.* BIS maintains lists of companies, organizations and individuals that may be subject to additional license requirements, regardless of the classification of the item; the Entity List is one of such lists; and

- *Prohibited End Uses.* BIS may also impose license requirements, regardless of an item's classification, if the item will be used in certain end uses, which are often related to certain proliferation activities.

Our Company and our nine subsidiaries (together, the "Listed Entities") were added to the Entity List on January 16, 2025 (the "Entity List Addition"). The addition of the Listed Entities to the Entity List restricts our ability to purchase or otherwise access certain items that are subject to the EAR. However, the Entity List restrictions do not apply to other entities within the Group that are legally distinct from the Listed Entities. Public guidance in the form of a Frequently Asked Question ("FAQ") No. 134 issued by BIS has clarified that "[s]ubsidiaries, parent companies, and sister companies are legally distinct from listed entities [and,] . . . [t]herefore, the licensing and other obligations imposed on a listed entity by virtue of its being listed do not per se apply to its subsidiaries, parent companies, sister companies, or other legally distinct affiliates that are not listed on the Entity List." Similarly, BIS has advised that "[t]he Entity List license requirements do not extend to parent companies unless the applicable listing for the company so

states" (see BIS FAQ 136). In order to address EAR-related risks after the Entity List Addition, we have put in place a series of export control compliance measures for the entire Group, in abundance of caution.

Pursuant to Section 744.16(a) of the EAR, a person "may not, without a license from the BIS, export, reexport or transfer (in-country) any items included in the License Requirement column of an entity's entry on the Entity List . . . when that entity is a party to a transaction as described in §748.5(c) through (f) of the EAR," i.e., the purchaser, intermediate consignee, ultimate consignee or end-user. As specified on the Entity List, the license requirement for exports, reexports or transfers (in-country) to entities listed on the Entity List applies to "all items subject to the EAR." A party (*e.g.,* a supplier to the Company) that exports, reexports or transfers (in-country) an item that is subject to the EAR is strictly liable for violations related to such activity. Any other party to a transaction, including the buyer (*e.g.*, the Company), must also comply with the EAR. Specifically, the EAR provides a basis for liability for activities, including, but not limited to, the following: (i) causing, aiding or abetting a violation; (ii) soliciting or attempting a violation; (iii) conspiring to bring about or engage in a violation; (iv) misrepresenting or concealing facts to the U.S. government in connection with activities subject to the EAR; (v) acting with the intent to evade the EAR; (vi) failing to comply with recordkeeping requirements of the EAR; and (vii) acting with "knowledge" that a violation has occurred or is about to occur. The EAR defines "knowledge" as including "positive knowledge that the circumstance exists or is substantially certain to occur," as well as "an awareness of a high probability of its existence or future occurrence," which is "inferred from evidence of the conscious disregard of facts known to a person and is also inferred from a person's willful avoidance of facts." 15 C.F.R. § 772.1.

OVERVIEW

We are a leading AI company in China, dedicated to pursuing innovation toward artificial general intelligence (AGI).

Our history can be traced back to June 2019, when our Company was founded by a team with deep academic roots at Tsinghua University, including Dr. Liu, Dr. Li, Dr. Tang, Dr. Xu, Dr. Zhang and Mr. Wang. Our Company draws on the academic rigor and innovative spirit of its founding team to advance cutting-edge developments in AI. For the background and the relevant industry experience of our founders, see "Directors, Supervisor and Senior Management" in this document.

KEY MILESTONES

The following table sets forth the key milestones of our corporate and business development.

Year	Milestone events
2019	• Our Company was established.
2020	• We commenced development of General Language Model (GLM), our pre-training framework.
2021	• We released GLM-10B, our first ten-billion-parameter pre-trained large model. • We launched our Model-as-a-Service (MaaS) product development and commercialization platform.
2022	• We released GLM-130B, an open-source large model. • We released CodeGeeX, our high-performance coding model, in September.
2023	• We released billion-parameter foundation chat model, ChatGLM, in March and an open-source ChatGLM-6B, in March. • We released Zhipu QingYan, which was one of the first domestic large model products to complete regulatory filing in China.
2024	• We released GLM-4, our foundation model with agent orchestration capabilities. • We released GLM-4V, our visual comprehension foundation model. • We released CogVideoX, our next-generation video generation model, and our *Zhipu Qingying* mobile app. • We released GLM-4-Plus, the latest and most advanced foundation model in the GLM-4 series, and introduced the AI video call function in Zhipu QingYan. • We released GLM-4-Voice, our end-to-end emotional voice generation model, and AutoGLM, our foundational agent model for autonomous device operation. • We released GLM-Z1, our reflection model for advanced reasoning tasks.
2025	• We released GLM-Realtime, an end-to-end model supporting real-time audiovisual interaction, humming, two-minute memory retention, and "Function Call" features. • We released AutoGLM Rumination, our first AI agent combining deep research and operational execution, enabling autonomous multi-step reasoning and action.

Year	Milestone events
	• We released GLM-4.5, GLM-4.5V, an updated version of AutoGLM (also known as "AutoGLM 2.0") and GLM-4.6.

OUR PRINCIPAL SUBSIDIARIES

The following table sets forth the information on our principal subsidiaries that have made material contribution to our operating results and financial position during the Track Record Period.

Subsidiary	Place of incorporation	Date of incorporation	Registered capital	Principal activities
Beijing Knowledge Xingyao	PRC	September 24, 2024	RMB300,000,000	Provision of large model related services
Tianjin Knowledge Atlas	PRC	October 25, 2024	RMB950,000,000	Provision of large model related services

As of the Latest Practicable Date, our other subsidiaries were principally engaged in, among others, provision of large model related services. A summary of the principal activities of our other subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this document.

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Establishment of Our Company in 2019

On June 11, 2019, our Company was established as a limited liability company under the laws of the PRC by Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Beijing CAS Star Hard Technology Venture Capital Partnership (Limited Partnership) (北京中科創星硬科技創業投資合夥企業 (有限合夥)) ("CAS Star") and Tsinghua Control Technology Transfer Co., Ltd. (華控技術轉移有限公司) ("Tsinghua Technology"), with a registered capital of RMB10.0 million. Beijing Lianpai is held by Dr. Liu as to approximately 92.70% as its general partner, and approximately 4.21%, 2.65% and 0.44% by Mr. Wang Shaolan, Zhang Bo (張鈸) (our chief scientist) and Meng Zhaojun (孟兆軍) as its limited partners, respectively. Meng Zhaojun, an Independent Third Party, made early-stage financial investments in the Company and remains a minority Shareholder through Beijing Lianpai. Each of CAS Star and Tsinghua Technology is an Independent Third Party.

At the time of establishment, our Company was owned by Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, CAS Star and Tsinghua Technology as to approximately 49.38%, 0.80%, 21.97%, 4.00%, 0.80%, 0.40%, 10.67% and 11.99%, respectively.

Capital Transfer to our Employee Ownership Platforms in 2021

In August 2021, Beijing Lianpai transferred registered capital in our Company in the amount of RMB0.80 million and RMB0.40 million to our Employee Ownership Platforms, Huihui and Zhideng, at the consideration of approximately RMB0.80 million and RMB0.40 million, respectively.

Upon completion of such transfer, our Company was owned by Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui, Zhideng, CAS Star and Tsinghua Technology as to approximately 37.38%, 0.80%, 21.97%, 4.00%, 0.80%, 0.40%, 8.00%, 4.00%, 10.67% and 11.99%, respectively.

For details of Huihui and Zhideng, see "—Employee Ownership Platforms" below.

Pre-[REDACTED] Investments

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of Pre-**[REDACTED]** Investments. See "—Pre-**[REDACTED]** Investments" for details.

Conversion into a Joint Stock Company in 2025

On March 26, 2025, our Company was converted from a limited liability company into a joint stock company with limited liability. Based on the audited net assets of the Group as of January 31, 2025, our Company converted all Shares of the limited liability company into the Shares of the joint stock company at a ratio of 71.9047597:1. Upon completion of such conversion, the registered capital of our Company was RMB36,224,375 divided into 36,224,375 Shares with nominal value of RMB1.00 each, which was subscribed by all our then Shareholders in proportion to their respective interests in our Company before conversion.

Share Subdivision prior to the [REDACTED]

Pursuant to the resolutions of the Shareholders dated June 28, 2025, the Shares will be split on a one-for-ten basis immediately prior to the **[REDACTED]**, and the nominal value of the Shares will be changed from RMB1.00 each to RMB0.10 each. Immediately after the Share Subdivision, the registered share capital of the Company will be RMB40,281,069 with 402,810,690 Shares in a nominal value of RMB0.10 each.

PRC Legal Advisors' Confirmation

As advised by our PRC Legal Advisors, as of the Latest Practicable Date, our Company has made all necessary registrations or filings with the relevant local branch of SAMR in respect of the capital transfers and increases as well as issuances, transfers and subdivision of Shares set out above in all material respects, and such capital transfers and increases as well as issuances, transfers and subdivision of Shares were conducted in compliance with the applicable PRC laws and regulations in all material respects.

PRE-[REDACTED] INVESTMENTS

Series Angel Investments

We completed the series angel financing (the "Series Angel Financing") in January 2022, where Beijing Innovation Zhiyuan Technology Co., Ltd (北京創新智源科技有限公司) ("Innovation Zhiyuan") subscribed for registered capital of our Company in the amount of RMB526,316 by transferring intellectual property rights with an appraised value of approximately RMB20.37 million as of the valuation benchmark date of March 31, 2021 as consideration.

Series A Financing

We completed the series A financing (the "Series A Financing") in May 2022. Details of our Series A Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Zaozhuang Tongzhi Equity Investment Partnership (Limited Partnership) (枣莊通智股權投資合夥企業 (有限合夥)) ("Tongzhi Investments")	706,767	47,000,000
Shenzhen Dachen Chuanghong Private Equity Investment Partnership (Limited Partnership) (深圳市達晨創鴻私募股權投資企業 (有限合夥)) ("Dachen Chuanghong")	556,391	37,000,000
Beijing Huakong Industrial Investment Fund (Limited Partnership) (北京華控產業投資基金(有限合夥)) ("Beijing Huakong")	300,752	20,000,000
Beijing Rongpin Investment Management Co., Ltd. (北京榮品投資管理有限公司) ("Rongpin Investments")	300,752	20,000,000
Beijing The Jiangmen Venture Capital Center (Limited Partnership) (北京將門創業投資中心 (有限合夥)) ("Jiangmen Venture Capital")	150,376	10,000,000
Luster LightTech Co., Ltd. (淩雲光技術股份有限公司) ("Luster")	150,376	10,000,000
Nanjing Turing Phase I Venture Capital Partnership (Limited Partnership) (南京圖靈一期創業投資合夥企業 (有限合夥)) ("Nanjing Turing")(1)	75,188	5,000,000
Shenzhen Caizhi Chuangying Private Equity Investment Partnership (Limited Partnership) (深圳市財智創贏私募股權投資企業 (有限合夥)) ("Caizhi Chuangying")	45,113	3,000,000
Total	**2,285,715**	**152,000,000**

Note:

(1) In August 2023, Nanjing Turing transferred all registered capital in our Company held by it to Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership) (北京星連肇基企業管理合夥企業 (有限合夥)) ("Xinglian Zhaoji"). Such capital transfer was conducted based on arm's length negotiation between the Shareholders and did not involve any increase of registered capital by our Company.

Series B1 Financing

We completed the series B1 financing (the "Series B1 Financing") in February 2023. Details of our Series B1 Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業 (有限合夥)) ("Junlian Xiangdao")	878,017	125,000,000
Suzhou Qiming Rongqian Equity Investment Partnership (Limited Partnership) (蘇州啟明融乾股權投資合夥企業 (有限合夥)) ("Qiming Rongqian")(1)	343,628	48,921,079
Kunshan Qiming Rongkai Equity Investment Partnership (Limited Partnership) (昆山市啟明融凱股權投資合夥企業 (有限合夥)) ("Qiming Rongkai")(1)	239,375	34,078,921
Total	**1,461,020**	**208,000,000**

Note:

(1) In February 2023, Innovation Zhiyuan transferred registered capital of our Company in the amount of RMB78,662 and RMB54,797 to Qiming Rongqian and Qiming Rongkai, respectively. Such capital transfers were conducted based on arm's length negotiation between the Shareholders and did not involve any increase of registered capital by our Company.

Series B2 Financing

We completed the series B2 financing (the "Series B2 Financing") in August 2023. Details of our Series B2 Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Stage 1 (completed in July 2023)		
Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司) ("Tianjin Sankuai")	1,721,731	300,000,000
Stage 2 (completed in August 2023)		
Junlian Xiangdao	167,333	31,383,890
Xinglian Zhaoji	146,551	27,486,153
Qingdao Huakong Growth Equity Investment Partnership (Limited Partnership) (青島華控成長股權投資合夥企業 (有限合夥)) ("Qingdao Huakong")	67,706	12,698,553
Qiming Rongqian	65,847	12,349,835

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Dachen Chuanghong	80,462	15,091,018
Qiming Rongkai	45,870	8,603,079
Caizhi Chuangying	13,330	2,500,000
Total	**2,308,830**	**410,112,528**

Series B3 Financing

We completed the series B3 financing (the "Series B3 Financing") in January 2024. Details of our Series B3 Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Stage 1 (completed in November 2023)		
Trend Mega Limited ("Trend Mega")	1,134,991	255,304,308
Shanghai Yunya Enterprise Management Consulting Co., Ltd. (上海雲玥企業管理諮詢有限公司) ("Shanghai Yunya")[1][2]	666,846	150,000,000
Junlian Xiangdao	140,787	31,668,557
Stage 2 (completed in January 2024)		
Hangzhou Guanghe II Venture Capital Partnership (Limited Partnership) (杭州光合貳期創業投資合夥企業 (有限合夥)) ("Hangzhou Guanghe")	86,629	20,000,000
Tianjin Heyuan Youze Yihao Venture Capital Partnership (Limited Partnership) (天津合遠優擇壹號創業投資合夥企業 (有限合夥)) ("Tianjin Heyuan")	346,515	80,000,000
Xinglian Zhaoji	160,264	37,000,158
Qingdao Huakong	151,600	34,999,900
Total	**2,687,632**	**608,973,038**

Notes:

(1) In October 2023, CAS Star transferred registered capital of our Company in the amount of RMB342,314 to Shanghai Yunya. Such capital transfer was conducted based on arm's length negotiation between the Shareholders and did not involve any increase of registered capital by our Company.

(2) Shanghai Yunya (i) transferred registered capital of our Company in the amount of RMB171,157 and RMB333,423 to Hangzhou Duoxiang Network Technology Co., Ltd. (杭州多項網絡科技有限公司) ("Duoxiang Network") in October 2023 and December 2023,

respectively; and (ii) transferred registered capital of our Company in the amount of RMB138,971 to Shanghai Feiya Technology Co., Ltd. (上海飛玡科技有限公司) ("Shanghai Feiya") in August 2024. Such capital transfers were conducted based on arm's length negotiation between the Shareholders and did not involve any increase of registered capital by our Company.

Series B4 Financing

We completed the series B4 financing (the "Series B4 Financing") in August 2024. Details of our Series B4 Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司) ("Tencent Investment")	694,854	200,000,000
Beijing Shunying Equity Investment Partnership (Limited Partnership) (北京順贏股權投資合夥企業 (有限合夥)) ("Bejing Shunying")	521,141	150,000,000
TAL Education (Beijing) Co., Ltd. (欣欣相融教育科技 (北京) 有限公司) ("TAL")	347,427	100,000,000
Beijing Xiaofeng Technology Co., Ltd. (北京小鋒科技有限公司) ("Xiaofeng Technology")	347,427[(1)]	100,000,000
Xiamen Yaheng Venture Capital Investment Fund Partnership (Limited Partnership) (廈門雅恆創業投資基金合夥企業(有限合夥)) ("Xiamen Yaheng")	347,427	100,000,000
Ningbo Meishan Free Trade Port Zone Mingheng Enterprise Management Consulting Partnership (Limited Partnership) (寧波梅山保稅港區明恒企業管理諮詢合夥企業 (有限合夥)) ("Ningbo Mingheng")	347,427	100,000,000
Xinglian Zhaoji	334,372	96,242,408
Social Security Zhongguancun Innovation Investment Fund (Beijing) Partnership (Limited Partnership) (社保基金中關村自主創新投資基金 (北京) 合夥企業 (有限合夥)) ("Social Security Zhongguancun Innovation Fund")	330,056	95,000,000
Dachen Chuanghong	186,488	53,676,779
Qingdao Huakong	175,282	50,451,444
Shanghai Yunya	173,714	50,000,000
Duoxiang Network	173,714	50,000,000
Tianjin Heyuan	116,175	33,438,672
Qiming Rongqian	102,387	29,470,000
Qiming Rongkai	71,327	20,530,000
Total	**4,269,218**	**1,228,809,303**

Note:

(1) The registered share capital was subscribed by Beijing Huapin Borui Network Technology Co., Ltd. (北京華品博睿網絡技術有限公司) ("Huapin Borui"), the parent company of Xiaofeng Technology.

Series B5 Financing

We completed the series B5-1 financing (the "Series B5-1 Financing"), series B5-2 financing (the "Series B5-2 Financing") and series B5-3 financing (the "Series B5-3 Financing", together with Series B5-1 Financing and Series B5-2 Financing, the "Series B5 Financing") in November 2024. Details of our Series B5 Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Series B5-1 Financing		
Shanghai Feiya	465,090	200,000,000
Wuxi Yunhui Digital Economy Investment Management Partnership (Limited Partnership) (無錫雲暉數字經濟投資管理合夥企業 (有限合夥)) ("Wuxi Yunhui")	232,545	100,000,000
Junlian Xiangdao	155,038	66,670,000
Shenzhen Zhaoshang Shuke Innovation Private Equity Fund Partnership (Limited Partnership) (深圳市招商數科創新私募股權投資基金合夥企業 (有限合夥)) ("Zhaoshang Shuke")	139,527	60,000,000
Social Security Zhongguancun Innovation Fund	77,507	33,330,000
Xiaofeng Technology	69,763(1)	30,000,000
Xiamen Yaheng	34,882	15,000,000
Series B5-2 Financing		
P7 China Holdings PCC Limited ("Prosperity7")	495,390	213,030,000
AI Fund Partnership (Limited Partnership) (北京市人工智能產業投資基金 (有限合夥)) ("AI Fund")	465,090	200,000,000
Shanghai Feiya	465,090	200,000,000
Social Security Zhongguancun Innovation Fund(2)	118,474	50,946,934
Beijing Lianrong Zhiyuan Equity Investment Partnership (Limited Partnership) (北京聯融致遠股權投資合夥企業 (有限合夥)) ("Lianrong Zhiyuan")	116,272	50,000,000
Suzhou Junlian Jinfan Venture Capital Partnership (Limited Partnership) (蘇州君聯錦帆創業投資合夥企業 (有限合夥)) ("Junlian Jinfan")(2)	116,173	49,957,107

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Series B5-3 Financing		
Hubei Yangtze CITIC Technology Mobile Communication Industry Investment Fund Partnership (Limited Partnership) (湖北長江中信科移動通信技術產業投資基金合夥企業 (有限合夥)) ("5G Fund")	209,290	90,000,000
Total	**3,160,131**	**1,358,934,041**

Notes:

(1) The registered share capital was subscribed by Huapin Borui. In November 2024, Huapin Borui transferred all registered capital of our Company held by it to Xiaofeng Technology as its intra-group transaction. Such capital transfer did not involve any increase of registered capital by our Company.

(2) In November 2024, (i) Dr. Liu transferred registered capital of our Company in the amount of RMB14,397 and RMB14,683 to Junlian Jinfan and Social Security Zhongguancun Innovation Fund, respectively; and (ii) Beijing Lianpai (which was controlled by Dr. Liu as its general partner) transferred registered capital of our Company in the amount of RMB44,671 and RMB45,555 to Junlian Jinfan and Social Security Zhongguancun Innovation Fund, respectively. Such capital transfers were conducted based on arm's length negotiation between the Shareholders and did not involve any increase of registered capital by our Company.

Series B6-1 Financing and Series B6-2 Financing

We completed the series B6-1 (the "Series B6-1 Financing") and series B6-2 financing (the "Series B6-2 Financing") in December 2024. Details of our Series B6-1 Financing and Series B6-2 Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Series B6-1 Financing		
Beijing Zhongguancun Science City Phase II Technology Growth Equity Investment Partnership (Limited Partnership) (北京中關村科學城二期科技成長股權投資合夥企業 (有限合夥)) ("Zhongguancun Science City")	826,211	500,000,000
Beijing Daxing Industrial Fund Partnership (Limited Partnership) (北京市大興區產業發展基金合夥企業 (有限合夥)) ("Daxing Industrial Fund")	495,726	300,000,000
Xinglian Zhaoji	160,285	97,000,000
Junlian Xiangdao	89,700	54,284,213
Social Security Zhongguancun Innovation Fund	34,231	20,715,787
Series B6-2 Financing		
Tianjin Haihe Fuxin Youda Venture Capital Fund Partnership (Limited Partnership) (天津海河富新優達創業投資基金合夥企業 (有限合夥)) ("Haihe Fuxin Youda Fund")	1,569,800	950,000,000
Total	**3,175,953**	**1,922,000,000**

Series B6-3 Financing, Series B6-3+ Financing and Series B6-4 Financing

We completed the series B6-3 (the "Series B6-3 Financing"), series B6-3+ (the "Series B6-3+ Financing") and series B6-4 financing (the "Series B6-4 Financing", together with Series B6-1 Financing, Series B6-2 Financing, Series B6-3 Financing, Series B6-3+ Financing, the "Series B6 Financing") in May 2025. Details of our Series B6-3 Financing, Series B6-3+ Financing and Series B6-4 Financing are set out below:

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	*(RMB)*
Series B6-3 Financing		
Hangzhou Chengtou Industrial Development Investment Partnership (Limited Partnership) (杭州城投產業發展投資合夥企業 (有限合夥)) ("Hangzhou Chengtou Industrial Fund")	578,347	350,000,000
Chengdu High-tech Orrino Youchan Equity Investment Fund Partnership (Limited Partnership) (成都高新策源優產股權投資基金合夥企業 (有限合夥)) ("High-tech Orinno")	495,726	300,000,000
Junlian Xiangdao	240,784	145,715,755
Hangzhou Shangcheng Linghang Venture Capital Co., Ltd. (杭州上城領航創業投資有限公司) ("Shangcheng Linghang")	165,242	100,000,000
Social Security Zhongguancun Innovation Fund	48,390	29,284,213
Series B6-3+ Financing		
AI Fund	330,484	200,000,000
Series B6 Convertible Notes[3]		
Tianjin Tianchuang Haihe Yongtai Puxin Venture Capital Partnership (Limited Partnership) (天津天創海河永鈦譜鑫創業投資合夥企業 (有限合夥)) ("Tianchuang Capital")[1][3]	214,815	130,000,000
Zhuhai Huafa New Quality Productivity Investment Fund Partnership (Limited Partnership) (珠海市新質生產力投資基金合夥企業 (有限合夥)) ("Zhuhai Huafa")[2][3]	826,211	500,000,000
Lenovo Small and Medium Enterprise Development Venture Capital Fund (Tianjin) Partnership (Limited Partnership) (聯想中小企業發展創業投資基金 (天津) 合夥企業 (有限合夥)) ("Lenovo Venture Capital")[2][3]	165,242	100,000,000
Hainan Xiarui Investment Partnership (Limited Partnership) (海南夏睿投資合夥企業 (有限合夥)) ("Xiarui Investments")[2][3]	165,242	100,000,000

Subscriber	Registered capital subscribed for *(RMB)*	Consideration *(RMB)*
Series B6-4 Financing		
Zhihui Linghang Venture Capital Partnership (Limited Partnership) (上海浦東智慧領航創業投資合夥企業 (有限合夥)) ("Zhihui Linghang")	826,211	500,000,000
Total	**4,056,694**	**2,454,999,968**

Notes:

(1) On September 3, 2024, the Company, Tianchuang Capital, Dr. Liu and Dr. Tang entered into a convertible note agreement, pursuant to which the Company agreed to issue a convertible note in the principal amount of RMB130 million to Tianchuang Capital.

(2) The Company, Dr. Liu and Dr. Tang entered into convertible note agreements respectively with Lenovo Venture Capital on February 7, 2025, Xiarui Investments on January 25, 2025 and Zhuhai Huafa on January 26, 2025, pursuant to which, the Company agreed to issue convertible notes to each of Lenovo Venture Capital, Xiarui Investments and Zhuhai Huafa in the principal amount of RMB100 million, respectively. On March 17, 2025, the Company, Dr. Liu and Dr. Tang entered into an additional convertible note agreement with Zhuhai Huafa for a principal amount of RMB400 million, on substantially the same terms as the above.

(3) Pursuant to the convertible note agreements entered into between the Company and each of Tianchuang Capital, Lenovo Venture Capital, Xiarui Investments and Zhuhai Huafa, the notes are convertible into the Shares of the Company at the subscription price under the Series B6 Financing or Series B6-3 Financing (as the case may be) upon the completion of the Company's conversion into a joint stock company on March 26, 2025. Pursuant to the capital increase agreements entered into between the Company and each of Tianchuang Capital, Lenovo Venture Capital, Xiarui Investments and Zhuhai Huafa on May 13, 2025, the conversion of the convertible notes issued by each of Tianchuang Capital, Lenovo Venture Capital, Xiarui Investments and Zhuhai Huafa shall be effected by way of issuance of newly issued Shares at the agreed conversion prices, with each of Tianchuang Capital, Lenovo Venture Capital, Xiarui Investments and Zhuhai Huafa receiving equity interests in the Company corresponding to the principal amounts of the notes converted and enjoying all rights of the other Pre-**[REDACTED]** Investors in the relevant round. The conversion was completed on May 29, 2025.

Equity Transfers in August 2025

In August 2025, each of Beijing Lianpai, Zhaoshang Shuke, Lianrong Zhiyuan, Tianjin Heyuan, Hangzhou Guanghe, Innovation Zhiyuan, Rongpin Investments, Xiaofeng Technology and Xinglian Zhaoji transferred the Shares in our Company held by them respectively to certain Pre-**[REDACTED]** Investors as set forth as follows. Such capital transfers were conducted based on arm's length negotiation between the Shareholders and did not involve any increase of registered capital by our Company.

Transferor	Transferee	Number of Shares transferred	Consideration *(RMB)*
Beijing Lianpai	Shanghai Shanchuang Zhizhi Venture Capital Partnership (Limited Partnership) (上海杉創智至創業投資合夥企業（有限合夥）) ("Shanchuang Zhizhi")	42,920	20,000,000
Beijing Lianpai	Guangdong Hengqin Shanzhi Investment Partnership (Limited Partnership) (廣東橫琴杉智投資合夥企業（有限合夥）) ("Hengqin Shanzhi")	42,920	20,000,000
Zhaoshang Shuke	Zhongxiao Ruizheng (Shanghai) Venture Capital Partnership (Limited Partnership) (中小銳正（上海）創業投資合夥企業（有限合夥）) ("Zhongxiao Ruizheng")	40,303	20,000,000

Transferor	Transferee	Number of Shares transferred	Consideration
			(RMB)
Lianrong Zhiyuan	Shandong Fuhong New Energy Industry Investment Fund Partnership (Limited Partnership) (山東孚弘新能源產業投資基金合夥企業（有限合夥）) ("Shandong Fuhong")	30,210	14,999,602
Tianjin Heyuan	Nanjing Rongjia Xingpu Equity Investment Partnership (Limited Partnership) (南京融嘉星譜股權投資合夥企業（有限合夥）) ("Rongjia Xingpu")	72,967	35,325,956
Tianjin Heyuan	Qingdao Lingtou Future Venture Capital Fund Partnership (Limited Partnership) (青島瓴投未來創業投資基金合夥企業（有限合夥）) ("Lingtou Future")	68,548	33,186,520
Hangzhou Guanghe	Rongjia Xingpu	13,662	6,614,044
Hangzhou Guanghe	Lingtou Future	12,834	6,213,480
Innovation Zhiyuan	Anhui Jia'an Qixin Venture Capital Partnership (Limited Partnership) (安徽嘉岸啟信創業投資合夥企業（有限合夥）) (Jia'an Qixin)	165,242	80,000,000
Rongpin Investments	Hainan Hezun Investment Co., Ltd. (海南何尊投資有限公司) ("Hainan Hezun")	300,752	20,000,000
Xiaofeng Technology	Beijing Beijiao United Lingyue No.4 Equity Investment Centre (Limited Partnership) (北京北交聯合羚躍肆號股權投資中心（有限合夥）) ("Lingyue No.4")	125,997	61,000,000
Xiaofeng Technology	Beijing Beijiao United Lingyue No.5 Equity Investment Centre (Limited Partnership) (北京北交聯合羚躍伍號股權投資中心（有限合夥）) ("Lingyue No.5")	39,245	19,000,000
Xiaofeng Technology	Huahai Jinpu Venture Capital (Jinan) Partnership (Limited Partnership) (華海金浦創業投資（濟南）合夥企業（有限合夥）) ("Huahai Jinpu")	103,276	50,000,000
Xinglian Zhaoji	Lingyue No.4	82,621	40,000,000

For details of the shareholding of our Company upon completion of the Pre-**[REDACTED]** Investments, See "—Capitalization of Our Company" below.

Key Terms of the Pre-[REDACTED] Investments

The following table summarizes the key terms of the Pre-**[REDACTED]** Investments[1]:

	Series Angel Financing	Series A Financing	Series B1 Financing	Series B2 Financing	Series B3 Financing	Series B4 Financing	Series B5 Financing	Series B6 Financing
Date of agreements	April 8, 2021	April 28, 2021	January 12, 2022 February 15, 2022	March 8, 2023 April 19, 2023	May 12, 2023 May 15, 2023 July 6, 2023	August 4, 2023	November 28, 2023 February 2, 2024 April 18, 2024	August 8, 2024 December 8, 2024 December 31, 2024 January 7, 2025 February 7, 2025 March 19, 2025 May 13, 2025 May 23, 2025
Date of last settlement of consideration	April 8, 2021	July 8, 2021	February 24, 2022	June 28, 2023	January 2, 2024	January 24, 2024	June 21, 2024	May 29, 2025
Amount of consideration paid to the Company	RMB20.37 million[6]	RMB152.00 million	RMB208.00 million	RMB410.11 million	RMB608.97 million	RMB1,228.81 million	RMB1,358.93 million	RMB4,377.00 million
Approximate pre-money valuation of our Company[2]	RMB387.02 million	RMB700.00 million	RMB1,900.00 million	RMB2,580.00 million	RMB3,850.00 million	RMB6,000.00 million	RMB11,999.99 million	RMB19,999.99 million
Approximate post-money valuation of our Company[3]	RMB407.39 million	RMB852.00 million	RMB2,108.00 million	RMB3,210.11 million	RMB4,572.00 million	RMB7,228.82 million	RMB13,358.93 million	RMB24,376.99 million

	Series Angel Financing	Series A Financing	Series B1 Financing	Series B2 Financing	Series B3 Financing	Series B4 Financing	Series B5 Financing	Series B6 Financing
Cost per Share[4]	RMB3.87	RMB6.65	RMB14.24	Stage 1: RMB17.42 Stage 2: RMB18.76	Stage 1: RMB22.49 Stage 2: RMB23.09	RMB28.78	RMB43.00	RMB60.52
Basis of consideration	The consideration for the Pre-**[REDACTED]** Investments which involved increase of registered capital and/or issuance of new Shares in which the Company was a party was determined based on arm's length negotiations between the Company and the Pre-**[REDACTED]** Investors, after taking into consideration various factors, including but not limited to, (i) the timing of the investments; (ii) the status of milestones and prospects of commercialization of our products and our technology advancement; (iii) our expansion capacity and R&D management system; (iv) strategic layout, execution efficiency and other factors of our Group; and (v) the expected market value and prospects of our business. To the best knowledge of our Company, for the Pre-**[REDACTED]** Investments which involved the transfer of existing registered capital or Shares to the Pre-**[REDACTED]** Investors, the considerations were determined among the relevant then Shareholders of our Company and the relevant Pre-**[REDACTED]** Investors upon their respective arm's length negotiations.							
Discount to the [REDACTED][5]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Lock-up period	Our Pathfinder SIIs will be subject to the disposal restrictions pursuant to Chapter 18C.14 of the Listing Rules. See "—Lock-up Periods" below for further details. In addition, all existing Shareholders (including the Pre-**[REDACTED]** Investors) are subject to a lock-up period of 12 months following the **[REDACTED]** according to the applicable PRC law.							
Use of proceeds	The proceeds received by us from the Pre-**[REDACTED]** Investments which involved increase of registered capital and/or issuance of new Shares by our Company amounted to approximately RMB8,364.20 million, of which approximately 58% of the funds raised from such Pre-**[REDACTED]** Investments had been utilized as of the Latest Practicable Date. All of such proceeds were utilized for the R&D, capital expenditures and general working capital needs of our Group in accordance with the annual consolidated budget of the Company approved by the Pre-**[REDACTED]** Investors. No proceeds were received by our Company from the Pre-**[REDACTED]** Investments that involved transfers by the then Shareholders of existing registered capital or Shares by our Company to the Pre-**[REDACTED]** Investors.							

	Series Angel Financing	Series A Financing	Series B1 Financing	Series B2 Financing	Series B3 Financing	Series B4 Financing	Series B5 Financing	Series B6 Financing
Strategic benefits	We are of the view that (i) our Group would benefit from the additional capital provided by the Pre-**[REDACTED]** Investors; (ii) our Group could benefit from the Pre-**[REDACTED]** Investors' knowledge and experience and take advantage of their industry resources and networks, while at the same time broaden our shareholder base; and (iii) the Pre-**[REDACTED]** Investors' investment demonstrated their confidence in our Group and served as an endorsement of our performance, strengths and prospects.							

Notes:

(1) The Pre-**[REDACTED]** Investments consist of both (i) subscription of additional registered capital of the Company or new Shares by the Pre-**[REDACTED]** Investors, for which the Company was a party to such Pre-**[REDACTED]** Investments and received proceeds from such Pre-**[REDACTED]** Investors, the details of which are set out in this table; and (ii) transfer of existing registered capital or Shares to the Pre-**[REDACTED]** Investors, for which the Company was not a party to such Pre-**[REDACTED]** Investments and received no proceeds from such Pre-**[REDACTED]** Investors, and for further details of such transfers, see "—Series A Financing," "—Series B1 Financing," "—Series B3 Financing" and "—Series B5 Financing" above.

(2) The pre-money valuation refers to the cost per Share paid to the Company for the corresponding round of Pre-**[REDACTED]** Investment, multiplied by the total registered share capital of the Company immediately prior to the corresponding round of Pre-**[REDACTED]** Investment.

(3) The post-money valuation refers to the cost per Share paid to our Company for the corresponding series of Pre-**[REDACTED]** Investment, multiplied by the total registered capital of the Company immediately after the completion of the corresponding round of Pre-**[REDACTED]** Investment. The increase of valuation of our Company in each series of our Pre-**[REDACTED]** Investments was due to the business development and operation status of our Group, and in particular, the key milestones achieved by our Group, the launch and commercialization of our Specialist Technology Products, the advancement of our research and development and the prevailing market sentiment at the time when the investments were made. See "—Key Milestones" and "—Reasons for Changes in our Company's Valuation in relation to the Pre-**[REDACTED]** Investments" for details.

(4) The cost per Share of each series of Pre-**[REDACTED]** Investment is calculated by dividing the total amount of consideration by the amount of increased registered capital subscribed by the relevant Pre-**[REDACTED]** Investors in the corresponding series of Pre-**[REDACTED]** Investment, and adjusted with reference to the share conversion rate under the Company's conversion from a limited liability company to a joint stock company in March 2025 assuming the Share Subdivision is completed. See "—Establishment and Major Shareholding Changes of Our Company—Conversion into a Joint Stock Company in 2025" and "—Establishment and Major Shareholding Changes of Our Company—Share Subdivision prior to the **[REDACTED]**" for details.

(5) The discount to the **[REDACTED]** is calculated based on the foreign exchange rate as set out in this document and assuming the **[REDACTED]** is HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]**).

(6) This represents the appraised value of the intellectual property rights as of the valuation benchmark date of March 31, 2021 transferred in kind as consideration for the Series Angel Investment.

Reasons for Changes in our Company's Valuation in relation to the Pre-[REDACTED] Investments

The principal reasons for the material increases in our Company's valuation in several rounds of our Pre-**[REDACTED]** Investments are as follows:

(1) The increase in valuation from the Series Angel Financing to the Series A Financing was mainly due to the Company's early knowledge graph-related products started to generate stable revenue, and our R&D team proactively commenced pre-training large language models.

(2) The increase in valuation from the Series A Financing to the Series B1 Financing was mainly due to the launch of GLM-10B, our first ten-billion-parameter pre-trained large model, in September 2021, which significantly raised our market visibility.

(3) The increase in valuation from the Series B1 Financing to the Series B2 Financing was mainly due to the launch of our GLM-130B, an open-source large model, in August 2022, and the launch of CodeGeeX, our high-performance coding model, in September 2022, expanding our product portfolio and customer reach.

(4) The increase in valuation from the Series B2 Financing to the Series B3 Financing was mainly due to the dual launch of our billion-scale foundation model, ChatGLM and an open-source ChatGLM-6B in March 2023, which was extremely well received among customers.

(5) The increase in valuation from the Series B3 Financing to the Series B4 Financing was mainly due to the continuous growth in market influence resulting from our successful launch of ChatGLM and ChatGLM-6B.

(6) The increase in valuation from the Series B4 Financing to the Series B5 Financing was mainly due to the launch of Zhipu QingYan in August 2024, which was one of the first domestic large model products to complete regulatory filing in China, indicating tremendous commercialization potential and raising our position within the market.

(7) The increase in valuation from the Series B5 Financing to the Series B6 Financing was mainly due to the release of GLM-4 and GLM-4V, which demonstrated our leading R&D abilities and significant growth potential.

Special Rights of the Pre-[REDACTED] Investors

The Pre-**[REDACTED]** Investors had been granted with customary special rights, including, among others, priority at liquidation, pre-emptive rights, rights of first refusal, co-sale rights, information rights, redemption rights, anti-dilution rights, and director nomination rights.

Pursuant to the Shareholders' special rights termination agreement dated June 27, 2025, in anticipation of the **[REDACTED]**, (a) all the redemption rights and divestment rights had been terminated and ceased to be exercisable immediately prior to the first submission of the Company's listing application to the Stock Exchange (the "First Filing"), provided however that, such rights shall be restored upon the earliest of (i) the withdrawal of the listing application to the Stock Exchange by our Company; (ii) the listing application being ultimately not accepted, rejected, returned, vetoed, subject to termination of review, not registered, or not filed by the relevant regulatory authorities or the Stock Exchange; or (iii) the Company failing to complete the **[REDACTED]** within 12 months after the First Filing; and (b) all other special rights will be automatically terminated immediately prior to the **[REDACTED]** on the **[REDACTED]** in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Sole Sponsor's Confirmation

On the basis that (i) the considerations for the Pre-**[REDACTED]** Investments were settled no less than 120 clear days before the **[REDACTED]**; and (ii) the redemption and divestment rights granted to the Pre-**[REDACTED]** Investors

had been terminated prior to the submission of **[REDACTED]** application to the Stock Exchange and all other special rights will be terminated upon **[REDACTED]**, the Sole Sponsor confirms that the Pre-**[REDACTED]** Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information about Our Pre-[REDACTED] Investors

We have received investments from three Sophisticated Independent Shareholders. Two of the Sophisticated Independent Shareholders, namely Legend Capital SIIs and Meituan SII, are our Pathfinder SIIs, each having invested in our Company for at least 12 months prior to the First Filing. In accordance with Chapter 2.5 of the Guide for New Listing Applicants, each of Legend Capital SIIs and Meituan SII holds more than 3%, and in aggregate more than 10%, of the issued share capital of the Company as of the date of our First Filing and throughout the 12-month period prior to the First Filing. For details of the ownership percentage of shareholding in our Company's share capital of each of the Sophisticated Independent Investors, see "—Capitalization of Our Company." Save for (i) being our Sophisticated Independent Shareholders and (ii) the nomination of Mr. Li Jiaqing as a Director by Legend Capital (which is not, and has not been, a close associate of Mr. Li Jiaqing) pursuant to Legend Capital's director nomination right, to the best of the Company's knowledge, information and belief, as of the Latest Practicable Date, each of our Sophisticated Independent Investors is independent from and not connected with any core connected persons of our Company and did not have any acting-in-concert arrangement with any of the core connected persons of our Company.

As of the Latest Practicable Date, our Sophisticated Independent Investors held, in aggregate, approximately 13.49% in the total issued share capital of our Company, and will hold, in aggregate, no less than 10% in the total issued share capital of our Company, assuming that our expected market capitalization at the time of **[REDACTED]** will exceed HK$30 billion.

To the best of the Company's knowledge, information and belief, save as disclosed herein, each of the Pre-**[REDACTED]** Investors is independent from each other, and each of the Pre-**[REDACTED]** Investors is an Independent Third Party.

Set out below is a description of our Sophisticated Independent Investors (including Pathfinder SIIs) and other Pre-**[REDACTED]** Investors.

Our Pathfinder SIIs

(i) Junlian Xiangdao, Junlian Jinfan and Social Security Zhongguancun Innovation Fund (collectively, "Legend Capital SIIs")

Junlian Xiangdao is a limited partnership established under the laws of the PRC, which is engaged in equity investments, investment management, asset management, and other activities. Junlian Xiangdao is owned as to (i) approximately 1.18% by its general partner, Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) ("Lhasa Junqi"), which is wholly owned by Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司) ("LCM") and (ii) approximately 98.82% by other 29 limited partners, none of which holds more than 30% partnership interest therein. LCM is owned as to 80.00% by Beijing Juncheng Hezhong Investment Management Partnership (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)) ("Juncheng Hezhong"). Juncheng Hezhong is controlled by its general partner Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司), which is owned by Mr. Chen Hao (陳浩) as to 40% and none of the other partners holds 30% or more interest therein.

Junlian Jinfan is a limited partnership established under the laws of the PRC, which is principally engaged in venture capital. Junlian Jinfan is owned as to (i) approximately 1.40% by its general partner, Lhasa Junqi, (ii) approximately 70.15% by Xiamen Jianfa Emerging Industries Equity Investment No. 11 Partnership (Limited Partnership) (廈門建發新興產業股權投資拾壹號合夥企業(有限合夥)) as its largest limited partner,

which is ultimately controlled by Xiamen Municipal People's Government State-owned Assets Supervision and Administration Commission (廈門市人民政府國有資產監督管理委員會), and (iii) approximately 28.45% by Junlian Xiangdao as its limited partner.

Social Security Zhongguancun Innovation Fund is a limited partnership established under the laws of the PRC, which is principally engaged in investment activities and venture capital. Social Security Zhongguancun Innovation Fund is owned as to (i) approximately 1.96% by Beijing Jun Chuang Li Xin Venture Capital Partnership (Limited Partnership) (北京君創勵新創業投資合夥企業(有限合夥)) as its general partner, in which Lhasa Junqi holds 50% partnership interest as the general partner, and (ii) approximately 98.04% by National Social Security Fund Council (全國社會保障基金理事會) as its sole limited partner.

As the fund manager of each of Legend Capital SIIs is LCM and the general partner of each of the Legend Capital SIIs is ultimately controlled by LCM, the different shareholding entities are purely different funds managed by the same fund manager and should be aggregated as one SII pursuant to Chapter 2.5 of the Guide for New Listing Applicants. LCM is a leading professional investment institution in the PRC with a focus on early-stage venture capital investments and growth-stage private equity investments. LCM has made investments in companies across various industries, such as the technology, healthcare, consumer, enterprise service and intelligent manufacturing industries. The assets under management ("AUM") of LCM was more than HK$15 billion as of December 31, 2021 (being a date not more than six months prior to the date on which Legend Capital SIIs signed the first definitive agreement for its investment in our Company) and more than HK$15 billion as of December 31, 2024, respectively. As of the Latest Practicable Date, Legend Capital SIIs held approximately 6.73% of the total issued Shares. In compliance with Rule 18C.05 of the Listing Rules, Legend Capital SIIs held approximately 6.73% and 6.63% of the total issued Shares as of June 30, 2025 (being the date of the First Filing) and June 30, 2024 (being the commencement date of the 12-month period prior to the First Filing), respectively.

(ii) Tianjin Sankuai ("Meituan SII")

Tianjin Sankuai is a limited liability company established under the laws of the PRC, which is principally engaged in retail business. Tianjin Sankuai is wholly owned by Meituan (美团), the class B shares of which are listed on the Main Board of the Stock Exchange (stock codes: 3690 (HKD counter) and 83690 (RMB counter)).

Meituan has a diverse investment portfolio and its portfolio companies include Li Auto Inc., a company listed on the Stock Exchange (stock code: 2015) and NASDAQ (ticker symbol: LI); Hesai Group, a company listed on NASDAQ (ticker symbol: HSAI); H World Group Limited, a company listed on the Stock Exchange (stock code: 1179) and NASDAQ (ticker symbol: HTHT) and Maoyan Entertainment, a company listed on the Stock Exchange (stock code: 1896). The value of the diverse investment portfolio held by Meituan was approximately RMB33.98 billion as of December 31, 2022 (being a date not more than six months prior to the date on which Meituan SII signed the relevant definitive agreement for its investment in our Company) and RMB41.31 billion as of December 31, 2024.

As of the Latest Practicable Date, Meituan SII held approximately 4.27% of the total issued Shares. In compliance with Rule 18C.05 of the Listing Rules, Meituan SII held approximately 4.27% and 8.26% of the total issued Shares as of June 30, 2025 (being the date of the First Filing) and June 30, 2024 (being the commencement date of the 12-month period prior to the First Filing), respectively.

Our other Sophisticated Independent Investor

Qiming Rongqian and Qiming Rongkai (collectively, "Qiming Venture SIIs")

Qiming Rongqian is a limited partnership established under the laws of the PRC. Qiming Rongqian is owned as to (i) approximately 1.01% by Suzhou Qikun Venture Capital Partnership (Limited Partnership)

(蘇州啟坤創業投資合夥企業(有限合夥)) ("Suzhou Qikun") as its general partner, which is ultimately controlled by Yu Jia (于佳) and Xu Jing (徐靜) as to 50% and 50%, respectively, and (ii) approximately 98.99% by other 35 limited partners, none of which holds more than 30% partnership interest therein.

Qiming Rongkai is a limited partnership established under the laws of the PRC. Qiming Rongkai is owned as to (i) approximately 2.89% by Suzhou Qikun as its general partner, (ii) 30% by Kunshan Industrial Development Investment Fund Partnership (Limited Partnership) (昆山市產業發展投資母基金合夥企業(有限合夥)) as its limited partner, which is ultimately controlled by Kunshan Municipal Government State-owned Assets Supervision and Administration Office (昆山市政府國有資產監督管理辦公室), and (iii) approximately 67.11% by other 13 limited partners, none of which holds more than 30% partnership interest therein.

As each of Qiming Rongqian and Qiming Rongkai is a venture capital fund operated under Qiming Venture Partners, the different shareholding entities are purely different funds managed by the same fund manager and should be aggregated as one SII pursuant to Chapter 2.5 of the Guide for New Listing Applicants. Qiming Venture Partners is a leading venture capital firm in China, which is focused on investing in outstanding companies at their early and growth stages in the technology and healthcare industries. The AUM of Qiming Venture Partners was approximately US$6.0 billion as of December 31, 2021 (being a date not more than six months prior to the date on which Qiming Venture SIIs signed the first definitive agreement for its investment in our Company), and approximately US$9.0 billion as of December 31, 2024, respectively.

As of the Latest Practicable Date, Qiming Venture SIIs held approximately 2.49% of the total issued Shares. Qiming Venture SIIs held approximately 2.49% and 3.97% of the total issued Shares as of June 30, 2025 (being the date of submission of the First Filing) and June 30, 2024 (being the commencement date of the 12-month period prior to the First Filing), respectively.

Our other major Pre-*[REDACTED] *Investors

We have also received investments from the other major Pre-**[REDACTED]** Investors, each of which held 1.00% or more interest in the Company as of the Latest Practicable Date.

Xinglian Zhaoji and Tongzhi Investments

Xinglian Zhaoji is a limited partnership established under the laws of the PRC, which is principally engaged in software development services, computer system services, data processing, market research, economic and trade consulting, enterprise management consulting and public relations services. Xinglian Zhaoji is owned as to (i) approximately 0.002% by Beijing Zhiqiao Management Consulting Co., Ltd. (北京智橋管理諮詢有限公司) as its general partner, which is ultimately controlled by Ye Xiaobin (葉曉斌), and (ii) approximately 99.998% by other ten limited partners, none of which holds more than 30% partnership interest therein.

Tongzhi Investments is a limited partnership established under the laws of the PRC, which is principally engaged in equity investments, investment management, asset management, and other activities through private placement funds. Tongzhi Investments is owned as to (i) approximately 0.02% by Hainan Zhiqiao Private Equity Fund Management Partnership (Limited Partnership) (海南智橋私募基金管理合夥企業(有限合夥)) as its general partner, which is ultimately controlled by Ye Xiaobin (葉曉斌), and (ii) approximately 99.98% by other 14 limited partners, none of which holds more than 30% partnership interest therein.

Shanghai Yunya and Shanghai Feiya

Shanghai Yunya is a limited liability company established under the laws of the PRC, an investment vehicle of Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) ("Ant Group"). None of the shareholders of Ant Group holds more than one third of the equity interest therein.

Shanghai Feiya is a limited liability company established under the laws of the PRC. Shanghai Feiya is wholly owned by Accelerator VIII Ltd., an exempted company incorporated in the Cayman Islands with limited liability and wholly owned by Ant Unicorn Fund, L.P. Ant Unicorn Fund, L.P. is an exempted limited partnership registered in the Cayman Islands, and managed by its general partner, Ant Unicorn Ltd., an indirect wholly owned subsidiary of Ant Group.

Haihe Fuxin Youda Fund

Haihe Fuxin Youda Fund is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment, investment management, and asset management through private equity funds. Haihe Fuxin Youda Fund is owned as to (i) approximately 0.20% by Beijing Shang Finance Co., Ltd. (北京尚融資本管理有限公司) as its general partner, which is ultimately controlled by Wei Lidong (尉立東), (ii) approximately 33.27% by Tianjin Wuqing District Innovation and Entrepreneurship Investment Co., Ltd. (天津市武清區創新創業投資有限公司) as its limited partner, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Wuqing District, Tianjin (天津市武清區人民政府國有資產監督管理委員會) ("Wuqing SASAC"), (iii) approximately 33.16% by Tianjin Jingjin New Town Technology Development Co., Ltd. (天津市京津新城科技發展股份有限公司) as its limited partner, which is ultimately controlled by Wuqing SASAC, and (iv) approximately 33.37% by other three limited partners, none of which holds more than 30% partnership interest therein.

Trend Mega

Trend Mega was incorporated in the British Virgin Islands. Trend Mega is indirectly owned as to approximately 99.75% by Capital Today Evergreen Fund, L.P., which is controlled by its general partner, Capital Today Evergreen GenPar Ltd., which is in turn controlled by Xu Xin.

Fortune Capital

Dachen Chuanghong is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Dachen Chuanghong is owned as to (i) approximately 4.25% by Shenzhen Fortune Venture Capital Co., Ltd. (深圳市達晨財智創業投資管理有限公司) ("Fortune Capital") as its general partner, which is ultimately controlled by Hunan Provincial State-owned Cultural Assets Supervision and Administration Committee (湖南省國有文化資產監督管理委員會), and (ii) approximately 95.75% by other fourty-nine limited partners, none of which holds more than 30% partnership interest therein.

Caizhi Chuangying is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment. Caizhi Chuangying is owned as to (i) approximately 0.18% by Fortune Capital, and (ii) approximately 99.82% by other 30 limited partners, none of which holds more than 30% partnership interest therein.

Huakong Capital

Beijing Huakong is a limited partnership established under the laws of the PRC, which is principally engaged in investment, investment management and consulting for non-securities businesses. Beijing Huakong is owned as to (i) 1% by Beijing Huakong Investment Consulting Co., Ltd. (北京華控投資顧問有限公司) as its general partner, which is wholly owned by Beijing Huakong Investment Management Group Co., Ltd. (北京華控投資管理集團有限公司) and ultimately controlled by Zhang Yang (張揚), and (ii) 99% by other eight limited partners, none of which holds more than 30% partnership interest therein.

Qingdao Huakong is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment, investment management, and asset management through private equity funds.

Qingdao Huakong is owned as to (i) approximately 0.03% by Horgos Huakong Venture Capital Co., Ltd. (霍爾果斯華控創業投資有限公司) as its general partner, which is ultimately controlled by Zhang Yang (張揚), and (ii) approximately 99.97% by other 21 limited partners, none of which holds more than 30% partnership interest therein.

Zhongguancun Science City

Zhongguancun Science City is a limited partnership established under the laws of the PRC, which is principally engaged in equity investments, investment management, asset management, and other activities through private equity funds. Zhongguancun Science City is owned as to (i) 1% by Beijing Zhongguancun Science City Technology Investment Management Co., Ltd. (北京中關村科學城科技投資管理有限公司) as its general partner, which is ultimately controlled by State-owned Assets Supervision and Administration Commission of the People's Government of Haidian District, Beijing (北京市海淀區人民政府國有資產監督管理委員會) ("Haidian SASAC"), and (ii) 99% by Beijing Haidian District State-owned Assets Investment Group Co., Ltd. (北京市海淀區國有資產投資集團有限公司) as its sole limited partner, which is wholly owned by State-owned Capital Operation Company of Haidian District, Beijing (北京市海淀區國有資本運營有限公司) and ultimately controlled by Haidian SASAC.

Zhuhai Huafa

Zhuhai Huafa is a limited partnership established under the laws of the PRC, which is principally engaged in venture capital, equity investment, investment management, and asset management activities. Zhuhai Huafa is owned as to (i) approximately 0.13% by Zhuhai Kechuang Haisheng Venture Capital Fund Management Co., Ltd. (珠海科創海盛創業投資基金管理有限公司) as its general partner, which is wholly owned by Zhuhai Technology and Entrepreneurship Investment Co., Ltd. (珠海科技創業投資有限公司) and ultimately controlled by Zhuhai Municipal Government State-owned Assets Supervision and Administration Commission (珠海市人民政府國有資產監督管理委員會) ("Zhuhai SASAC"), (ii) 62.5% by Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) ("Huafa Group") as its largest limited partner, which is in turn ultimately controlled by Zhuhai SASAC, and (iii) approximately 37.37% by Zhuhai Huafa Technology Industry Group Co., Ltd. (珠海華發科技產業集團有限公司) as its limited partner, whose largest shareholder is Huafa Group.

Zhihui Linghang

Zhihui Linghang is a limited partnership established under the laws of the PRC, which is principally engaged in venture capital. Zhihui Linghang is owned as to (i) approximately 0.20% by Bokang Co-Winning Equity Investment Fund Management Co., Ltd. (博康共贏股權投資基金管理有限公司) as its general partner, which has Bokang Holding Group Co., Ltd. (博康控股集團有限公司) as its largest shareholder and ultimately controlled by Zhang Tao (張滔), (ii) approximately 79.84% by Shanghai Pudong Leadership Area Investment Center (Limited Partnership) (上海浦東引領區投資中心(有限合夥)) as its largest limited partner, which is ultimately controlled by State-owned Assets Supervision and Administration Commission of Pudong New District, Shanghai (上海市浦東新區國有資產監督管理委員會) ("Pudong SASAC"), and (iii) approximately 19.96% by Shanghai Zhangjiang Technology Venture Capital Co., Ltd. (上海張江科技創業投資有限公司) as its limited partner, which is wholly owned by Shanghai Zhangjiang (Group) Co., Ltd. (上海張江(集團)有限公司) and ultimately controlled by Pudong SASAC.

AI Fund

AI fund is a limited partnership established under the laws of the PRC, which is principally engaged in equity investments, investment management, asset management, and other activities through private equity funds. AI Fund is owned as to (i) 0.5% by Beijing Jingguoguan Property Management Co., Ltd. (北京京國管置業管理有限公司) as its general partner, which is wholly owned by Beijing State-owned Capital Operation Management Co., Ltd. (北京國有資本運營管理有限公司) and ultimately controlled by Beijing

Municipal People's Government State-owned Assets Supervision and Administration Commission (北京市人民政府國有資產監督管理委員會) ("Beijing SASAC"), (ii) 0.5% by Beijing Qiou Management Consulting Partnership (Limited Partnership) (北京啟歐管理諮詢合夥企業(有限合夥)) as its general partner, which is ultimately controlled by Qiming Venture, and (iii) 99% by Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)) as its sole limited partner, which is ultimately controlled by Beijing SASAC.

Tencent Investment

Tencent Investment is a limited liability company established in the PRC on January 6, 2020. Tencent Investment is wholly owned by Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司), which is in turn wholly owned by Shenzhen Tencent Ruitou Enterprise Management Co., Ltd. (深圳市騰訊睿投企業管理有限公司), a company principally engaged in enterprise management consulting. Shenzhen Ruitou Enterprise Management Co., Ltd is controlled each as to 50% by Shenzhen Tengyuan Enterprise Management Partnership (Limited Partnership) (深圳市藤遠企業管理合夥企業(有限合夥)) (''Shenzhen Tengyuan'') and Shenzhen Tenglv Enterprise Management Partnership (Limited Partnership) (深圳市藤綠企業管理合夥企業(有限合夥)) (''Shenzhen Tenglu''). The general partner of both Shenzhen Tengyuan and Shenzhen Tenglu is Shenzhen Tengqing Enterprise Management Co., Ltd. (深圳市藤青企業管理有限公司), which is controlled as to 80% by Ma Huateng (馬化騰), the founder of Tencent, and held as to 20% by Xu Chenye (許晨曄). Each of Shenzhen Tengyuan and Shenzhen Tenglu has two limited partners, namely, Xu Chenye, holding 20% partnership interests therein, and Lu Shan (盧山), holding 5% partnership interests therein.

Duoxiang Network

Duoxiang Network is a limited company incorporated under the laws of the PRC, which is wholly owned by Hangzhou Zhenxi Investment Management Co., Ltd. (杭州臻希投資管理有限公司), which is in turn owned by Hangzhou Zhensheng Investment Management Partnership (Limited Partnership) (杭州臻晟投資管理合夥企業(有限合夥)) ("Hangzhou Zhensheng") and Hangzhou Zhenqiang Investment Management Partnership (Limited Partnership) (杭州臻強投資管理合夥企業(有限合夥)) ("Hangzhou Zhenqiang") as to 50% and 50%, respectively. The general partner of Hangzhou Zhensheng and Hangzhou Zhenqiang is Hangzhou Zhenyue Enterprise Management Co., Ltd. (杭州臻悦企業管理有限公司), which is owned by each of Zheng Junfang (鄭俊芳), Wu Zeming (吳澤明), Jiang Fang (蔣芳) and Shao Xiaofeng (邵曉鋒) as to 25%, respectively. Each of Duoxiang Network and its ultimate beneficial owners is an Independent Third Party.

Hangzhou Chengtou Industrial Fund

Hangzhou Chengtou Industrial Fund is a limited partnership established under the laws of the PRC, which is principally engaged in business management consulting and equity investment. Hangzhou Chengtou Industrial Fund is owned as to (i) 0.02% by Hangzhou Chengchuang Investment Management Co., Ltd. (杭州城創投資管理有限公司) as its general partner, which is wholly owned by Hangzhou Chengtou Capital Group Co., Ltd. (杭州城投資本集團有限公司) and ultimately controlled by Hangzhou Municipal People's Government State-owned Assets Supervision and Administration Commission (杭州市人民政府國有資產監督管理委員會), and (ii) 99.98% by Hangzhou Urban Construction Investment Group Co., Ltd. (杭州市城市建設投資集團有限公司) as its sole limited partner, which is ultimately controlled by Hangzhou Municipal People's Government (杭州市人民政府).

Bejing Shunying

Beijing Shunying is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Beijing Shunying is owned as to (i) approximately 0.05% by Beijing Shunzhong Shunying Enterprise Management Partnership (Limited Partnership) (北京順眾順贏企業管理合夥企業(有限合夥)) as its general partner, whose general partner is Beijing Shunzhong Enterprise Management Co., Ltd. (北京順眾企

業管理有限責任公司) ("Beijing Shunzhong EMC"), which is ultimately owned by Lei Jun (雷軍), Ma Wenjing (馬文靜), Cao Liping (曹莉平) and Cheng Tian (程天), (ii) approximately 33.32% by Beijing Shunmi Shunying Enterprise Management Partnership (Limited Partnership) (北京順米順贏企業管理合夥企業(有限合夥)) as its limited partner, (iii) approximately 33.32% by Beijing Shunjin Shunying Enterprise Management Partnership (Limited Partnership) (北京順金順贏企業管理合夥企業(有限合夥)) as its limited partner, and (iv) approximately 33.31% by other three limited partners, none of which holds more than 30% partnership interest of Beijing Shunying.

Prosperity7

Prosperity7 is a protected cell company established in Guernsey, and is wholly-owned by Aramco Ventures Company, a company established under the laws of the Kingdom of Saudi Arabia.

Daxing Industrial Fund

Daxing Industrial Fund is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment, investment management, and asset management through private equity funds. Daxing Industrial Fund is owned as to (i) 0.10% by Beijing North Business Capital Management Co., Ltd. (北商資本管理(北京)有限公司) as its general partner, which is ultimately controlled by State-owned Assets Supervision and Administration Commission of the People's Government of Daxing District, Beijing (北京市大興區人民政府國有資產監督管理委員會) ("Daxing SASAC") and (ii) 99.90% by Beijing Daxing Development Guidance Fund (Limited Partnership) (北京市大興發展引導基金(有限合夥)) as its sole limited partner, which is ultimately controlled by Daxing SASAC.

High-tech Orinno

High-tech Orinno is a limited partnership established under the laws of the PRC, which is principally engaged in equity investment, investment management, and asset management through private equity funds. High-tech Orinno is owned as to (i) 1.00% by Chengdu High-tech New Economy Venture Capital Co., Ltd. (成都高新新經濟創業投資有限公司) as its general partner, (ii) 50.00% by Chengdu High-tech Jicui Technology Co., Ltd. (成都高新集萃科技有限公司) as its limited partner, (iii) 44.00% by Chengdu High-Tech Investment Group Co., Ltd. (成都高新投資集團有限公司) as its limited partner, and (iv) 5% by Chengdu High-tech Zone Finance and State-Owned Assets Bureau (成都高新技術產業開發區國資金融局). Each of Chengdu High-tech New Economy Venture Capital Co., Ltd., Chengdu High-tech Jicui Technology Co., Ltd. and Chengdu High-Tech Investment Group Co., Ltd. is ultimately controlled by Chengdu High-tech Zone Finance and State-Owned Assets Bureau.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period, our Company did not conduct any acquisition of business for which any of the applicable percentage ratios as defined under the Listing Rules exceeds 25% which would require disclosure pursuant to Rule 4.05A of the Listing Rules. We also did not conduct any other acquisitions, disposals or mergers material to our Group during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, our Company acquired additional equity interest in Beijing Lingxin Intelligent, which is mainly engaged in providing artificial intelligence services. Our Company held approximately 5.02% interest in Beijing Lingxin Intelligent prior to such acquisitions, and held 100% interest in Beijing Lingxin Intelligent upon completion of such acquisitions. The acquisitions were made as part of the Group's strategy to expand its market share of artificial intelligence in the PRC.

In September 2023, the Company entered into transfer agreements with then shareholders of Beijing Lingxin Intelligent, namely Nantong Xinfang Technology Development Center (Limited Partnership) (南通

欣房科技發展中心(有限合夥)), Sanya Lianxing Shangzhi No.1 Equity Investment Fund Partnership (Limited Partnership) (海南三亞連星尚智壹號股權投資基金合夥企業有限合夥)), Nanjing Turing, Infinite Qihang Venture Investment (Taiyuan) Partnership (Limited Partnership) (無限啟航創業投資(太原)合夥企業(有限合夥)), Huang Minlie (黃民烈), Tsinghua Technology, Beijing Beiqingxin Intelligent Technology Center (Limited Partnership) (北京倍傾心智能科技中心(有限合夥)), Shanghai Xindiao Enterprise Management Partnership (Limited Partnership) (上海心雕企業管理事務所(有限合夥)) and Shanghai Yiniansha Enterprise Management Consulting Center (Limited Partnership) (上海依念薩企業管理諮詢中心(有限合夥)), to acquire an aggregate of approximately 94.98% equity interest in Beijing Lingxin Intelligent for a total cash consideration of RMB73,004,600. To the best knowledge, information and belief of the Company, each of the transferors in the above transactions is an Independent Third Party.

The consideration for above acquisitions was determined through arm's length negotiation between our Company and the relevant transferors with reference to an independent valuation of net assets value of Beijing Lingxin Intelligent as of May 31, 2023 and was fully settled on October 24, 2024. None of the applicable percentage ratios as defined under the Listing Rules in respect of the above acquisition exceeds 25% which would require disclosure pursuant to Rule 4.05A of the Listing Rules. As advised by the PRC Legal Advisors, each of the above acquisitions has been properly and legally completed and settled, conducted in compliance with all material aspects of applicable PRC laws and regulations, and all necessary regulatory approvals have been obtained.

EMPLOYEE OWNERSHIP PLATFORMS

In recognition of the contributions of our key employees and to incentivize them to further promote our development, we adopted the Employee Incentive Schemes from 2021 to 2025, to award the partnership interest in our Employee Ownership Platforms to the eligible participants under the Employee Incentive Schemes. As of the Latest Practicable Date, Huihui and Zhideng were established as our Employee Ownership Platforms. The terms of Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards or any issuance of new Shares by our Company after **[REDACTED]**.

According to the Employee Incentive Schemes and the related grant agreements, the eligible participants were awarded partnership interests in the Employee Ownership Platforms. All management and voting powers of the Employee Ownership Platforms are exercised by their respective sole general partner according to the respective partnership agreements. The eligible participants of the Employee Ownership Platforms are only entitled to the economic interest therein.

Huihui

Huihui was established under the laws of the PRC on June 23, 2021, with Dr. Liu (our executive Director) acting as its sole general partner, holding approximately 30.33% partnership interest therein. As of the date of this document, Huihui had 426 limited partners who are current and former employees of the Group, among whom Dr. Zhang and Ms. Zhang Xiaohan (our executive Directors) held approximately 20.98% and 0.46% partnership interest as limited partners therein, respectively. None of the limited partners of Huihui holds 30% or more of the partnership interest therein.

Zhideng

Zhideng was established under the laws of the PRC on June 23, 2021, with Dr. Liu (our executive Director) acting as its sole general partner, holding approximately 39.01% partnership interest therein. As of the date of this document, Zhideng had 25 limited partners who are current employees and consultants of the Group, among whom Dr. Zhang (our executive Director) held approximately 4.63% partnership interest as a limited partner therein. All 16 consultants among the limited partners are full-time interns who are algorithm specialists engaged by the Group, each of whom is an Independent Third Party. The primary

responsibilities of these consultants include, among other things, code development, research and pre-training of visual language models, and algorithm development. None of the limited partners of Zhideng holds 30% or more of the partnership interest therein.

None of the limited partners of Huihui and Zhideng is entitled to any special rights under the relevant partnership agreements that would affect Dr. Liu's control over Huihui and Zhideng as the sole general partner.

For further details of our Employee Incentive Schemes, see "Appendix VI—D. Employee Incentive Schemes" in this document.

CONCERT PARTY ARRANGEMENT AND OUR CONTROLLING SHAREHOLDERS

To formalize their cooperation as Shareholders in achieving the shared goals and objective of our Group, in April 2023, Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng entered into the Concert Party Agreement, pursuant to which Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng confirmed and agreed that, during the period in which any party directly or indirectly holds or controls any Shares of the Company, they will act in concert when exercising their shareholder rights as Shareholders of the Company. Accordingly, Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng constitute our group of Controlling Shareholders.

As of the Latest Practicable Date, our Controlling Shareholders were collectively interested in approximately 33.03% of the Shares, and will hold approximately **[REDACTED]**% of the Shares immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). Therefore, upon **[REDACTED]**, they will remain as our group of Controlling Shareholders. See "Relationship with our Controlling Shareholders" for further details.

A SHARE LISTING ATTEMPT

In April 2025, we made a preliminary filing (上市輔導備案) with the Beijing Regulatory Bureau of CSRC (中國證券監督管理委員會北京監管局) in relation to a tutoring agreement with China International Capital Corporation Limited (中國國際金融股份有限公司) in connection with an A shares listing (the "Proposed A Share Listing"), pursuant to which China International Capital Corporation Limited agreed to act as the tutoring institution of the Company to provide guidance and preliminary compliance advice on the requirements of the CSRC and the Shanghai Stock Exchange. Since the execution of the tutoring agreement and up to the Latest Practicable Date, (i) the Company did not receive any formal comments or inquiries from the CSRC or the Shanghai Stock Exchange in connection with the Proposed A Share Listing, and (ii) the Company had not submitted any formal listing application for the Proposed A Share Listing, nor had it formulated any specific listing plan.

To further expand our business and considering that the Hong Kong Stock Exchange would provide us with an international platform to enhance our capital access, attract diverse overseas investors and broaden our shareholder base, we voluntarily decided to pursue a listing in Hong Kong.

To the best of their knowledge and belief, our Directors are not aware of any other matters relating to the Proposed A Share Listing that which may materially and adversely affect the Company's suitability for **[REDACTED]** and need to be brought to the attention of the Stock Exchange or the Shareholders.

Base on the foregoing and the due diligence work performed by the Sole Sponsor, nothing material has come to their attention that contradicts the Directors' view disclosed above regarding our Company's A share listing attempts.

CAPITALIZATION OF OUR COMPANY

As of the Latest Practicable Date and immediately after completion of the Share Subdivision, the Conversion of Unlisted Shares and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the summary of the capitalization of our Company is set out as follows:

	As of the Latest Practicable Date		Upon completion of the Share Subdivision, the Conversion of Unlisted Shares and the [REDACTED]				
Shareholder	**Number of Shares**	**Percentage of shareholding**	**Number of H Shares**	**Number of Unlisted Shares**	**Total number of Shares**	**Percentage of shareholding**	**Whether the H Shares count towards public float or not**
Our Controlling Shareholders							
Beijing Lianpai	3,403,839	8.45%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	—
Dr. Liu	92,515	0.23%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	—
Dr. Tang	2,683,533	6.66%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	—
Dr. Li	336,776	0.84%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	—
Dr. Xu	79,904	0.20%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	—
Dr. Zhang	39,952	0.10%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	—
Huihui	3,948,271	9.80%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	No
Zhideng	2,719,633	6.75%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	No
Our Sophisticated Independent Investors							
Legend Capital SIIs							
Junlian Xiangdao	1,866,775	4.63%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Junlian Jinfan	175,241	0.44%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Social Security Zhongguancun Innovation Fund	668,896	1.66%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Meituan SII							
Tianjin Sankuai	1,721,731	4.27%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Qiming Venture SIIs							
Qiming Rongqian	590,524	1.47%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Qiming Rongkai	411,369	1.02%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Other Shareholders							
Xinglian Zhaoji and Tongzhi Investments							
Xinglian Zhaoji	951,934	2.36%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Tongzhi Investments	706,767	1.75%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Shanghai Yunya and Shanghai Feiya							
Shanghai Yunya	539,323	1.34%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Shanghai Feiya	1,069,151	2.65%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes

	As of the Latest Practicable Date		Upon completion of the Share Subdivision, the Conversion of Unlisted Shares and the [REDACTED]				
Shareholder	Number of Shares	Percentage of shareholding	Number of H Shares	Number of Unlisted Shares	Total number of Shares	Percentage of shareholding	Whether the H Shares count towards public float or not
Haihe Fuxin Youda Fund	1,569,800	3.90%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Tsinghua Technology	1,553,439	3.86%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	—
Trend Mega	1,134,991	2.82%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Fortune Capital							
Dachen Chuanghong	823,341	2.04%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Caizhi Chuangying	58,443	0.15%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Huakong Capital							
Beijing Huakong	300,752	0.75%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Qingdao Huakong	528,047	1.31%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Zhongguancun Science City	826,211	2.05%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Zhuhai Huafa	826,211	2.05%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Zhihui Linghang	826,211	2.05%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
AI Fund	795,574	1.98%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Tencent Investment	694,854	1.73%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Duoxiang Network	678,294	1.68%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
CAS Star	591,227	1.47%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Hangzhou Chengtou Industrial Fund	578,347	1.44%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Beijing Shunying	521,141	1.29%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Prosperity7	495,390	1.23%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Daxing Industrial Fund	495,726	1.23%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
High-tech Orinno	495,726	1.23%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Xiamen Yaheng	382,309	0.95%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Guanghe							
Tianjin Heyuan	321,175	0.80%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Hangzhou Guanghe	60,133	0.15%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
TAL	347,427	0.86%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Ningbo Mingheng	347,427	0.86%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Hainan Hezun	300,752	0.75%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Lingyue							
Lingyue No.4	208,618	0.52%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Lingyue No.5	39,245	0.10%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Wuxi Yunhui	232,545	0.58%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Tianchuang Capital	214,815	0.53%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
5G Fund	209,290	0.52%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Shangcheng Linghang	165,242	0.41%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Xiarui Investments	165,242	0.41%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes
Lenovo Venture Capital	165,242	0.41%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	Yes

	As of the Latest Practicable Date		Upon completion of the Share Subdivision, the Conversion of Unlisted Shares and the [REDACTED]				
Shareholder	Number of Shares	Percentage of shareholding	Number of H Shares	Number of Unlisted Shares	Total number of Shares	Percentage of shareholding	Whether the H Shares count towards public float or not
Jia'an Qixin	165,242	0.41%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Jiangmen Venture Capital	150,376	0.37%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Luster	150,376	0.37%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Xiaofeng Technology	148,672	0.37%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Huahai Jinpu	103,276	0.26%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Zhaoshang Shuke	99,224	0.25%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Innovation Zhiyuan	94,156	0.23%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Rongjia Xingpu	86,629	0.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Lianrong Zhiyuan	86,062	0.21%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Lingtou Future	81,382	0.20%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Shanchuang Zhizhi	42,920	0.11%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Hengqin Shanzhi	42,920	0.11%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Zhongxiao Ruizheng	40,303	0.10%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Shandong Fuhong	30,210	0.07%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Public Shareholders taking part in the [REDACTED]	—	—	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Yes
Total	**40,281,069**	**100%**	[REDACTED]	[REDACTED]	[REDACTED]	**100.00%**	

PUBLIC FLOAT

An aggregate of **[REDACTED]** H Shares converted from Unlisted Shares (taking into account the Share Subdivision) held by Huihui and Zhideng, which are members of our group of Controlling Shareholders, representing approximately **[REDACTED]**% of our total issued Shares as of the Latest Practicable Date or approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised), will not be counted as part of the public float of our Company in accordance with Rule 19A.13A(1) of the Listing Rules.

In addition, an aggregate of **[REDACTED]** Unlisted Shares (taking into account the Share Subdivision) that will not be converted into H Shares, representing approximately **[REDACTED]**% of our total issued Shares as of the Latest Practicable Date or approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised), will not be counted as part of the public float of our Company.

To the best knowledge and information of our Directors, taking into account the Share Subdivision and the Conversion of Unlisted Shares into H Shares upon **[REDACTED]**, **[REDACTED]** H Shares will be counted towards the public float of our Company in accordance with Rule 19A.13A(1) of the Listing Rules, representing approximately **[REDACTED]**% of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised.

Assuming that the **[REDACTED]** is not exercised, (i) if the **[REDACTED]** is fixed at HK$**[REDACTED]** per H Share (being the low-end of the indicative **[REDACTED]** range set out in this document),

the expected market capitalization of the Company upon **[REDACTED]** would be approximately HK$**[REDACTED]**, and the percentage that would result in the expected market value of H Shares held by the public to be HK$**[REDACTED]** at the time of **[REDACTED]** is approximately **[REDACTED]**%; (ii) if the **[REDACTED]** is fixed at HK$**[REDACTED]** per H Share (being the midpoint of the indicative **[REDACTED]** range set out in this document), the expected market capitalization of the Company upon **[REDACTED]** would be approximately HK$**[REDACTED]**, and the percentage that would result in the expected market value of H Shares held by the public to be HK$**[REDACTED]** at the time of **[REDACTED]** is approximately **[REDACTED]**%; and (iii) if the **[REDACTED]** is fixed at HK$**[REDACTED]** per H Share (being the high-end of the indicative **[REDACTED]** range set out in this document), the expected market capitalization of the Company upon **[REDACTED]** would be approximately HK$**[REDACTED]**, and the percentage that would result in the expected market value of H Shares held by the public to be HK$**[REDACTED]** at the time of **[REDACTED]** is approximately **[REDACTED]**%. Accordingly, the minimum prescribed public float percentage applicable to our H Shares under Rule 19A.13A(1) of the Listing Rules is **[REDACTED]**%. Therefore, our Company will be able to satisfy the minimum public float requirement under Rule 19A.13A of the Listing Rules as over **[REDACTED]**% of our Company's total issued Shares will be held by the public upon completion of the **[REDACTED]**.

LOCK-UP PERIODS

Pursuant to the applicable PRC law, all existing Shareholders (including our Pre-**[REDACTED]** Investors) are prohibited from disposing of any of the Shares held by them within the 12 months following the **[REDACTED]**.

The table below sets out the list of persons who are, together with their respective close associates, subject to disposal restrictions pursuant to Rules 18C.13 and 18C.14 of the Listing Rules:

Person(s)	Capacity	Number of Shares subject to disposal restrictions immediately following the completion of the Share Subdivision and the [REDACTED]	Shareholding subject to disposal restrictions immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	Lock-up period for a Commercial Company
Key persons/Controlling Shareholders				
Dr. Liu	Co-founder, executive Director and chairman of the Board	925,150	**[REDACTED]**	Commencing on the date of this document and ending on expiry of 12 months from the **[REDACTED]**
Beijing Lianpai	Shareholding platform controlled by Dr. Liu	34,038,390	**[REDACTED]**	
Huihui(1)	Employee Incentive Platform controlled by Dr. Liu	39,482,710	**[REDACTED]**	
Zhideng(1)	Employee Incentive Platform controlled by Dr. Liu	27,196,330	**[REDACTED]**	
Dr. Tang	Co-founder	26,835,330	**[REDACTED]**	
Dr. Li	Co-founder and non-executive Director	3,367,760	**[REDACTED]**	
Dr. Xu	Co-founder	799,040	**[REDACTED]**	
Dr. Zhang	Co-founder and executive Director	399,520	**[REDACTED]**	
Pathfinder SIIs				
Legend Capital SIIs	Pathfinder SII	27,109,120(2)	**[REDACTED]**	Commencing on the date of this document and ending on expiry of 6 months from the **[REDACTED]**
Meituan SII	Pathfinder SII	17,217,310(3)	**[REDACTED]**	

Notes:

(1) As of the Latest Practicable Date, Huihui and Zhideng were established as our Employee Ownership Platforms, under which the eligible participants (including our executive Directors, Dr. Liu, Dr. Zhang and Ms. Zhang Xiaohan as well as other core R&D employees of our Group) were awarded partnership interest in the Employee Ownership Platforms. Our core R&D employees for the purpose of Rule 18C.14 of the Listing Rules include the followings:

- Mr. Yan Xingyu, an algorithm expert;

- Dr. Gu Xiaotao, an algorithm expert; and
- Dr. Du Zhengxiao, an algorithm expert.

See "—Employee Ownership Platforms" for further details. All the above executive Directors, senior management members and key persons of our Company shall be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules.

(2) Representing the Shares to be held by Junlian Xiangdao, Junlian Jinfan and Social Security Zhongguancun Innovation Fund upon completion of the **[REDACTED]**.

(3) Representing the Shares to be held by Tianjin Sankuai upon completion of the **[REDACTED]**.

FREE FLOAT

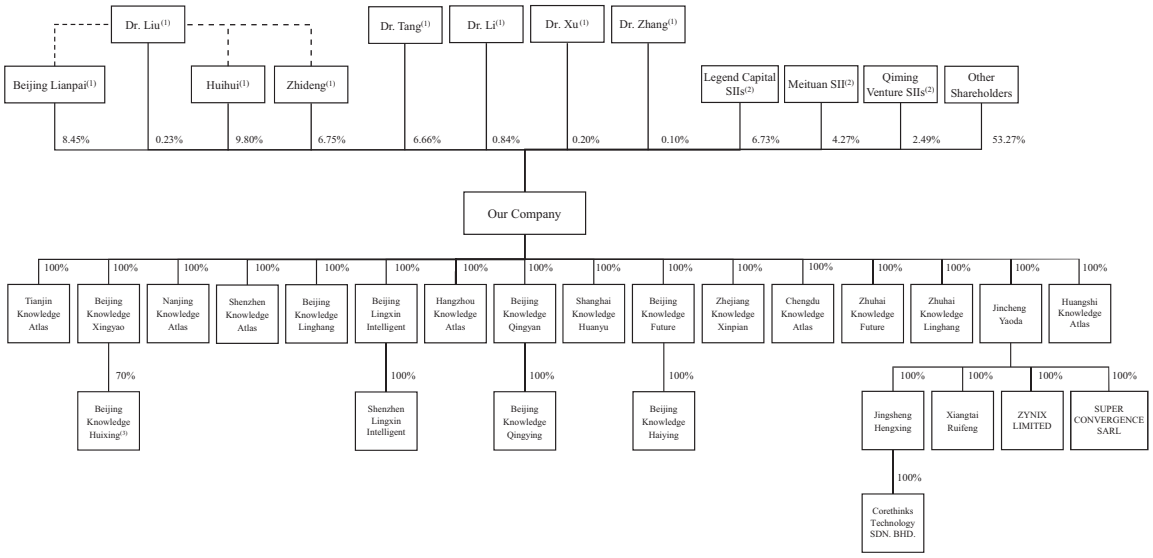
Pursuant to Rule 19A.13C(1) of the Listing Rules, our Company must ensure that a portion of the total number of its issued shares listed on the Stock Exchange with a market capitalization of at least HK$600,000,000 are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of **[REDACTED]**.

On the basis that (i) no **[REDACTED]** will be allocated under the **[REDACTED]** to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules and (ii) all **[REDACTED]** to be issued to the cornerstone investors are excluded for the purpose of satisfying the free float requirement, upon completion of the **[REDACTED]** (assuming the completion of Share Subdivision and Conversion of Unlisted Shares and the **[REDACTED]** is not exercised), it is expected that **[REDACTED]** H Shares, **[REDACTED]** H Shares and **[REDACTED]** H Shares will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the **[REDACTED]**, representing a market capitalization of approximately HK$**[REDACTED]**, HK$**[REDACTED]**, and HK$**[REDACTED]** at the time of **[REDACTED]** if the **[REDACTED]** is fixed at the low-end, mid-point and high-end of the indicative **[REDACTED]** range set out in this document, respectively, which are all over HK$**[REDACTED]** and will satisfy the free float requirement under Rule 19A.13C(1)(b) of the Listing Rules.

SHAREHOLDING AND CORPORATE STRUCTURE

Corporate Structure Immediately Before the [REDACTED]

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



Notes:

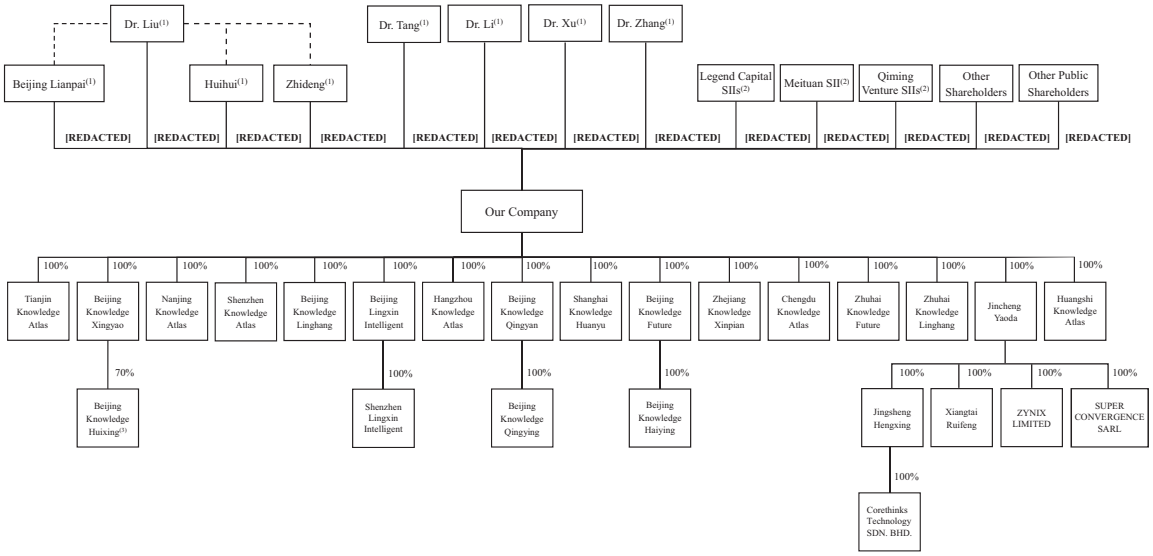
(1) Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng are parties acting in concert and are our group of Controlling Shareholders. See "—Concert Party Arrangement and Our Controlling Shareholders" for details. Beijing Lianpai, Huihui and Zhideng are controlled by Dr. Liu by virtue of Dr. Liu serving as their respective general partner.

(2) For the details of the background information of Legend Capital SIIs, Meituan SII, Qiming Venture SIIs and other Pre-**[REDACTED]** Investors, see "—Pre-**[REDACTED]** Investments" for details.

(3) The remaining 30% equity interest of Beijing Knowledge Huixing is held by Hainan Hezun, an Independent Third Party.

Corporate Structure Immediately After Completion of the [REDACTED]

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



Notes:

(1)-(3) Please refer to the notes in "—Shareholding and Corporate Structure—Corporate Structure Immediately Before the **[REDACTED]**" above.

OVERVIEW

Who We Are

We are a leading AI company in China, dedicated to developing advanced general-purpose large models. We were founded in 2019 on the bold idea of pursuing innovation toward artificial general intelligence (AGI) in China. We have solidly delivered advanced technology across the full spectrum of AI research and steadily scaled up its commercial application to achieve fast growth in revenue. In 2021, we launched GLM framework, China's first proprietary pre-trained large model framework, and debuted our Model-as-a-Service (MaaS) product development and commercialization platform, through which we provide our large model services. In 2022, we open-sourced our first 100 billion–scale model (GLM-130B). We operate in the large language model (LLM) market, a sub-segment of the broader AI market. We offer general-purpose large model services to institutional customers, including private enterprises and public sector entities, as well as individual users, including individual end-users and individual developers. Our models had empowered over eight thousand institutional customers as of June 30, 2025 and approximately 80 million devices as of the Latest Practicable Date. According to Frost & Sullivan, we ranked first among China's independent developers and second among all developers of general-purpose large models in terms of revenue in 2024.

How We Define AGI

What does AGI look like and how do we get there? Although there is no official industry standard, we think it follows this roadmap:

- **Pre-training stage.** We teach machines to understand, write and speak human languages.
- **Alignment and reasoning stage.** We align machines with human intentions and teach them to reason and plan. This improves safety, reduces hallucination and enables alignment with images, videos, audios and actions.
- **Self-learning stage.** We teach machines to learn from what they thought and did through self-critique, self-reflection and rumination.
- **Self-perception stage.** Without human supervision, machines develop their own attitudes and emotions by observing their behavior and interpreting it themselves.
- **Consciousness stage.** Machines become aware of their internal and external existence, similar to human consciousness (subject to the complexities of that concept even for humans).

We have developed large models and agents across the first three stages, such as GLM-130B, China's first 100 billion-scale large model (at the pre-training stage), ChatGLM, China's first open-source large chat model (at the alignment and reasoning stage) and AutoGLM – Rumination, China's first AI agent with rumination capabilities (at the self-learning stage). We are advancing towards the self-perception stage and consciousness stage, standing on the frontier of AGI innovation.

Our MaaS Platform

We aim to teach machines to think like humans and benefit humanity with reliable AI. Since we released our first model in 2020, as we continue to iterate, we have started to explore how our technology, so long as it is reliable, can be useful for enterprises and individuals. We commenced commercialization in 2021, two years earlier than scaled commercialization of general-purpose large models began in China

according to Frost & Sullivan. We organize our offerings around our MaaS platform, through which we deliver intelligence to customers in the most suitable, sensible and scalable way. Our MaaS platform features:

- *Comprehensive model portfolio.* We have built a comprehensive portfolio of advanced AI models, showcasing industry-leading performance in language, multimodal, agentic and coding capabilities. From our broad and capable repertoire, customers and developers can always find the most suitable solution for their specific needs.

- *Empowering enterprises and individuals.* A notable benefit of our MaaS business model is the potential for us to leverage our institutional customers to reach their own customers on a significant magnitude, so that we extend our influence to these end users in an indirect but highly efficient manner. According to Frost & Sullivan, as of June 30, 2025, we empowered the highest number of devices in China among independent large model providers, and the second-highest among all large model providers.

- *Easy custom deployment.* Our models can be hosted on the cloud, accessed via application programming interface (API), deployed on-premise to compute private datasets or pre-installed on-device. We also provide plug-and-play templates and plugins, as well as standardized, integrated tools for model fine-tuning, deployment and agent development. These approaches enable rapid scenario-based, codeless or low-code model development, driving high scalability across industry verticals.

- *Safety and reliability.* We have developed a secure and scalable architecture to develop safe and reliable models, backed by leading safety performance. For example, our GLM-4-9B model achieved one of the lowest hallucination rates (1.3%) among top models, as evaluated by the Hughes Hallucination Evaluation Model (HHEM-2.1-Open), according to the 2025 AI Index Report published by Stanford University.

- *"MaaS in the loop."* Leveraging our MaaS platform, we have established a thriving network that connects computing resource providers, smart device manufacturers, institutional customers, developers and individual customers. We have learned substantial insights from the real-world deployment of our models, which enable us to better understand how people actually use and benefit from our AI across different use cases and refine our training strategies in a more targeted manner, resulting in a virtuous insight flywheel.

We believe that as model capabilities continue to advance, there will be ever broader proliferation of AI-powered applications, AI-enabled devices and AI-transformed organizations.

We achieved significant growth in revenue during the Track Record Period. In 2022, 2023 and 2024, our revenue was RMB57.4 million, RMB124.5 million and RMB312.4 million, respectively, representing a CAGR of over 130%. For the six months ended June 30, 2024 and 2025, our revenue was RMB44.9 million and RMB190.9 million, respectively.

Industry Leadership[1][2]	Operational Data	Financial Performance
China's Largest Independent general-purpose large model developer by revenue **China's Second Largest** Overall general-purpose large model developer by revenue	**8,000+** Number of institutional customers[2]	**RMB57.4 million, RMB124.5 million, RMB312.4 million and RMB190.9 million** Revenue in 2022, 2023, 2024 and the six months ended June 30, 2025
China's First Pre-trained large model framework	**Approximately 80 million** Number of devices empowered[3][4]	**50%+** Gross profit margin in 2022, 2023, 2024 and the six months ended June 30, 2025
Global No. 1 Coding capabilities of GLM-4.6[5]	**45 million+** Downloads of our open-source models in the global developer community[4]	**130%+** Revenue CAGR from 2022 to 2024

Notes:

(1) According to Frost & Sullivan.

(2) As of June 30, 2025.

(3) Included smart phones, personal computers and smart vehicles.

(4) As of the Latest Practicable Date.

(5) Ranked in November 2025 by CodeArena, the latest industry-recognized global evaluation platform designed to assess models' coding capabilities.

Our Ecosystem

We have fostered an ecosystem based on three pillars: open-source collaboration, robust computing infrastructure and diverse industry partnership. From foundational research to real-world application, participants in our ecosystem develop dynamic and interdependent relationships, creating an environment where innovation is continuously stimulated, reinforced and scaled across sectors.

- *Developers – Advancing innovation through open source.* We see open-sourcing as a key catalyst for the vitality of our ecosystem. We have broadly open-sourced our models, inviting global participation in a transparent governance structure. Developers (*i.e.* programmers) worldwide collaborate at multiple levels around our open-source offerings, ranging from foundational models to algorithm plugins and security enhancements to performance optimization and multilingual adaptation. As of June 30, 2025, our open-source models had been downloaded for over 45 million times in the global developer community, and more than 1,000 open-source projects had been created based on our models, through which developers customized the open-source models through model fine-tuning and incremental model training so that our models can serve their specific needs. For example, based on our open-source models, developers built an open-source project named "LangChain-Chatchat," which is a Q&A chatbot customized based on the user's local knowledge base.

- *Infra providers – Facilitating broad compatibility.* We commit to broad computing compatibility so that models can be easily deployed across a wide range of computing infrastructures, or "infra," such as cloud-based large-scale clusters, heterogeneous high-performance servers and edge-embedded accelerators. As of June 30, 2025, our models were compatible with over 40 major global chip platforms. In this unified system, developers can initiate requests, fine-tune performance and achieve high resource efficiency. This compatibility allows advanced large models to be deployed despite heterogeneity in infra, while also enabling our infra partners to realize broader commercial prospects through the integration of our models.

- *Business partners – Driving industry transformation.* Our business partner network defines the upper boundaries of our ecosystem. With our robust foundational models, top-tier computing compatibility and comprehensive development tools, our business partners can rapidly extend AI capabilities to various industries. Each deployment not only provides fresh data for model innovation and real-world feedback for tool enhancement but also contributes new industry approaches to the broader community. This creates a virtuous cycle of continuous improvement, feeding new insights back into our foundational models and shared tools.

OUR COMMITMENT TO SAFE AND ETHICAL AI

We envision a world where AI serves as a transformative force for good, a world where AI—ultimately AGI—empowers humanity to improve life in all corners of our planet and address the greatest challenges of our time.

We see two aspects of the AI revolution that we believe will make it even more transformative than the earlier industrial revolutions in human history. On the one hand, AI will become a ubiquitous commodity, just like oil, powering work anywhere and anytime so that humans do not need to. Even better, the supply of this new resource could be infinite, because it is not mined from the crust of the Earth but engineered from the depth of the best human minds. On the other hand, AI will be more than a utility. With potentially boundless scale and superhuman capabilities, AI could achieve scientific breakthroughs that humans could not manage on their own. Handled properly, we believe AI will lead to unimaginable progress and propel our civilization to an unknown height.

At the same time, there are profound risks inherent in creating machine systems that emulate human intelligence. Handled in wrong ways, AI could lead to grave harm, even catastrophe. In particular, AI will seep into the finest fabric of human society and smallest crease of everyone's lives. The culture of every community and the wellbeing of every individual will be at stake. Therefore, we must approach AI with extreme care.

As a leader in foundational AI technologies, we understand our responsibility. We do essentially two things: enhance the technology to make it more useful and extend its application to put it to more purposeful use. In doing so, to ensure that our AI remains a force for good for all of humanity, we are committed to adhering to our core AI safety and ethics principles and steering our organization and everything we do around these principles. Safety is our first and foremost priority. We are the only Chinese AI company to have signed the *Frontier AI Safety Commitments* in the 2024 AI Seoul Summit, with our international peers. We also place vital focus on ethical considerations such as democratization, diversity, equity, environmental sustainability and transparency. In particular, we will endeavor to ensure that AI does not diminish the great cultural diversity that makes us human. See "—Our Core AI Safety and Ethics Principles."

Acting responsibly requires foresight, diligence and a heavy dose of humility every step of the way. We are ready to acknowledge the limits of our knowledge. The development of AI will venture into uncharted territories, raising questions we cannot yet answer. As we forge forward, we pledge to remain humble, continuously interrogating our values, assumptions and methodologies. When we make a mistake, we will own it, correct it, and learn from it. By anchoring ourselves in responsibility, transparency and collaboration, we will strive to ensure that AI serves as a vehicle for sustained human prosperity.

OUR STRENGTHS

Pioneer in general-purpose AI innovation

We are a pioneer in the development of advanced general-purpose AI in China. According to Frost & Sullivan, we were the first AI company in China to have self-developed large models at a scale of over 100 billion parameters, and we ranked first among China's independent developers and second among all developers of general-purpose large models by revenue in 2024.

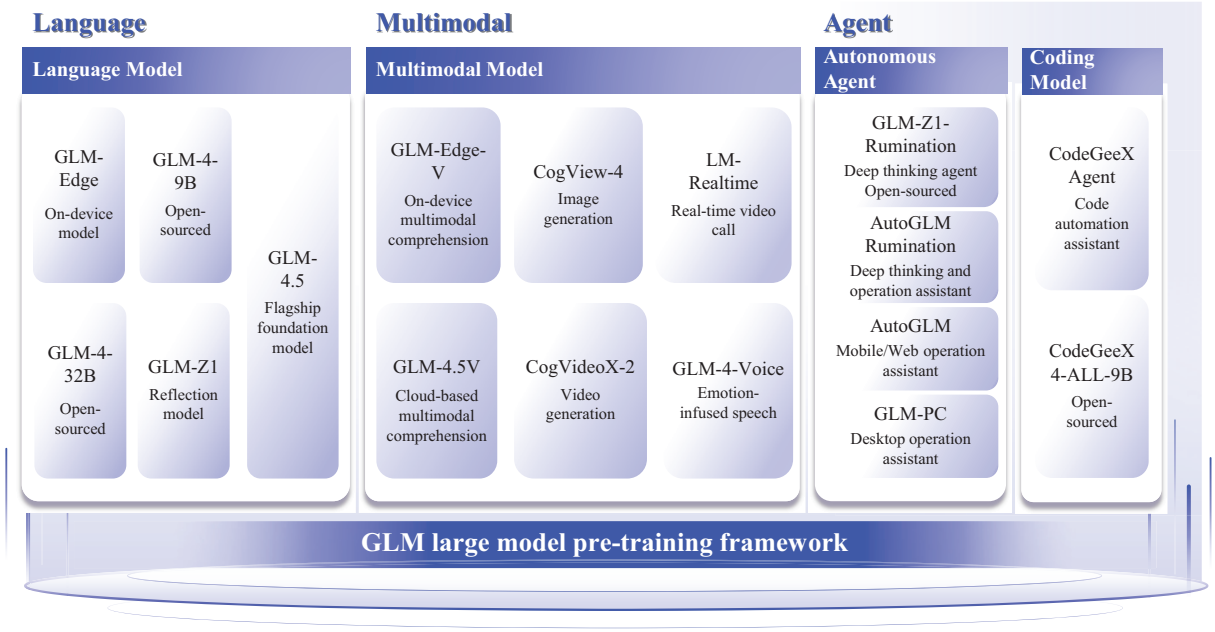
- *Innovative foundational architecture*. Our technological leadership is built upon our GLM framework, China's first proprietary pre-trained large model framework. Unlike mainstream unidirectional architectures, our innovative design uniquely integrates both unidirectional and bidirectional attention mechanisms. This gives our models solid capabilities in both complex language understanding and nuanced generation, establishing a robust and versatile foundation for all our models.

- *Pioneering model innovation.* We have consistently delivered breakthrough model releases, expanding the horizon of large model capabilities. In 2022, we introduced GLM-130B, China's first open-source pre-trained model at the 100-billion parameter scale. In October 2024, we released the device-control agent model AutoGLM, which was initially designed for phone use, and we further launched the computer-use AI agent GLM-PC, substantially concurrently with other globally leading AI companies. In March 2025, we introduced AutoGLM-Rumination, a major breakthrough for frontier AI agents as it is able to autonomously carry out agent operations that require sustained "thinking while working" for tens of minutes. In July 2025, we launched GLM-4.5, our flagship foundation model featuring strong agentic, reasoning and coding capabilities. According to Frost & Sullivan, based on an evaluation across twelve industry-standard benchmark tests in July 2025, GLM-4.5 ranked third globally, first in China and first among global open-source models.

- *Early commercial strategy and first-mover advantage.* Our technological strength is accompanied by a first-mover advantage in commercialization. We commenced commercialization in 2021, two years earlier than scaled commercialization of general-purpose large models began in China according to Frost & Sullivan. We have successfully built a large and scalable business through our MaaS platform and industry partnerships. This market leadership is reinforced by substantial user adoption and engagement, which creates a virtuous cycle of real-world insights, model refinement and sustained growth.

Comprehensive large model portfolio

Based upon our proprietary large model pre-training framework GLM, we have built a comprehensive model portfolio, according to Frost & Sullivan. This enables us to offer customers a wide array of foundation models and an ability for rapid customization. Our model matrix includes lightweight on-device models, cost-efficient models and 100 billion–scale flagship large models, each purpose-built to address specific client needs. This portfolio supports comprehensive functionality including dialogue, general-purpose agents, code generation, image comprehension and text-to-image/video generation with voice capabilities, delivering thorough coverage across all major large model application scenarios.



Our models are distinguished in terms of individual capabilities by industry-leading performance, with several achieving global state-of-the-art (SOTA) status:

- *Language models – Reliable foundation for advanced intelligence.* Our flagship model, GLM-4.5, has capabilities comparable with the world's most advanced models. According to Frost & Sullivan, based on an evaluation across twelve industry-standard benchmark tests in July 2025, GLM-4.5 ranked third globally, first in China and first among global open-source models. Within only 48 hours of its initial launch, GLM-4.5 ranked first globally on the trending board of Hugging Face, the world's largest platform for open-source models, demonstrating its popularity among global users.

- *Agentic models – Automating complex tasks and device control.* Our agentic models are engineered to power universal agents that can understand, think and execute complex tasks on behalf of humans. This capability is built upon two core models: GLM-Z1-Rumination, which serves as the agent's "brain" for deep reasoning and autonomous planning, and AutoGLM, which provides the "hands" to perceive and operate any user interface. AutoGLM achieved SOTA performance under AgentBench, an agent AI benchmark recognized by the 2024 AI Index published by Stanford University.

- *Multimodal models – Redefining content creation.* Our leadership extends across the full spectrum of multimodal AI. In text-to-image generation, our CogView4 ranked first on the DPG-Bench benchmark and was also the world's first open-source model capable of accurately comprehending and generating Chinese text. For video generation, CogVideoX achieves top-tier performance, ranking among the leaders on the comprehensive SuperCLUE-I2V benchmark. Our comprehensive multimodal leadership is further cemented by GLM-4V, China's first open-source bilingual multimodal dialog model, and GLM-4-Voice, China's first end-to-end hyper-realistic speech model, showcasing our pioneering capabilities across all major modalities.

- *Coding models – Transforming coding experience*. CodeGeeX, released in 2023 and continuously iterated, has consistently demonstrated outstanding performance, as evidenced by enthusiastic adoption in the developer community. As of June 30, 2025, CodeGeeX generated on average more than 100 million lines of code on a daily basis.

Supported by our comprehensive model portfolio, our customers can flexibly access and integrate a wide range of model capabilities to meet their diverse needs. Specifically, our MaaS platform provides an agent workspace, which encompasses a variety of agent templates and scenario-based solutions. Through this agent workspace, our customers can swiftly customize agents through streamlined model fine-tuning, incremental model training and prompt engineering. See also "—All-in-one MaaS platform maximizing model commercialization" below for details. They also provide valuable feedback on industry applications and scenario demands. The collaboration helps us refine our large model pre-training strategies, enhance development efficiency and lower training costs. Ultimately, it creates a positive cycle that strengthens the general capabilities of our foundation models and expands both the breadth and depth of our model portfolio. This allows us to better serve the diverse needs of a broader customer base and drive continuous expansion of large model applications.

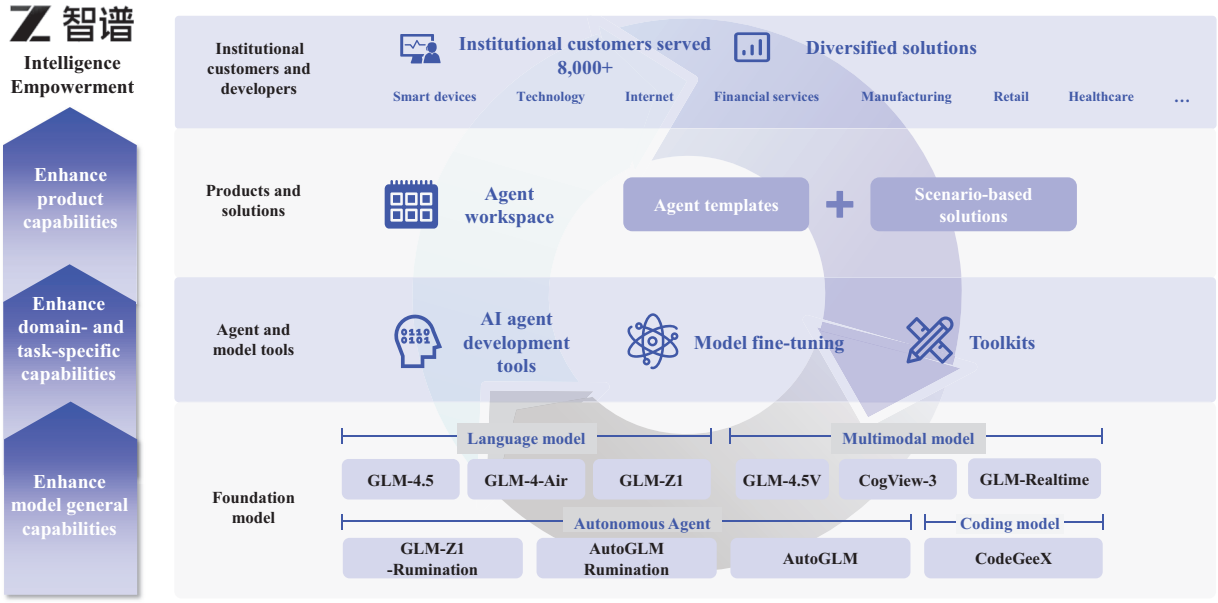
Deep academic roots as cornerstone for technological leadership

We are at the forefront of AI research with significant recognition in the global academic community. In May 2024, NATURE, a leading international academic journal, featured our ChatGLM models, citing them as prominent representatives of Chinese foundational large models. We have also presented our research at top global conferences, including the International Conference on Learning Representations (ICLR) and the International World Wide Web Conference (WWW). As of June 30, 2025, our elite research and academic advisory teams had published approximately 500 highly influential papers, which had been cited over 58,000 times collectively.

We are, at the core, a company of data scientists and engineers, with R&D ingrained in every aspect of what we do. We are singularly focused on elevating the intelligence of our foundation models, driving incremental progress toward more advanced AI. This is achieved first and foremost through our people. As of June 30, 2025, over 74% of our employees are dedicated to research and development, with core members bringing experience from leading research institutions and universities such as Tsinghua University. Our team specializes in areas such as natural language processing, advanced decision-making in complex systems and multimodal semantic analysis.

Our core technology team maintains a close and enduring partnership with the Knowledge Engineering Group (KEG) at Tsinghua University, forming a distinctive and robust system for technological exchange. This association, rooted in a shared academic lineage, helps instill continuity and coherence in our technological roadmap. It enables us to systematically collaborate with KEG, one of China's leading AI laboratories, to achieve cutting-edge research outcomes. We actively engage in extensive research collaborations with other top-tier universities and AI research institutions as well, which also allows us to identify and nurture promising AI scientists at an early stage and secure a steady inflow of high-caliber talent.

All-in-one MaaS platform maximizing model commercialization



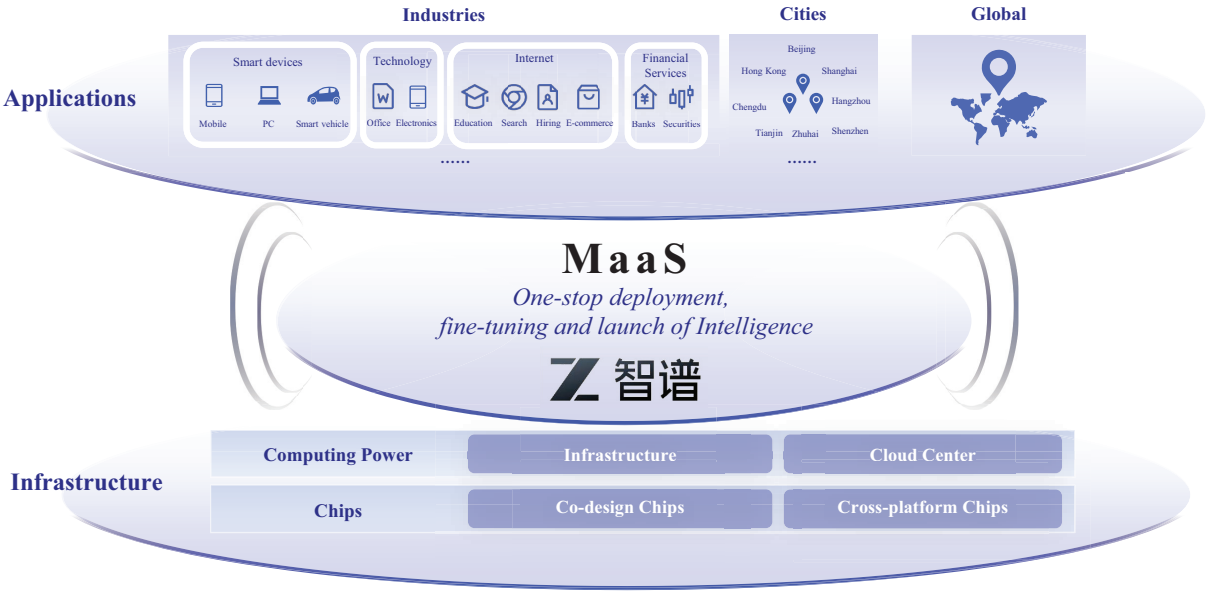
Our all-in-one MaaS platform is built on our advanced model capabilities. The platform provides an access to a matrix of models and a suite of agentic tools—including agent development and model fine-tuning platforms—with flexible deployment options. Any institutional customer, regardless of its in-house AI expertise, can efficiently and cost-effectively use and fine-tune models, develop applications, and harness the agentic capabilities across diverse industry scenarios through our MaaS platform.

Our comprehensive model portfolio empowers customers with foundational capabilities to solve general-purpose tasks. Our extensive suite of agentic tools, such as scenario templates and plugin libraries, further enable quick model customization and application development. Customers can easily build dedicated models and solutions tailored to specific sectors or scenarios. This approach allows us to achieve greater operational efficiency and economies of scale, surpassing traditional project-based AI companies. Within our intelligent platform, customers can seamlessly access and deploy a range of AI agent capabilities to address their unique requirements and workflows, satisfying diverse deployment needs and driving broad AI transformation for enterprises and developers.

Our MaaS platform has earned a solid customer base. This vibrant and dedicated community provides a solid foundation for ongoing advancements in our model and agent AI capabilities and accelerates our commercialization trajectory.

Vibrant ecosystem fostered by open-source strategy and agentic agenda

We have developed a diverse ecosystem involving developers, computing infrastructure providers and industry business partners, which creates a positive dynamic that accelerates our progress.



We were the first Chinese AI company to open-source proprietary large models. In 2023, we were named the fifth most popular open-source large model provider globally by Standford University, the only Chinese company to earn this recognition. As of June 30, 2025, we had open-sourced over 50 models, and our open-source large models had been downloaded over 45 million times. Our open-source strategy has formed a robust and dynamic developer community. Through this community, we continuously enhance our industry influence and global brand presence and secure mindshare among our customers.

We maintain close partnerships with upstream leading computing power infrastructure providers. Our model capabilities allow us to define the computing power required. In turn, advances in computing power infrastructure drive the development of next-generation models. Through these partnerships, we have significantly enhanced the compatibility of our models with both domestic and international mainstream hardware chips. As of June 30, 2025, our models were compatible with more than 40 major hardware chips. By developing proprietary operator libraries and related technologies, we are able to ensure efficient model training across diverse hardware environments. We can also provide model-chip-integrated solutions tailored to specific needs of our institutional customers, which expands our network of hardware partners.

We also collaborate with lighthouse customers and specialized industry partners to create benchmark use cases across industries. Leveraging our MaaS platform, we empower our partners with AI agent capabilities to enhance their products and deliver greater value to end users. Through our industry network development program Project Z, we empower our industry business partners to explore opportunities in long-tail market scenarios. Participants in Project Z are typically early-stage start-ups seeking to implement large models within specific industry sectors. They often have limited technical capabilities or lack the resources to develop large models independently. We provide these companies with access to our large models and infrastructure and offer tailored technical support. This approach enables our industry business partners to scale their operations efficiently, while concurrently facilitating the expansion of our large models into new industry scenarios. In this way, our business growth is supported not only by our own efforts, but also by the collective success of our business partners. In addition, we place great importance on regional collaboration in AI development, actively participating in building national and municipal foundation model platforms in countries and regions such as China and Southeast Asia.

Management and advisory team with extensive research and industry experience

Our management and scientific advisory teams bring together a wealth of expertise in AI, large models and internet-sector applications. With proven track records in technological advancement and successful commercialization across AI, big data and related fields, they continue to steer our pursuit of technological leadership and sustainable business growth. Their global perspective and forward-thinking research agenda have shaped our long-term strategic direction.

We have a management team with elite academic and industry backgrounds. Dr. Liu Debing, our co-founder, executive Director and chairman of the Board, brings extensive expertise in large language models, machine learning and data mining. He has led or participated in more than thirty major scientific research projects, collaborating with institutions such as the Ministry of Science and Technology and Chinese Academy of Engineering. Dr. Liu plays a leading role in driving our technical innovation. Dr. Zhang Peng, our co-founder, executive Director and CEO, specializes in knowledge graphs and large-scale pre-trained models and is a core contributor to the development of our GLM model series and AMiner. With over ten publications in leading conferences such as International Conference on Machine Learning (ICML) and International Semantic Web Conference (ISWC), Dr. Zhang is a prominent figure in translating AI research into impactful real-world applications.

We benefit profoundly from the expertise of and guidance from our esteemed academic advisors. Professor Zhang Bo, our chief scientist, is an academician of the Chinese Academy of Sciences. Professor Zhang has played a pivotal role in both foundational AI theory and practical applications such as pattern recognition, knowledge engineering and robotics. In addition, we have collaborated closely with the Department of Computer Science and Technology at Tsinghua University. KEG, a research group of the department, focuses on original innovation in AI driven by both data and knowledge, conducting research in areas such as AI, LLMs, knowledge graphs, data mining and social networks. KEG is led by Professor Li Juanzi, a leading expert in knowledge graphs, semantic content management and social network mining. Her insights help us bridge foundational AI research with real-world system deployment. Since 2018, with the internationally acclaimed leading scientists in artificial intelligence such as Dr. Tang Jie, KEG has pioneered research in cognitive intelligence and spearheaded the development of the GLM large model framework, representing a milestone in China-originated large model innovation.

With the leadership of our management team, we have assembled a world-class team of scientists and engineers, combining cutting-edge technical expertise with extensive experience in translating research into tangible industry impact.

OUR STRATEGIES

We plan to implement the following strategies to further develop our business.

Strengthen our R&D capabilities in general-purpose large models

We are continuously developing foundation models which can explore the upper bounds of intelligence. We are committed to consolidating our technological leadership by investing in the iterative development of our foundation models, key algorithms and large-scale training and inference infrastructures. Specifically:

- *Enhance large model capabilities and optimize training infrastructure*. We will continue to invest in building versatile, powerful large models, focusing on designing new model architecture, and optimizing training infrastructure to reduce training costs and boost performance. This would include new attention and memory mechanisms, infinity context, test-time and online learning, deep reasoning algorithms, self-refinement and self-evolution paradigms. By these means, our

models will be able to autonomously explore, reflect and operate in both online and real-world environments, enabling them to tackle complex tasks and continuously improve their performance through self-learning and reflection.

- *Strengthen our GLM framework and optimize data processing platform.* We will continue to improve our GLM framework. Specifically, we plan to continue investing in the research and development of our technology infrastructure to improve model performance, increase the efficiency of underlying computing resources and ensure that computing resources provided by our computing resource partners are optimally suited to our models and sufficient for our scalable training and model deployment across diverse platforms and hardware. We plan to upgrade our data processing platforms to support high-quality storage and analysis of datasets, providing a solid foundation for further expanding the frontiers of large model capabilities.

- *Continue to develop AI agents*. We are building models that can drive innovation and collaboratively work as multiple agents in an organization. We plan to further upgrade our agent workspace that enables customers to easily and seamlessly integrate diverse model applications and tools. This will facilitate the efficient deployment of AI agent solutions deeply tailored to specific industries, regions and scenarios, and drive advancements in intelligent automation. We are building foundation models for embodied intelligence which can interact with the physical world. In the future, we will push the boundaries of large foundation models to understand emotion and consciousness such that we can build a personalized, superintelligent assistant for everyone.

Optimize our MaaS platform

We are committed to optimizing our MaaS platform and deepening our industry engagement. Through a combination of technical innovation, industry-focused expansion and targeted marketing initiatives, we aim to make our large models accessible to more industry sectors and users. Specifically:

- *Further diversify our model offerings through the MaaS platform.* We are strategically expanding our model portfolio across a spectrum of parameter scales, ensuring optimal performance on various computing resources and devices. By engineering models that adapt to differing computational capabilities, we reduce hardware barriers and democratize access to advanced AI technologies. At the application level, we remain focused on delivering convenient, user-friendly experiences that make large model technology more accessible, enabling companies and organizations of all sizes, as well as individual customers, to unlock large models' potential.

- *Empower a wider range of institutional customers, end-users and business partners.* We will continue to enhance the capabilities of our foundation models, especially their adaptability with diverse industry sectors and application scenarios. In addition, through our scalable MaaS platform, we aim to leverage our institutional customers to reach their end users on a significant magnitude. When our technology helps our institutional customers better serve their consumer clients, we ourselves reach and extend our influence to these end users in an indirect but efficient way. Specifically, we have collaborated with several leading global consumer electronics providers, deploying our models on their flagship products to support on-device intelligent interactions, facilitate multilingual conversations and provide personalized recommendations. As consumer electronics companies increasingly recognize the transformative potential of AI, we anticipate their willingness to adopt such technologies will continue to grow. Looking ahead, we intend to further expand the role of AI in consumer electronics, aiming to enable cross-device collaborations and adaptive edge intelligence (*i.e.* on-device AI systems that can autonomously adjust its behavior in response to dynamic changes in the environment). We have also formed partnerships with several leading Chinese internet companies (*e.g.*, a prominent social and lifestyle platform), enhancing functions such as translation, data analytics, content creation and

search with our AI capabilities. As the strategic value of AI becomes more widely appreciated among internet companies, we aim to expand the application of our models to an even broader array of use cases, such as advertising recommendations, intelligent customer service and knowledge analysis.

In addition, we will continue to invest in Project Z, our industry network development program, which we believe will facilitate our expansion into new industry sectors. Participants in Project Z are typically early-stage start-ups seeking to implement large models within specific industry sectors. They often have limited technical capabilities or lack the resources to develop large models independently. We provide these companies with access to our large models and infrastructure and offer tailored technical support. This approach enables our industry business partners to scale their operations efficiently, while concurrently facilitating the expansion of our large models into new industry scenarios. In this way, our business growth is supported not only by our own efforts, but also by the collective success of our business partners.

Attract and retain the best minds

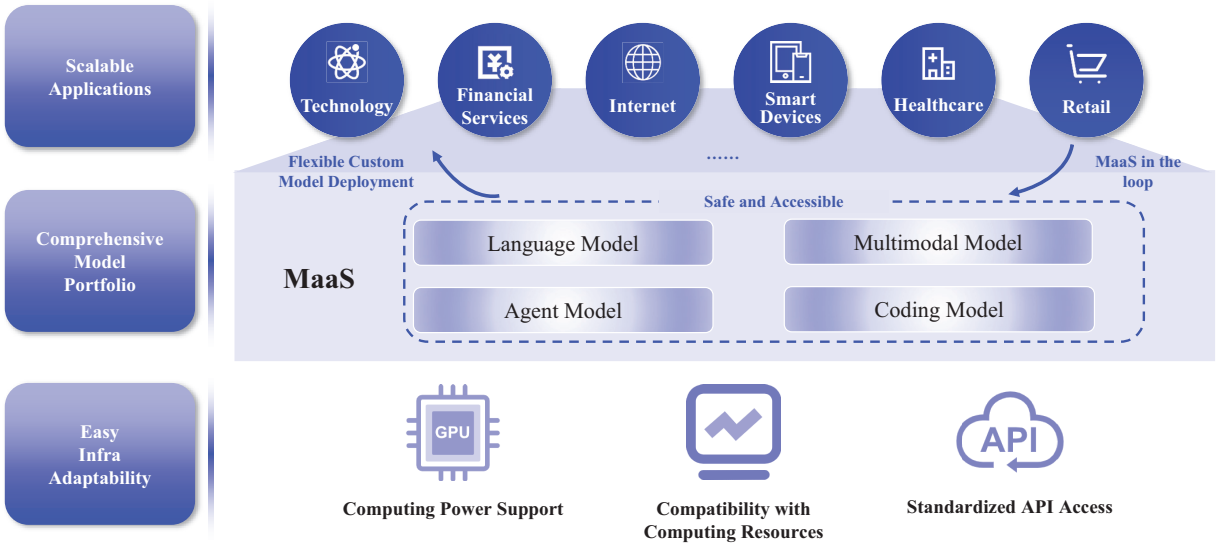
As a company built by scientists and engineers, talent serves as the bedrock of our sustained success and long-term growth. We have recruited many of the most talented scientists and professionals across the world who are driven by a shared ambition to advance general-purpose AI.

We are committed to attracting and retaining top-tier R&D professionals as well as drawing specialists from a wide range of disciplines through comprehensive talent development programs and competitive incentive structures. We actively foster an environment where scientific inquiry is valued and innovation is encouraged at every level. By cultivating a strong sense of belonging and loyalty among our team, we empower each team member to contribute to our collective mission. This unwavering focus on talent enables us to build and sustain a highly skilled workforce and maintain a robust foundation that drives our ongoing development and secures our leadership in the industry.

OUR BUSINESS MODEL: THE MAAS PLATFORM

Overview

As we commercialize our technology to seize the tremendous market opportunity presented by advanced AI, we organize our offerings around our all-in-one MaaS platform. Through this product development and commercialization platform, we deliver intelligence to institutional customers, developers and individual customers in the most suitable, sensible and scalable way despite great heterogeneity in computing infrastructure, devices and applications.



Our MaaS platform comprises the following three levels:

- *Comprehensive model portfolio.* We have built a comprehensive portfolio of advanced AI models, showcasing industry-leading performance in language, multimodal, agentic and coding capabilities. From our broad and capable repertoire, customers and developers can always find the most suitable solution for their specific needs.

- *Scalable applications*. Our models and agents are designed for seamless functionality across diverse hardware, application scenarios and business workflows. They are capable of handling complex tasks, enabling AI-native, multimodal and holistic dialogs, and performing deep reasoning. For example, our models and agents can assist institutional customers in streamlining business workflows, processing and analyzing operating data at a massive scale and supporting decision-making. In addition, our MaaS platform provides an agent workspace, which encompasses a variety of agent templates and scenario-based solutions. Through this agent workspace, our customers can swiftly customize agents through streamlined model fine-tuning, incremental model training and prompt engineering.

- *Easy infra adaptability.* In collaboration with our infrastructure business partners, we co-design an advanced computing infrastructure that enables our MaaS platform to deliver integrated computing, networking, training communications and inference acceleration capabilities. The collaboration also enables our models to offer broad adaptability, supporting model sizes ranging from 1.5 billion to 230 billion parameters and large-scale, real-time deployment across clouds and chipsets. In particular, such adaptability allows our models to scale across mass-use devices such as mobile phones, personal computers and smart vehicles and benefit vast numbers of end consumers.

Our MaaS platform provides our customers with the following key advantages:

- *User-friendly*. Our customers do not need to invest in pre-training. Our MaaS platform provides a broad selection of agentic templates and tools, enabling three-step fine-tuning of dedicated models and codeless application development. We bundle our AI models and agentic tools as an integrated offering through our all-in-one MaaS platform. This platform provides customers with unified access to a matrix of AI models and a suite of agentic tools such as agent development environments and model fine-tuning platforms. Customers,

regardless of their in-house AI expertise, can efficiently and cost-effectively use and fine-tune AI models, develop customized applications and leverage agentic capabilities for a range of industry scenarios. Our offering accommodates two modes of bundling: customers may select from either pre-configured packages or customizable combinations, according to their operational requirements. A pre-configured package is a ready-made bundle to meet common needs, whereas a customizable combination allows customers to adjust the type and scale of models included to suit their specific needs. Customers can deploy and integrate these AI models and agentic tools into their own workflows using scenario templates, plugin libraries and user-friendly interfaces offered by the MaaS platform. This enables them to build and tailor solutions to their specific sector or operational needs. The platform supports seamless access, development and deployment, allowing enterprises and developers to address unique requirements and drive broad AI adoption.

- *Cost-efficient*. We have engineered high-performance models that combine smaller model sizes with lower computing requirements—enabling broader, more affordable access to AI capabilities. For example, our reasoning model GLM-4-Air, with a model size of only 32 billion parameters, delivers a performance similar to competitors' models with a size of 671 billion parameters, reducing computing costs by 20 times, according to Frost & Sullivan.

- *Fast*. We recognize that processing speed is crucial for customer experience. According to Frost & Sullivan, our GLM-Z1-32B-0414 has achieved a reasoning speed of 200 tokens per second, which is among the fastest in the world.

- *Secure*. Our portfolio also offers unparalleled security and reliability. Our GLM-4-9B model achieved one of the lowest hallucination rates (1.3%) among top models, as evaluated by the Hughes Hallucination Evaluation Model (HHEM-2.1-Open), according to the 2025 AI Index Report published by Stanford University.

A notable benefit of our MaaS business model is the potential for us to leverage our institutional customers to reach their end users on a significant magnitude. When our technology helps our institutional customers better serve their consumer clients, we ourselves reach and extend our influence to these end users in an indirect but efficient way, without having to acquire, select and maintain these relationships. Specifically:

- *Growth amplification*. When our institutional customers release blockbuster applications powered by our models (for example, an auto translation tool adopted by a leading lifestyle-focused social media app in early 2025 when it received an unexpected influx of English-speaking new users), we share indirectly in their commercial success. Leveraging the MaaS platform, we do not rely solely on our own sales efforts to achieve growth; instead, we deliver good models to our institutional customers to make them more successful and benefit from the collective momentum that results.

- *General capability serving myriad application scenarios.* The reason why the AI—and ultimately AGI—technology is potentially so transformative is that it could be applied in every industry vertical and every use case. This is precisely the reason we strive to serve lighthouse customers in all industries across the board, so that our models benefit humanity in the most impactful way. Even though application scenarios are myriad, the core model capabilities required are essentially the same, for example text generation, image understanding and coding. As we enhance the general capabilities of our models, their impact on society and the attendant commercial value grow exponentially.

- *"MaaS in the loop."* Leveraging the open architecture and first-mover advantages of our MaaS platform, we have established a thriving community that connects computing resource providers, smart device manufacturers, institutional customers, developers and end users. We have gathered substantial insights from the real-world deployment of our models, which enable us to better understand how people actually use and benefit from our AI across different use cases and refine our training strategies in a more targeted manner. The result is a virtuous insight flywheel: as our customers' applications thrive, they produce more quality feedback that fuels further model improvements, which then allows us to optimize our models, and to attract even more institutional customers and application opportunities. This self-reinforcing loop strengthens our platform's core competitiveness.

Applications in Industry Verticals

Our large models can be seamlessly applied across a broad range of industries to address unique challenges and optimize workflows. By leveraging the advanced capabilities of our MaaS platform, our institutional customers can efficiently customize and deploy models tailored to their specific business needs. For example:

- *Technology and internet sector.* We support institutional customers in the technology and internet sector from various perspectives. For consumer electronics such as smartphones, our large models power on-device AI agents to support functions such as advanced audiovisual call interpretation, long-context memory for sustained dialogue and automated social media content creation. This allows smartphones to provide natural, real-time and context-aware AI experiences, making intelligent technology an accessible part of everyday smartphone interactions. Beyond consumer electronics, we enhance office software with intelligent content generation, enabling such software to autonomously generate and refine documents, presentations and speech drafts from short prompts. Our large models also help our institutional customers review documents and analyze operating data on a massive scale. For creative platforms, we enable their users to turn simple prompts into complex multimedia works (*e.g.*, short videos and images) through multimodal generation, thereby broadening creative horizons and strengthening community engagement.

- *Public service sector.* We apply large-model technologies across various areas in the public service sector, such as public transportation management, municipal road and bridge maintenance and education. For example, we developed large models for municipal public transportation management that enable accurate monitoring of bus traffic flow and real-time estimation of arrival times. In road and bridge maintenance, our multimodal large models power an intelligent inspection system that collects real-time imagery and geographic data, allowing precise identification of structural hazards. For the academic and research community, we offer an AI-driven scientific intelligence platform that delivers advanced academic support for institutions and scholars worldwide. The platform allows users to search for academic articles using plain-language prompts and provides AI-assisted literature review with automated summarization and interactive Q&A features.

- *Traditional corporate sector.* Our large models facilitate the transformation of traditional corporate sectors, such as financial services and manufacturing. For example, trained on extensive financial datasets, our large models help financial institutions to analyze market trends, assess the impact of newly implemented regulations and evaluate the financial performance of listed companies. We also help clients in the manufacturing industry to establish intelligent safety monitoring systems. Our large models can accurately interpret safety monitoring footage, provide comprehensive assessments and identify safety risks or non-compliant behaviors.

See "—Our Commercial Use Cases" for the use cases of our large models applied in the sectors above.

Deployment Approaches

Our MaaS platform offers flexible custom model deployment options to meet the diverse needs of businesses while maintaining efficiency, scalability and data security. We primarily offer two deployment approaches—on-premise and cloud-based deployment:

- For on-premise deployment, our models are hosted within the customer's own infrastructure. This approach allows organizations to utilize their proprietary or sensitive data to tailor AI models to their specific domains. On-premise deployment offers greater control over performance optimization and infrastructure configuration, making it suitable for complex or highly specialized application scenarios.

- For cloud-based deployment, our models are hosted on a scalable and reliable cloud infrastructure. This approach is sensible for businesses seeking agility and ease of implementation. By utilizing the cloud, customers eliminate the need for costly local infrastructure, allowing them to deploy AI solutions quickly and cost effectively.

The following table sets forth a breakdown of our revenue during the Track Record Period by means of deployment:

	Year ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
					(*RMB in thousands*)		*(Unaudited)*			
On-premise deployment	54,815	95.5%	112,614	90.4%	263,930	84.5%	26,806	59.7%	161,777	84.8%
Cloud-based deployment	2,594	4.5%	11,924	9.6%	48,484	15.5%	18,103	40.3%	29,100	15.2%
Total	**57,409**	**100.0%**	**124,538**	**100.0%**	**312,414**	**100.0%**	**44,909**	**100.0%**	**190,877**	**100.0%**

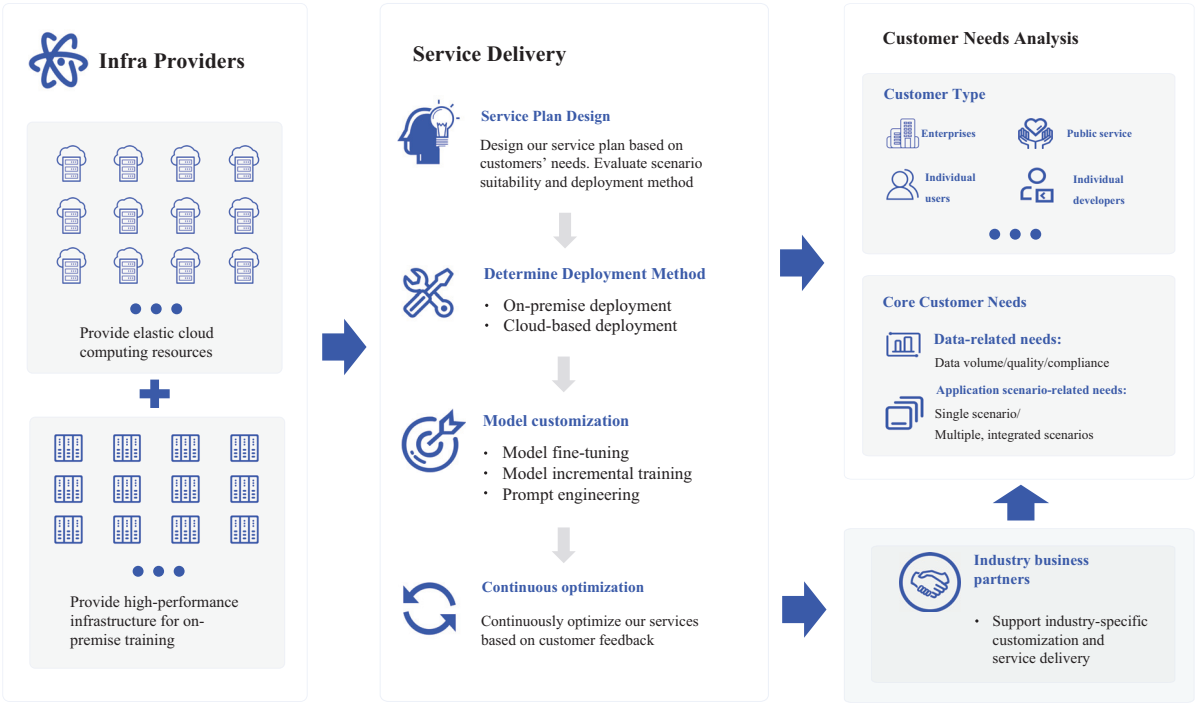
For on-premise deployment, we recognize revenue at the point in time when the large model and related services are delivered to the customer's designated location and accepted by the customer. For cloud-based deployment, we recognize revenue over the contract term. Specifically, for subscription-based contracts, we generally recognize revenue ratably over the contract term; for usage-based contracts, we recognize revenue based on the customer's utilization of the resources when the services are rendered to the customers. For details of our revenue recognition policies, see "Financial Information—Material Accounting Policies and Estimates—Material Accounting Policy Information—Revenue Recognition."

For on-premise deployment, our solutions are offered as a package, with pricing determined by the types and scale of models, the amount of computing resources included and implementation costs. The packaged price is charged on a one-off or annual basis. For cloud-based deployment, we offer both usage-based contracts, where customers are charged according to the volume of tokens consumed, and subscription-based contracts, where pricing is determined by the length of subscription, the types and scale of models and the amount of computing resources included. Individual users typically access our models and agents through our web portals and mobile applications (such as the Z.ai website and AutoGLM mobile app) free of charge. Certain advanced features within these web portals and mobile applications are available on a subscription basis, and the relevant revenue is categorized under the cloud-based deployment segment.

We regularly review and adjust our pricing strategies with the aim of further enhancing both our attractiveness to customers and our overall profitability. Specifically, we plan to optimize our pricing tiers by taking into account usage volume, performance and advanced functionalities. We intend to introduce lower-priced plans that provide limited access to the most resource-intensive models, thereby attracting a broader customer base while encouraging clients who require premium performance to select higher-margin plans. In addition, we will continue to negotiate directly with high-value customers, developing bespoke agreements that reflect both the substantial value they receive and the costs incurred in providing those services. We expect that optimization of our pricing tiers will improve our overall profitability, as lower-priced plans enable us to expand our customer base and thus spread fixed costs more effectively, and higher-priced, bespoke plans increase our profit margins. Furthermore, we plan to offer usage analytics to clients, encouraging them to optimize their interactions with our services, which in turn should help us to reduce our operational burden.

Business Workflow

The chart below illustrates the main stages of our business workflow:



- *The upstream: collaboration with infrastructure providers.* Our computing infrastructure partners provide highly elastic cloud computing resources, allowing our customers to efficiently scale up or down the usage based on their actual demand. In addition, our computing infrastructure partners can also supply localized computing resources, such as high-performance computing servers, to support on-premise incremental model training and operations. We also collaborate with computing infrastructure partners to co-design infrastructure that offers broad adaptability to support large-scale, real-time deployment. See "—Easy infra adaptability" above.

- *Our service delivery*. To begin each engagement, we conduct in-depth discussions to understand each customer's specific requirements, focusing on two primary areas: data and application scenarios. For data-related needs, we assess the volume and type of data required for effective model fine-tuning and incremental training, with the goal of tailoring our models for each customer's specific industry and use cases. We also discuss data security and compliance requirements to ensure that our solutions meet regulatory and organizational standards. For

application scenario–related needs, we work closely with each customer to determine whether they plan to implement large models in a single scenario or across multiple, integrated scenarios. This step guides us to determine the scale and sophistication of the large models we propose.

Building on our understanding of customer needs, we design and present a tailored service plan. At this stage, we further assess model suitability for the intended scenarios, refining our approach through ongoing discussions with the customer. We determine the deployment method—cloud-based or on-premise—based on the customer's preferences and requirements. See above for details of respective advantages of cloud-based and on-premise deployment. We then customize our large models for the customer's specific application scenarios using model fine-tuning, incremental training and prompt engineering. After deployment, we remain engaged, continuously improving model performance and optimizing our services based on customer feedback.

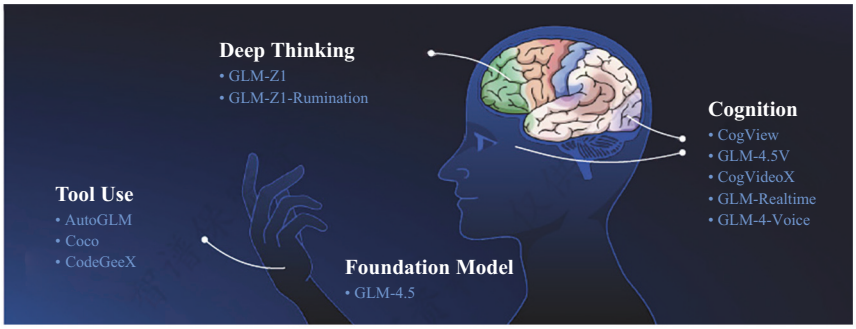
- *The downstream: empowering industry business partners.* Through Project Z, we empower our industry business partners to explore opportunities in long-tail market scenarios. Participants in Project Z are typically early-stage start-ups seeking to implement large models within specific industry sectors. They often have limited technical capabilities or lack the resources to develop large models independently. We provide these companies with access to our large models and infrastructure and offer tailored technical support. This approach enables our industry business partners to scale their operations efficiently, while concurrently facilitating the expansion of our large models into new industry scenarios. In this way, our business growth is supported not only by our own efforts, but also by the collective success of our business partners.

OUR MODELS

Overview

To teach machines to think like humans, we must empower AI with three core human faculties: deep thinking, cognition and tool use. We have developed our AI models accordingly, which can be grouped into three corresponding categories: reflection and rumination models, multimodal models and agent models. We have also developed coding models, which generate code autonomously and enhance programming efficiency. All four categories are developed upon our GLM (General Language Model) series of foundation models. Foundation models and reflection and rumination models belong to the broader category of language models.

The following diagram sets forth our select models and AI agents in our current portfolio:



<table>
<tr><th>Human Faculties</th><th colspan="3">Our Models and Agents</th></tr>
<tr><td rowspan="2">Deep Thinking</td><td rowspan="8">Foundation Models

GLM-4.5</td><td rowspan="2">Reflection and rumination models</td><td>GLM-Z1 (reflection)</td></tr>
<tr><td>GLM-Z1-Rumination (rumination)</td></tr>
<tr><td rowspan="5">Cognition</td><td rowspan="5">Multimodal models</td><td>CogView (image generation)</td></tr>
<tr><td>GLM-4.5V (visual comprehension and reasoning)</td></tr>
<tr><td>CogVideoX (video generation)</td></tr>
<tr><td>GLM-Realtime (realtime video call)</td></tr>
<tr><td>GLM-4-Voice (end-to-end voice model)</td></tr>
<tr><td rowspan="3">Tool use</td><td rowspan="2">AI agents</td><td>AutoGLM ("from chat to act" – agent for autonomous mission completion)
AutoGLM – Rumination ("thinking while working" – agent for autonomous mission completion with deep thinking capabilities)</td></tr>
<tr><td>CoCo (enterprise agent)</td></tr>
<tr><td>Coding models</td><td>CodeGeeX (coding)</td></tr>
</table>

- **Foundation models** are pre-trained LLMs that serve as the foundation for the development of a variety of specialized models. Our flagship foundation model is GLM-4.5.

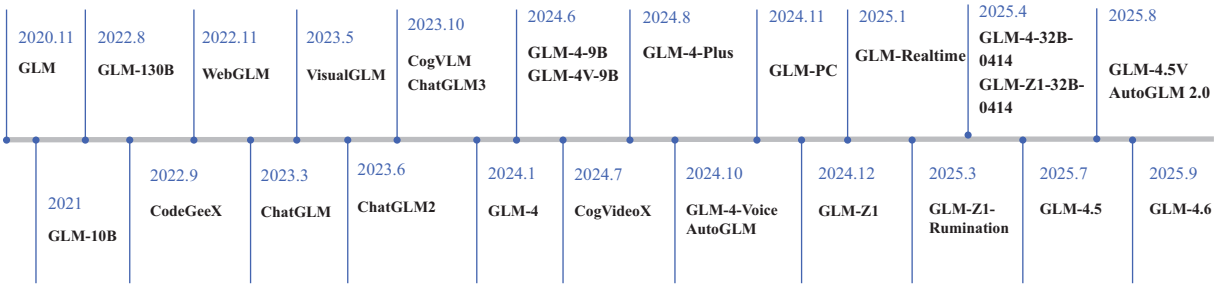
- **Reflection and rumination models** spend additional time "deep thinking" before generating an answer, which makes them better for complex reasoning tasks. Building upon our foundation model, we built our reflection model (GLM-Z1) and rumination model (GLM-Z1-Rumination). Foundation models and reflection and rumination models belong to the broader category of **language models**.

- **Multimodal models** are capable of processing and integrating information from various modalities, such as text, images, audio and video. We have developed various multimodal models serving different functionalities, such as text-to-image and text-to-video generation and image and video comprehension.

- **AI agents** combine reasoning, planning and tool-use capabilities, and can autonomously perform multi-step tasks without constant human input. Our foundation agent model is AutoGLM and we further developed AutoGLM-Rumination. We have also developed enterprise agent CoCo.

- **Coding models** generate code autonomously and enhance programming efficiency. Our representative coding model is CodeGeeX.

The following diagram sets forth the development timeline of our select models:



Our Flagship Foundation Model – GLM-4.5

Overview

GLM-4.5 is our flagship foundation model, which we open-sourced upon launch. Through multi-stage training and comprehensive post-training with fine-tuning and reinforcement learning, GLM-4.5 achieves strong performance across agentic, reasoning and coding tasks. GLM-4.5 also supports multi-modal extensions and large context processing, allowing it to interpret high-level prompts and autonomously generate practical solutions. GLM-4.5 has a model scale of 355 billion parameters and we have also developed GLM-4.5-Air, a lightweight version with 106 billion parameters.

GLM-4.5 achieves the following leading positions, according to Frost & Sullivan:

- *Benchmark tests.* Based on an evaluation across twelve industry-standard benchmark tests[1] in July 2025, GLM-4.5 ranked third globally, first in China and first among global open-source models. GLM-4.5 achieved a comprehensive score of 63.2 under these twelve benchmarks, compared with scores ranging from 46.3 to 65.0 for industry peer models.

- *Global leaderboards.* GLM-4.5 ranked fifth globally on Chatbot Arena and WebDev Arena in September 2025, which are industry-recognized global leaderboards that rank the overall capabilities and coding capabilities of large models, respectively.

- *Token consumption volume.* Since the launch of GLM-4.5 and up to the Latest Practicable Date, our token consumption volume on OpenRouter, a leading global platform that provides API access to a wide range of large models, had consistently ranked among the top ten globally and the top three among Chinese companies. This sustained performance underscores the strong competitiveness and market recognition of GLM-4.5, demonstrating its advanced efficiency, scalability and real-world applicability.

- *Popularity rankings.* Within only 48 hours of its initial launch, GLM-4.5 ranked first globally on the trending board of Hugging Face, the world's largest platform for open-source models.

[1] Benchmark tests are structured, standardized evaluations that measure LLMs' capabilities across a range of tasks. The twelve industry-standard benchmark tests we used to evaluate GLM-4.5 include three categories: (i) agentic benchmarks, including TAU-Bench, BFCL V3 and BrowseComp. GLM-4.5 achieved a comprehensive score of 58.1 under these agentic benchmarks, compared with scores ranging from 45.0 to 61.1 for industry peer models; (ii) reasoning benchmarks, including MMLU-Pro, AIME 24, MATH-500, SciCode, GPQA, HLE and LCB (2407-2501). GLM-4.5 achieved a comprehensive score of 68.8 under these reasoning benchmarks, compared with scores ranging from 63.5 to 74.2 for industry peer models; and (iii) coding benchmarks, including SWE-Bench Verified and Terminal-Bench. GLM-4.5 achieved a comprehensive score of 50.9 under these coding benchmarks, compared with scores ranging from 36.7 to 55.5 for industry peer models.

- *Hallucination rate.* In September 2025, GLM-4.5 had the world's second-lowest and China's lowest hallucination rate, according to the LLM Hallucination Leaderboard for Retrieval-Augmented Generation (RAG). This benchmark evaluates large models based on how frequently they produce non-existent answers (*i.e.,* hallucinations) in response to intentionally misleading questions.

In September 2025, we released GLM-4.6, a further updated version of our foundational model which primarily features enhanced coding capabilities. In November 2025, GLM-4.6 ranked first globally on CodeArena, the latest industry-recognized global evaluation platform designed to assess models' coding capabilities.

How We Built GLM-4.5

Pre-training and mid-training. Pre-training is the initial phase where a model is trained on a general dataset to learn fundamental language patterns. Our pre-training corpus consists of multilingual (mostly English and Chinese) documents. After pre-training, we add three stages to further boost the model's performance on important application areas. Unlike traditional pre-training on large-scale general datasets, these training stages utilize medium-size, domain-specific datasets. We use both self-collected datasets from public internet resources and datasets procured from professional third-party vendors. According to Frost & Sullivan, such practice is line with industry norm.

Post-training. Post-training further refines models to align with human preferences, such as understanding human intentions, following instructions and facilitating multi-turn dialogs. The alignment was achieved with supervised fine-tuning (SFT) and reasoning reinforcement learning (RL). While SFT largely aligned the foundation models with human preferences through authentic human prompts and interactions, reasoning RL further enhances the model's capabilities in logical deduction and structured problem-solving.

Features and Advantages

Through multi-stage training and comprehensive post-training with fine-tuning and reinforcement learning, GLM-4.5 achieves strong performance across agentic, reasoning and coding tasks. The key features and advantages of GLM-4.5 include:

Outstanding agentic capabilities. GLM-4.5 excels at handling complex agentic tasks, demonstrating an advanced ability to interpret high-level prompts and autonomously generate practical solutions. For example, when provided with a single-sentence instruction, GLM-4.5 can construct a video streaming website, design and code a classic tic-tac-toe game, or create a polished, visually appealing presentation deck. These advanced agentic features make GLM-4.5 a valuable tool for streamlining daily workflows and enhancing automation and productivity.

High efficiency supported by the mixture of experts (MoE) architecture. GLM-4.5 is our first model using the mixture of experts (MoE) architecture. MoE is an innovative architecture that utilizes multiple specialized sub-networks, or experts, to process different parts of complex data input. This is similar to a group of physicians with different specialities working together to treat a complicated medical issue. A gating network, or router, determines which experts are activated for a specific input. The MoE architecture substantially increases model efficiency and contribute to more accurate outputs. Based on our evaluation under the relevant benchmark tests, GLM-4.5 achieved an outstanding balance between model performance and model scale, and outperformed various peer models with similar scales.

Fast response speed and dual-mode design. The output speed for GLM-4.5 can reach 100 tokens per second. This makes GLM-4.5 ideal for low-latency and high-concurrency application scenarios, where multiple computing demands surge at the same time and require rapid responses in real time. GLM-4.5 also features a dual-mode design: a thinking-mode for complex, multi-step reasoning tasks and a non-thinking-mode for tasks that require rapid responses. This allows users to choose the appropriate mode based on their specific needs.

Our Reflection and Rumination Models – GLM-Z1 and GLM-Z1-Rumination

Overview

Building upon our foundation model, GLM-4-Air-0414, we developed our reflection model (GLM-Z1) and rumination model (GLM-Z1-Rumination). Reflection model and rumination model both spend additional time "deep thinking" before generating an answer, which makes them better for complex reasoning tasks.

- **Reflection models** are designed to tackle problems with *certainty*, aiming for more precise and accurate solutions. For example, reflection models can solve a math equation using multiple approaches and plug the solution back in to confirm its correctness. Compared with traditional LLMs, reflection models significantly boost reliability and precision in solving structured, determinate tasks.

- **Rumination models** are designed to address problems with *uncertainty*, especially those open-ended, exploratory questions that require gathering and processing external information iteratively. For example, rumination models can address complex, opinion-driven tasks, such as "*writing a comparative analysis of AI development in two cities and their future development plans*." Rumination models require longer thinking time compared with reflection models.

Key Features and Advantages of Our Reflection Model: GLM-Z1

GLM-Z1 is a reflection model featuring deep thinking capabilities. It was developed based on the foundation model through extended reinforcement learning and further training on tasks including mathematics, coding and logic. Compared to the foundation model, GLM-Z1 significantly improves mathematical abilities and the capability to solve complex tasks. Key features and advantages of GLM-Z1 include:

Robust reasoning capabilities. We evaluated GLM-Z1 on various commonly used benchmarks relating to math, reasoning, coding, instruction following, tool calling and science. GLM-Z1 demonstrated capabilities comparable to peer leading reflection models.

Fast inference speed and high cost-efficiency. GLM-Z1 is able to achieve an inference speed of up to 200 tokens per second, substantially surpassing comparable reflection models. Meanwhile, the cost of GLM-Z1 is substantially lower than comparable reflection models. Unlike other resource-intensive models, GLM-Z1 can run on a single consumer-grade GPU, reducing hardware-related barriers for users of our models.

Extended reinforcement learning. GLM-Z1 is equipped with extended reinforcement learning, which requires longer training durations, more sophisticated reward models and novel algorithms designed specifically to cultivate multi-step reasoning processes. The goal is to teach the model not just to provide plausible answers, but to follow logical steps, identify implicit assumptions and handle complex instructions.

Key Features and Advantages of Our Rumination Model: GLM-Z1-Rumination

GLM-Z1-Rumination is a deep reasoning model with rumination capabilities. Compared with reflection models, GLM-Z1-Rumination is capable of deeper and longer thinking and using tools to solve more open-ended and complex problems. GLM-Z1-Rumination is trained through scaled end-to-end reinforcement learning with responses graded by "ground-truth" answers (the most accurate answer against which the performance of a model is evaluated) or "rubrics" (a set of qualitative criteria).

GLM-Z1-Rumination can also utilize search tools during its deep-thinking process to handle complex tasks. The model shows significant improvements in research-style writing and complex tasks. Key features and advantages of GLM-Z1-Rumination include:

Solving open-ended questions with deeper and longer thinking. GLM-Z1-Rumination is capable of iterative, multi-step reasoning for tasks lacking definitive answers, such as nuanced research or comparative analysis. Such tasks require synthesizing information from potentially diverse sources, structuring complex arguments, making nuanced judgments and generating coherent, long-form text.

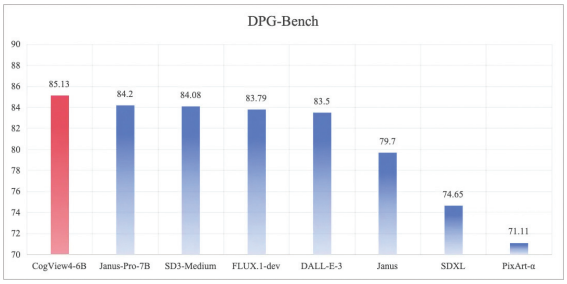
Search tool integration during deep thinking. For complex, research-style tasks, the model's internal knowledge may be insufficient. By integrating search capabilities *during* the generation process, GLM-Z1-Rumination can actively search up-to-date information, analyze it and incorporate it into its rumination. This transforms the model from a static knowledge repository into a dynamic research assistant.

Our Multimodal Models

CogView – Image generation

CogView is our text-to-image generation model series. CogView-4, is the first open-source text-to-image model supporting the generation of Chinese characters. It also ranked first in the comprehensive scoring of the DPG-Bench benchmark test, achieving SOTA performance among open-source text-to-image generation models. Key features and advantages of CogView-4 are set forth below:

SOTA performance. CogView-4 demonstrates strong capabilities in complex semantic alignment and instruction following. It supports bilingual input in both Chinese and English without restrictions on input length. The model can generate images of any resolution within a specified range. In March 2025, CogView-4 achieved the overall highest score on the DPG-Bench benchmark, which is an industry-recognized benchmark for text-to-image generation models.





Left: CogView-4 ranked first on the DPG-Bench Benchmark;

Right: CogView-4 is able to visualize the imagery and mood in classical Chinese poetry. "On the wild path, the clouds grow dark; on the riverboat, a solitary fire shines bright (野徑雲俱黑，江船火獨明)."

Bilingual capabilities. CogView-4 is the first open-source text-to-image model that supports the generation of Chinese characters. The model is trained with bilingual text-image data, enabling it to process prompts in both languages effectively. CogView-4 can seamlessly integrate Chinese and English characters into images, making the creation of posters and illustrations with Chinese texts more convenient. In addition, CogView-4 excels in understanding and following Chinese prompts, such as capturing and visualizing the imagery and mood described in classical Chinese poetry.

Supporting ultra-long prompt. CogView-4 can interpret and generate visual content for ultra-long prompts such as a detailed story outline. For instance, given a multi-paragraph story, the model can

seamlessly convert it into visual content by producing a four-panel comic strip. Each panel could depict key portions of the narrative, capturing the essence of the story while integrating text or imagery as needed, effectively demonstrating its strength in both storytelling and image generation tasks.

GLM-4.5V – Visual comprehension and reasoning

GLM-4.5V is our foundational vision-language model (VLM) designed for general-purpose visual comprehension and reasoning. A VLM combines language understanding with visual processing. Unlike traditional language models which rely solely on textual inputs, VLMs integrate visual data (*e.g.*, images, videos or graphics) with natural language to perform tasks that require a blend of textual and visual comprehension. Based on a comprehensive evaluation across 42 industry-recognized benchmark tests, GLM-4.5V achieved SOTA performance on nearly all tasks among open-source models of similar scale.

Specifically, GLM-4.5V can perform a variety of highly complex visual comprehension and reasoning tasks autonomously. For example:

Visual localization. GLM-4.5V can accurately identify, analyze and locate a target object in an image. This feature can be applied in a broad range of use cases, such as safety inspections, quality control and remote sensing analysis. Compared to traditional vision models, GLM-4.5V leverages richer knowledge and more sophisticated reasoning capabilities, enabling it to comprehend and execute more complex localization instructions.

Webpage reproduction. GLM-4.5V can reproduce webpages by analyzing screenshots or screen recordings of the webpages. It infers logical relationships, layout rules and user intent among webpage elements, then generates highly accurate and complete web code. Unlike conventional image-based recognition, GLM-4.5V can analyze screen recordings of webpage interactions and generate executable code that mirrors both the static and dynamic features shown. Users can further refine the webpages with simple instructions.

Image-based reasoning. GLM-4.5V excels as a "visual detective," combining perceptual acuity with reasoning skills for image recognition and inference. For example, given a photo of a landscape or street scene, the model can examine fine-grained clues such as vegetation, weather patterns and architectural styles to deduce the likely location and approximate latitude and longitude, all without external search tools.

Comprehension of complex, diagram-rich documents. GLM-4.5V can read multi-page, diagram-rich documents to collect and summarize information from text and diagrams. It can also provide commentaries based on the information it comprehends. For diagrams, unlike traditional approaches that rely on separate optical character recognition (OCR) and text analysis, GLM4.5V performs both processes simultaneously, much like a human being. This enhances its accuracy in understanding image-based data, allowing it to efficiently comprehend diagram-rich documents, such as technical reports and presentation decks.

CogVideoX – Video generation

CogVideoX is our video generation model series. Combining cutting-edge efficiency, advanced technology and versatile functionalities, CogVideoX is able to transform creative concepts into high-quality videos.

CogVideoX demonstrates significant advancements in video generation capabilities, elevating the quality, esthetic appeal, motion coherence and semantic understanding of complex prompts in video generation tasks. It supports 4K ultra-HD resolution, enabling the creation of 10-second, 4K videos with 60 frames per second. CogVideoX interprets and executes sophisticated prompts with precision, supporting a variety of artistic styles and presenting results that align perfectly with user expectations. The model also accommodates multi-channel generation, allowing users to generate up to four videos simultaneously from the same text prompt or image.

GLM-Realtime – Realtime Video Call

GLM-Realtime is our multimodal model that supports video and audio interactions, enabling seamless, real-time AI audiovisual call experiences. During our R&D process, we have integrated GLM-Realtime into smart glasses and companion robots, enabling users to experience intelligent, near-instantaneous interactions. With its real-time audiovisual capabilities, GLM-Realtime sets a new standard for AI integration in hardware, providing a robust foundation for next-generation intelligent devices.

A key feature of GLM-Realtime is its ability to remember up to two minutes of conversation context during video calls, enhancing dialog coherence and user interaction. In voice-based interactions, GLM-Realtime supports a fully end-to-end experience and introduces an innovative singing feature, allowing the model to perform vocal melodies.



In addition, GLM-Realtime goes beyond real-time interaction by incorporating a function call feature, which enables it to dynamically access external knowledge and tools. This flexibility expands its capabilities far beyond its built-in knowledge, unlocking a broad range of potential use cases and real-world applications.

GLM-4-Voice – Voice model

GLM-4-Voice is an end-to-end voice model. Unlike the traditional method that requires a two-step process—first converting speech to text, and then text back to speech—GLM-4-Voice operates using audio tokens and models speech production directly. As a result, comprehension and generation of speech occur simultaneously within a single architecture, eliminating the potential for information loss associated with intermediate text-based transformation steps.

GLM-4-Voice can directly understand and generate Chinese and English speech, conduct real-time voice conversations, and can follow user instructions to change the emotion, tone, speed, dialect and other attributes of the voice.

To bridge the gap between text and speech modalities, we conduct large-scale speech-text pre-training. This enables GLM-4-Voice to demonstrate strong performance across various tasks, such as speech language modeling and spoken question answering. To further enhance GLM-4-Voice's conversational capabilities, we fine-tune the model on high-quality conversational datasets using a "streaming thoughts" template. This template alternates between output text and speech tokens, improving the model's ability to generate seamless, low-latency responses while maintaining high-quality performance.

OUR AI AGENTS

AutoGLM – "From Chat to Act": autonomous mission completion

AutoGLM represents a major step forward in the evolution of our AI universe—from "chat" to "act," bridging the gap between conversation-based AI and real-world task execution. Designed as a foundation agent tailored for autonomous control of digital devices through graphical user interfaces (GUIs), AutoGLM transforms human-like reasoning into concrete actions: AutoGLM can simulate human actions on a mobile phone or a computer, allowing it to autonomously complete tasks such as ordering food delivery, booking hotels and commenting on social media posts.

AutoGLM achieved SOTA performance under AgentBench, an agentic AI benchmark recognized by the 2024 AI Index published by Stanford University. Specifically, in the benchmark for phone use, AutoGLM outperformed prior leaders with a task success improvement of over 20%; in the benchmark for browser use, AutoGLM also outperformed advanced models such as GPT-4o and Claude-3.5-Sonnet.

In August 2025, we released an updated version of AutoGLM (also known as "AutoGLM 2.0"), which is powered by our then latest foundation model GLM-4.5 and visual comprehension and reasoning model GLM-4.5V. This updated version enables AutoGLM to simulate human actions across a broader range of mobile applications and websites. It can autonomously complete requested tasks on the cloud without occupying the user's mobile phone or computer, allowing users to continue using their own devices without interruption.

How we built AutoGLM

Developing foundation agents is very different from developing ordinary LLMs. Training foundation agents faces a critical challenge: the scarcity of decision-making data in existing pre-training sets. While the internet contains vast amounts of human knowledge, it primarily consists of static information that inadequately captures human decision-making and environmental interaction. Building capable foundation agents requires enriching them with dynamic knowledge, either through direct interaction with real-world environments or through learning from synthesized trajectories. Such foundation agents can then self-evolve in the digital world, iteratively improving to achieve genuine general intelligence. To address this challenge, we employed a comprehensive suite of training techniques, such as:

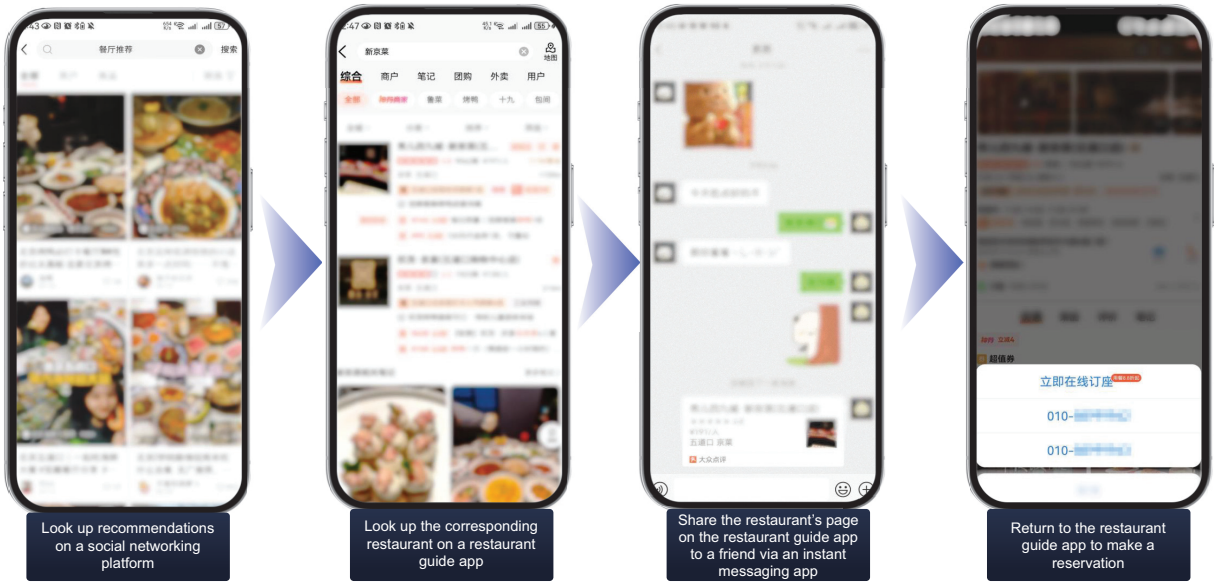
Intermediate interface design. It is essential to design an intermediate interface that disentangles planning and grounding behaviors in foundation GUI agents. They present distinct requirements—planning demands flexibility and error recovery, while "grounding," which is the process of ensuring that the model's outputs are solidly based on trustworthy sources rather than on speculation or fabricated content, emphasizes action accuracy. Their separation via the intermediate interface enables more agile development and enhanced performance.

Self-evolving online curriculum reinforcement learning. We recognize that error recovery is crucial for robust and deployable agent applications, yet it remains difficult to acquire through training alone. Additionally, the shortage of instructions and trajectories impedes training progress. We address this challenge through self-evolving reinforcement learning, implemented according to a progressive weak-to-strong curriculum.

Key features and advantages of AutoGLM

High success rate of task execution. We evaluated AutoGLM by executing frequent tasks on seven common Chinese Andriod Apps, such as "*order a cold coconut latte from the nearest coffee shop, with half sugar*." According to Frost & Sullivan, AutoGLM performed decently on most evaluated apps, with success rates ranging between 70% and 100%. We also evaluated AutoGLM's abilities on AndroidLab, an interactive Android benchmark and development environment that supports reproducible evaluation.

Execution of ultra-long tasks across various mobile apps. AutoGLM can understand and execute ultra-long instructions and tasks without interruption. In addition, AutoGLM enables task execution across multiple apps, eliminating the need for users to switch between apps. Acting as a scheduling layer between users and apps, this cross-app functionality is a critical advancement in automation. For example, the following diagram illustrates how AutoGLM helps arrange dinner with a friend.



Computer-use version (GLM-PC). GLM-PC is the computer-use version of AutoGLM. It is developed based on the CogAgent model, and it is the first computer-use AI agent in China. GLM-PC is a versatile tool designed for practical use across various scenarios. It functions as a meeting assistant by scheduling, attending and summarizing meetings, and supports document management tasks such as downloading, sharing and summarizing content. It can search and summarize information from public resources. GLM-PC also enables remote and scheduled operations, allowing users to execute tasks via mobile commands or at pre-set times. Additionally, its invisible screen feature enables it to run autonomously in the background, freeing up the user's workspace while completing tasks efficiently.

AutoGLM Rumination

AutoGLM Rumination is an advanced version of AutoGLM. It is an autonomous AI agent designed to explore open-ended questions and take action based on its findings. AutoGLM Rumination features "thinking while working"—it leverages outstanding reasoning capabilities powered by the GLM-Z1-Rumination model while incorporating AutoGLM's interactive operational capabilities. AutoGLM Rumination can handle complex tasks involving deep reasoning, iterative research and producing actionable outcomes. It can thoroughly explore open-ended, in-depth questions, dynamically navigate multi-step research processes, conduct web-based information searches, or even take further actions based on research findings.

AutoGLM Rumination bridges the gap from reasoning to execution, offering an unparalleled combination of reasoning, research and actionable capabilities. For instance, it can conduct deep research on travel options and directly book tickets for the selected itinerary. It can also recommend cost-effective product based on extensive comparisons and complete the purchase.

CoCo – Enterprise AI Agent

CoCo is a sophisticated enterprise AI agent designed to deliver intelligent automation across corporate environments. CoCo provides enterprises with secure access to, and autonomous orchestration of, a range of

critical resources, such as enterprise software, knowledge bases and databases. Leveraging advanced personalized memory, CoCo enables one-click automation of complex workflows. Its fundamental principle is to develop a deep understanding of both individual user needs and the overall business context to ensure the delivery of meaningful output. CoCo has the following key features and advantages:

Results-focused delivery. CoCo is designed to accompany and assist business processes end-to-end, ensuring that every task concludes with a tangible, measurable result. This outcome-based framework underscores CoCo's commitment to delivering value through actionable output.

Intelligent, personalized support. CoCo introduces a unique memory system, dynamically adjusted to individual employee's responsibilities and needs. It acts as a trusted personal assistant, proactively supporting users with tailored services and industry insights that align with their current priorities, providing timely and precise information at every step of the workflow.

Seamless integration with corporate infrastructure. CoCo embeds effortlessly within existing enterprise systems, bringing together the enterprise's data and operational tools under a unified platform. This cohesion allows CoCo to function as an AI assistant that not only understands the nuances of enterprise operations but also drives efficiency from within. With these enterprise-grade capabilities, CoCo is positioned to elevate business performance and deliver clear, measurable results.

OUR CODING MODELS

CodeGeeX

CodeGeeX is a powerful coding model designed to enhance programming efficiency and streamline workflows. It enables developers to automatically generate code based on natural language descriptions or complete unfinished lines or blocks of code, significantly improving productivity. CodeGeeX also facilitates semantic-level code translation across multiple programming languages and can automatically add detailed line-level comments. Additionally, developers can ask CodeGeeX technical questions directly within their integrated development environment (IDE), eliminating the need to consult external search engines and ensuring uninterrupted focus. Supporting popular IDEs as well as prevalent programming languages, CodeGeeX is a versatile assistant that adapts to developers' needs. As of June 30, 2025, CodeGeeX generated on average more than 100 million lines of code on a daily basis.

KEY OPERATING DATA

The following table sets forth a breakdown of the number of our institutional customers by business segment during each period of the Track Record Period:

	Year Ended December 31,			Six Months Ended
	2022	2023	2024	June 30, 2025
Number of institutional customers				
Cloud-based deployment	—	2,812	5,457	3,061
On-premise deployment	48	61	123	95
Total	**48**	**2,873**	**5,580**	**3,156**

For use cases that demonstrate the applications of our models and agents for institutional customers across diverse industry sectors, see "—Our Commercial Use Cases" below.

In addition:

- *Token consumption volume.* Our average daily token consumption volume was 0.5 billion, 2.1 billion, 0.2 trillion and 4.6 trillion in December 2022, 2023 and 2024 and June 2025, respectively.

- *Hallucination rate*. The hallucination rate of our GLM-4.5-Air (released in July 2025) and GLM-4.6 (released in September 2025) was 9.3% and 9.5%, respectively, as evaluated by the Hughes Hallucination Evaluation Model (HHEM-2.3) according to the LLM hallucination rate leaderboard published on GitHub.

OUR COMMERCIAL USE CASES

Our models and agents can be seamlessly applied across a broad range of industries to address unique challenges and optimize workflows. By leveraging the advanced capabilities of our MaaS platform, our clients can efficiently customize and deploy models and agents tailored to their specific business needs. Specifically, our MaaS platform provides an agent workspace, which encompasses a variety of agent templates and scenario-based solutions. Through this agent workspace, our clients can swiftly customize agents through streamlined model fine-tuning, incremental model training and prompt engineering. In contrast to conventional AI companies—which often require substantial resources for from-scratch development—our MaaS platform implements a lightweight approach that allows us to provide scalable services with high efficiency and affordable cost. Our models and agents enable our clients to unlock new levels of innovation, efficiency and personalization. Below are some use cases demonstrating the applications of our models and agents across diverse sectors.

Use Case 1: Technology and Internet Sector – a Mobile AI Agent

Our client is a world-leading consumer electronics producer. We partnered with the client to integrate our agentic models into its latest smartphone series. This marks a significant step in integrating advanced AI agent capabilities directly to consumer mobile devices. Given that mobile phones now serve as a primary touchpoint for people worldwide, this integration immediately put our AI into the pocket of a vast number of consumers, allowing them to experience and benefit from our AI at any time. Our comprehensive model capabilities allow us to provide users with a diverse suite of agentic functionalities, spanning from audiovisual calls to social media content generation:

On-device AI audiovisual call. Powered by our GLM-Realtime model, the smartphone features an innovative AI audiovisual call function. This capability allows the mobile AI agent to interpret images and videos in real time during calls, instantly recognizing both on-screen text and nuanced visual details. Our model's advanced streaming inference ensures that analyses and responses are delivered with minimal latency, supporting smooth, interactive and natural communication.

Long-context memory. As an intelligent voice assistant, the mobile AI agent is equipped with multi-turn long-context memory. This enables it to recall information from previous parts of the conversation or earlier sessions, supporting not only one-off responses but also maintaining coherent, ongoing dialog throughout a user's interactions.

System integration and function calling. Utilizing our AutoGLM foundation agent, the mobile AI agent supports direct system-level function calling. Users can operate various device features—such as adjusting settings, retrieving information and initiating tasks—simply by using natural language commands. This demonstrates the model's strength in enabling robust, context-aware system integration.

Social media content generation. Leveraging the models' multimodal generation capabilities, the mobile AI agent allows users to efficiently produce concise and engaging social media content based on images selected from their photo albums. This seamless workflow automates content creation, enhancing productivity and creativity.

Use Case 2: Technology and Internet Sector – Kingsoft Office's WPS AI

Our client, Kingsoft Office, is a leading office software services provider in China. Kingsoft Office intended to integrate advanced AI capabilities to enhance productivity and transform how users interact with office tools. Therefore, we helped Kingsoft Office improve its AI-powered office software WPS AI. Our solution enabled WPS AI to generate more accurate, high-quality content and autonomously assist users across tasks, significantly enhancing productivity and user satisfaction. By integrating our models across Kingsoft Office's products, we improved scalability and reduced maintenance costs, allowing more intelligent features to be delivered efficiently and consistently.

Our client's challenges. Kingsoft Office encountered the following challenges with its WPS AI:

- *Limited intelligence*. The original WPS AI was unable to deliver truly smart and intuitive user experiences due to technological constraints. The content generated by the original WPS often failed to meet users' expectations or intents.

- *Scalability challenges*. Kingsoft Office relied on developing and training separate small-scale models for each specialized application scenario. This approach led to high R&D costs, lengthy product development cycles and high maintenance costs, limiting the number of intelligent features that could be implemented.

Our solution. Our GLM series models helped WPS AI improve its intelligence and scalability substantially, while reducing maintenance costs. The key improvements included:

- *Enhanced intelligence.* We helped WPS AI improve the quality of the content it generated. For example, the user only needs to provide a theme, and WPS AI is able to produce outlines, slide content and speech drafts step by step, and format the content autonomously. Such autonomy is achieved by iteratively using our models to generate and modify the content generated progressively.

- *Cross-product integration*. To address the scalability and maintenance issues, we helped Kingsoft Office integrate our large models across its diverse office software products, substantially improved its user experience and reduced operational costs.

Use Case 3: Technology and Internet Sector – Zhaopin.com's AI Recruiting Assistant

Our client, Zhaopin.com, is China's leading human capital ecosystem platform, offering one-stop professional human resources services for both employers and job candidates.

Our client's challenges. With a vast database of job postings and candidate resumes, enterprise recruiters struggled with low screening efficiency. Improving the precision of candidate-job matching was critical to enhancing the recruitment process for both employers and job candidates.

Our solution. Our AI recruiting assistant allowed Zhaopin.com to provide various features to both employers and job seekers. For employers, our AI assistant uses conversational interactions to understand employers' hiring requirements, screens resumes and provides targeted recommendations. During interviews, the AI assistant analyzes candidates' skills and provides comprehensive post-interview evaluations. For job candidates, once they provide information about their strengths, our AI assistant generates complete, professional resumes and can further polish such resumes according to the job seekers' preferences.

Use Case 4: Technology and Internet Sector – Nieta's AI-Powered Multimodal Content Creation Platform

Our client, Nieta, is a rapidly growing AI generated content (AIGC) platform in China. It empowers everyday users to transform creative ideas into illustrations, comics, animations, novels, music and even virtual merchandise, while enabling users to share, discover and collaborate on creative works through its interactive social community features.

Our client's challenges. Nieta aims to address the evolving real-world creative needs of its users. Its goal is to lower the technical barriers for everyday creators, enabling them to quickly and seamlessly produce complex and high-quality multimedia content from simple prompts. However, this requires advanced infrastructure, including cutting-edge AI models with strong language, multimodal, agentic and coding capabilities, to optimize the user creation process and community engagement.

Our solution. Leveraging our large model capabilities, we partnered with Nieta to launch an intelligent short video generation agent in April 2025. This agent allows users to simply enter a creative idea in natural language, which is then automatically transformed into a complete short video, including visuals, narration and background music. Our technology equips the agent with advanced large language model and video generation capabilities, enabling seamless conversion from text input to full-fledged multimodal content. This highly accessible platform demonstrates the innovative potential of large models in cultural and creative industries and significantly broadens the ways in which AI can support and empower everyday users.

Use Case 5: Traditional Corporate Sector – an Automotive Manufacturer's Intelligent Cabin System

Our client is an automotive manufacturer specializing in high-end intelligent pure electric vehicles. Our solution helped the client transform the user experience of intelligent cabin from rigid, instruction-based commands to intuitive, emotionally intelligent and highly personalized interactions, accurately understanding natural user input and adapting to individual preferences. This not only enriched the in-vehicle environment with dynamic content and engaging conversations but also delivered a more satisfying, human-like user experience for high-end electric vehicle owners.

Our client's challenges. Our client aimed to enhance its intelligent cabin system, which relied on rigid and precise user instructions for command execution. This approach resulted in a passive and less dynamic user experience. The system encountered difficulties in comprehending colloquial voice commands, leading to a low success rate in understanding user intent.

Our solution. By deploying the GLM series models, our solution allows the interactions by the intelligent cabin to transition from the simple Q&A format to intuitive and natural communication. This equipped the intelligent cabin with enhanced personalization, emotional depth and adaptive interaction. Key improvements included:

- *Improved user intent comprehension through multi-turn guided dialog.* Our solution introduced a user intent confirmation mechanism through multi-turn guided dialogs. This allowed the system to interpret user needs with greater accuracy, significantly enhancing the comprehension of commands, even when phrased naturally or informally.

- *Enhanced emotional intelligence.* Our solution enabled dynamic switching across diverse conversational styles and personas, offering a more immersive and relatable dialog experience tailored to individual user preferences. Additionally, the system demonstrated advanced emotional intelligence, facilitating empathetic, context-aware conversations for a more human-like interaction.

- *Dynamic and engaging content generation*. Our solution allowed the creation of entertaining and impromptu content such as jokes, stories and personalized responses, enriching the interactive quality of intelligent cabin communications based on both user inputs and specific scenarios. The enhanced intelligent cabin system also supported voice-controlled games such as riddles and trivia quizzes, fostering a more interactive and enjoyable user experience.

Use Case 6: Retail Sector – Mengniu Dairy's AI Nutritionist Mengmeng

Our client, Mengniu Diary, is a world-renowned dairy company. We assisted Mengniu Dairy in creating an AI nutritionist "Mengmeng" to deliver expert-level, personalized nutrition and health services to consumers worldwide. Our solution helped Mengniu bring greater value to its customers while strengthening brand loyalty and differentiation in the health and wellness market.

Our client's challenges. As more families seek expert advice to improve their health, the desire for on-demand access to reliable nutrition information is surging. Building an AI-powered nutritionist platform required significant investment in domain-specific model training and technical resources, which is challenging for diary companies.

Our solution. We collaborated with Mengniu Diary to create Mengmeng, allowing the client's diverse customer base to interact naturally with the AI nutritionist anytime to receive expert insights and personalized nutrition health services. In addition, Mengmeng includes an AI Health Planner feature. The AI Health Planner creates personalized health and nutrition plans based on individual assessments, offering real-time interaction and progress tracking. It employs adaptive planning, dynamically adjusting goals when deviations occur, and provides proactive reminders, coaching and empathetic motivation to help users achieve their objectives effectively.

Use Case 7: Traditional Corporate Sector – Integrated Large Model Solutions for a Corporate Conglomerate

Our client is a conglomerate in China with a primary focus on financial services and a range of other diversified business segments. Our client is dedicated to advancing intelligent system upgrades, integrating LLMs across various business lines and enhancing internal management efficiency. We have delivered a diverse range of integrated, one-stop solutions for our client. For example:

- *Financial capital management LLM.* We developed an advanced LLM tailored for financial capital management for our client. It is capable of responding autonomously in various formats—including natural language, images and tables—to inquiries from various departments of our client's commercial banking business group regarding the latest financial regulations. The model facilitates data inquiries and analysis and provides robust support for data governance. Notably, this LLM achieves an AI automation rate exceeding 50% in Q&A on new financial regulations. Its introduction greatly accelerated the practical implementation of the latest financial regulations throughout our client's commercial banking business group, empowering employees to conduct efficient information search, data analysis and data management, and propelling the bank toward a new era of intelligent capital management.

- *Transportation and logistics LLM.* We developed an LLM for the client's transportation and logistics business group. It is designed for various application scenarios, including order management, transportation planning, intelligent customer service and equipment operation and maintenance. The model effectively enhances operational efficiency within the logistics industry. With strong perceptual and conversational abilities, this LLM demonstrates excellence in logistics image recognition, text information extraction, information query, logistics text recommendation, customer credit assessment and tool/plugin integration.

- *Intelligent upgrade of office collaboration systems.* To address our client's requirements for a more intelligent internal office collaboration system, and guided by the "Document + AI" philosophy, we developed an employee personal knowledge base. This equips employees with productivity tools that support document comprehension, creation and application, transforming everyday operations. Leveraging the CoCo enterprise agent, we efficiently established an integrated "knowledge base + workflow + agents" system and successfully completed the deployment of essential infrastructure and a vector database.

Use Case 8: Public Service Sector (Education) – AMiner – Our Research Assistant for Scholars

AMiner is an AI-driven scientific intelligence and big data mining platform. Designed to provide intelligent academic services for research institutions and scholars globally, AMiner utilizes advanced data mining and analysis to enhance research efficiency. Supported by a vast database of millions of academic papers and powered by our GLM series of models, AMiner's core functions include academic search with natural language queries, detailed scholar profiles, and AI-assisted literature analysis that supports automatic summarization and interactive Q&A. AMiner also offers writing assistance tools for literature reviews, translation and language refinement, along with personalized subscriptions for the latest academic trends.

Use Case 9: Zhipu QingYan – Our Chatbot for Everyone

Zhipu QingYan is our advanced generative AI assistant, powered by our GLM series models. Drawing on our comprehensive model capabilities, Zhipu QingYan supports a wide range of application scenarios, with key features including:

General-purpose Q&A. Zhipu QingYan can respond to user queries on a broad spectrum of topics, supporting capabilities such as web-based search, image interpretation and document reading. Notably, Zhipu QingYan integrates the GLM-Z1-Rumination model, delivering more comprehensive and precise answers through the renumeration process. See "—Our Models" above for details.

Multimodal comprehension and generation. Zhipu QingYan can generate videos and images to facilitate efficient and imaginative artistic creation. While traveling, it offers instant background explanations for tourist attractions and provides environment recognition services, particularly beneficial for visually impaired users. In creative fields such as art and design, it inspires users and supports the generation of original artistic works.

Customizable agents. Users can create their own AI agents via a no-code platform, tailoring the AI agents for specific needs. As of the Latest Practicable Date, there were over 800,000 active custom AI agents on the Zhipu QingYan platform.

RESEARCH AND DEVELOPMENT

We are, at the core, a company of data scientists and engineers, with R&D ingrained in every aspect of what we do. On a daily basis, we are intensely focused on elevating the intelligence of our foundation models; improving and developing useful and cost-effective AI agents for ever more industry verticals and other use cases; and collaborate with industry business partners to design and improve our computing infrastructure that enables our MaaS platform to deliver comprehensive capabilities. We achieve these through, first and foremost, our people, as well as our robust technology infrastructure and rigorous R&D processes.

Talent

We have a deep bench of AI talent. As of June 30, 2025, we had a R&D team of 657 members with background and experience in the relevant fields such as natural language processing, advanced decision-making in complex systems and multimodal semantic analysis. Our R&D team is led by our chief scientist Dr. Zhang Bo and other tech leaders. Our tech leaders have an average of over 12 years of experience in the relevant fields.

- **Dr. Zhang Bo**: An academician of the Chinese Academy of Sciences, Dr. Zhang has played a pivotal role in both foundational AI theory and practical applications such as pattern recognition, knowledge engineering and robotics. He is particularly noted for his pioneering theory of quotient space for problem solving, introducing innovative methods for multi-granularity reasoning and computational complexity reduction, which have become central to granular computing. With more than 400 published papers and several award-winning monographs, Dr. Zhang's work has been recognized with prestigious honors and leading national prizes for scientific achievement. He also co-founded the National Key Laboratory of Intelligent Technology and Systems, further shaping the direction of artificial intelligence research and its real-world impact in China.

- **Dr. Liu Debing**: Dr. Liu brings extensive expertise in LLMs, machine learning and data mining. He has led or participated in more than 30 major scientific research projects, collaborating with institutions such as the Ministry of Science and Technology and Chinese Academy of Engineering. Mentored by Gao Wen, an academician of the Chinese Academy of Engineering and a prominent expert in artificial intelligence research, Dr. Liu has published over 20 papers at major international conferences and holds more than 50 invention patents globally. Dr. Liu plays a leading role in driving our technical innovation and strategic research direction.

- **Dr. Zhang Peng**: As our CEO, Dr. Zhang is at the forefront of practical AI innovation in China. Dr. Zhang specializes in knowledge graphs and large-scale pre-trained models and has played a core role in the development of our GLM model series. With over ten publications in leading conferences such as International Conference on Machine Learning (ICML) and International Semantic Web Conference (ISWC), he focuses on advancing AI frameworks driven by both knowledge and data. His practical expertise spans the deployment of large-scale pre-trained models, semantic big data analysis, intelligent question answering and decision support systems, positioning him as a prominent figure in translating AI research into impactful real-world applications.

- **Mr. Yan Xingyu**: Mr. Yan specializes in data mining and pre-training and development of large models. He has played a central role in the research and development of our MaaS platform. Mr. Yan's innovations have significantly enhanced the performance and quality of our MaaS platforms. Mr. Yan holds a master's degree from Carnegie Mellon University and previously worked as a senior research and development engineer at Google.

- **Dr. Gu Xiaotao**: Dr. Gu is an expert in data mining and LLMs, with practical experiences in the development of NLP and pre-training of LLMs in a major technology company in China. He earned his PhD from the University of Illinois at Urbana-Champaign and bachelor's degree from Tsinghua University. Dr. Gu has published over 40 papers at major international conferences, including Association for Computational Linguistics (ACL), Conference on Computer Vision and Pattern Recognition (CVPR), International Conference on Learning Representations (ICLR) and Conference on Knowledge Discovery and Data Mining (KDD).

- **Dr. Du Zhengxiao**: Dr. Du specializes in the application of machine learning algorithms to real-world systems, including information retrieval, knowledge graphs and pre-trained language models. He also focuses on the algorithms for machine learning and reinforcement learning.

Dr. Du completed both his PhD and undergraduate studies in computer science at Tsinghua University. Dr. Du has published over 30 papers at major international conferences, accumulating over 8,000 citations.

We retain key management and technical staff with competitive remuneration packages and welfare benefits. In the event of termination of employment requested by a key staff, we closely communicate with the staff for the reason of departure and feedback for us. We also recruit candidates with relevant knowledge and skills and invest in training initiatives to avoid the negative impact that could be caused by the departure of any key staff. The key terms of agreements with management and technical staff are set out below.

- *Inventions arrangement.* We own all rights, titles and interests (including patent rights, copyrights, trade secret rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), designs, know-how, ideas and information made, conceived or reduced to practice, in whole or in part, by the employee during the term of the employment contract to the fullest extent allowed by applicable laws, and the employee shall promptly disclose all inventions to us.

- *Proprietary information arrangement.* All inventions and all other business, technical and financial information the employee develops, learns or obtains during the term of the employment contract that relate to us or our business or demonstrably anticipated business, or that are developed in whole or in part during the employment or using our equipment, supplies, facilities or confidential information, or that are received by or for us in confidence, constitute proprietary information. The employee shall hold in confidence and not disclose or, except within the scope of the employment, use any proprietary information.

- *Confidentiality.* During the employment, except as necessary to perform work duties, and for all time thereafter, the employee 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.

- *Non-competition.* For certain staff, 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, the employee shall not engage in any competitive behavior.

While we conduct a vast majority of our R&D activities in-house, we also partner with leading universities around the world to establish joint research laboratories, driving innovation in advanced AI technologies and constantly replenishing our talent pipeline. We do not outsource any R&D activities to third parties. Our in-house R&D activities primarily serve our the development and enhancement of our serve offerings and our independently initiated projects, with an emphasis on technological innovation and practical application. Our in-house R&D focus on fundamental principles of large models, model training, parameter tuning and algorithm optimization. In contrast, our collaborative R&D is centered around joint research projects with academic institutions, mainly exploring the application of large models in specific fields. These projects have a stronger academic focus and tend to be more fundamental in nature, serving the purpose of basic research rather than direct technological enhancement. As of June 30, 2025, we had close collaboration with various universities and research institutions in China such as Tsinghua University, Zhejiang University, Tianjin University, Yanshan University and Zhongguancun Academy. For example, we have collaborated closely with the Department of Computer Science at Tsinghua University and co-established the Knowledge Engineering Group (KEG). KEG focuses on original innovation in AI driven by both data and knowledge, conducting research in areas such as AI, LLMs, knowledge graphs, data mining and social networks. KEG has participated in a number of leading national and international projects. We also partner with numerous industry leaders through KEG, including the following:

- **Dr. Li Juanzi**: Dr. Li is a leading expert in semantic content management and text and social network mining. She has led pioneering research with impactful applications in journalism, social networks and web services. Dr. Li is the project leader and one of the drafters for the national standard "Chinese News Markup Language," now adopted by a major news agency in China. Dr. Li has also published extensively in leading academic venues and her research has been recognized with major awards. Her work bridges foundational AI research with real-world system deployment, driving advances in semantic, multilingual and multi-modal knowledge technologies.

- **Dr. Huang Minlie**: Dr. Huang is a leading expert in AI and NLP. His research focuses on large language models, AI safety, social intelligence, and language generation. He has made significant contributions to dialog systems, automatic question answering and sentiment analysis. Dr. Huang has published over 400 papers in top venues, accumulating over 25,000 citations. Dr. Huang has served key roles for major conferences. He has received prestigious awards such as the Wu Wenjun Artificial Intelligence Science and Technology Award (吳文俊人工智能科學技術獎) and Qian Weichang Chinese Information Processing Science and technology Award (錢偉長中文信息處理科學技術獎).

- **Dr. Xu Bin**: Specializing in knowledge graphs, data mining and AI, Dr. Xu has led projects in developing large-scale educational knowledge graph and scalable technology for scientific intelligence mining and knowledge services. He has published over 100 papers in top conferences and journals and serves on the editorial board of Service Oriented Computing and Applications (SOCA). Dr. Xu chairs key committees in the Chinese Computer Federation and leads standardization efforts as Chair of the IEEE Knowledge Graph Working Group. His work has advanced the application of knowledge graph technologies, supporting intelligent knowledge discovery and integration at scale.

Together with Tsinghua University and Peking University, we also jointly established the Beijing Key Laboratory of Foundation Models. This laboratory focuses on fundamental research into large models, super-intelligence technologies, security and ethical alignment, and is committed to translating cutting-edge research into practical applications in areas such as finance, healthcare and education. In addition, as a founding partner of the Tsinghua University Foundation Model Research Center, we facilitate interdisciplinary collaboration, academic exchange and talent development in the field of AI. Through these collaborations, we are able to identify promising future AI scientists early on, ensuring a continuous supply of young talent with great potential.

These R&D collaborations are mutually beneficial, with third-party institutions and researchers involved benefiting from academic or industry recognition for their contribution, while we are primarily entitled to the intellectual property generated. For our R&D collaborations, we typically enter into written agreements with the collaborating parties, which set out the following key terms.

- *Roles and responsibilities*. We are typically responsible for providing the materials and data required for the R&D projects as well as monetary support. For collaborations with co-owned patents, we are typically responsible for preparation and filing of the patent applications and maintenance of the relevant patent rights. The collaborating academic institute is typically responsible for designating lead professor and researchers to the project and meeting the set targets of the project.

- *Responsible personnel*. Each party shall assign sufficient personnel to the joint development. For some major collaborations, our agreement also set out the key R&D personnel to be assigned by the institute for the project.

- *Funding contribution*. We are typically responsible for the monetary support and other in-kind funding of the collaborative projects, as well as expenses in relation to intellectual property applications and intellectual property rights maintenance.

- *Intellectual property*. In general, we solely own the intellectual property rights created through our R&D collaboration and the economic interests of commercializing intellectual property. In limited cases where we collaborate with academic institute primarily to support their research objectives, we enter into *ad hoc* agreements with the collaborating academic institute to jointly own the intellectual property rights created through the collaborations.

- *Confidentiality*. Each party shall maintain confidentiality of information obtained in relation to the collaboration, and not use information obtained for other purposes.

Our Technology Infrastructure

Our technology infrastructure is designed to satisfy the requirements of our operations, support the growth of our business and ensure the reliability of our operations. We have made continuous efforts in the development of our technology infrastructure to provide computation resources for training and iterating powerful AI models at low cost.

Both training and inference are computationally intensive tasks. Our advanced computing infrastructure provides sufficient computing resource for our model development. In addition, we collaborate with computing resource partners and co-design the computing infrastructure to ensure that computing resources provided by such partners are optimally suited to our models and sufficient for our scalable training and model deployment across diverse platforms and hardware. The compatibility of our existing technology architecture and services allows for swift transition and effective integration across different computing infrastructures. Therefore, we do not expect any material technological issues or other hurdles for us to switch computing infrastructure providers. We also adopt a highly scalable, cloud-based technology architecture through our cooperation with trusted cloud computing service providers in China. Our cloud-based technology architecture allows us to process large volumes of data on a real-time basis and ensure high-speed and stable performances on a large scale to accommodate and support the increased complexity and diversity of our business operations. We have been enhancing our technology architecture by increasing the investment in third-party cloud computing services to ensure our cloud architecture can effectively address our growing business needs.

We are supported by servers in geographically dispersed areas across China which enables the high availability of our technology infrastructure. In addition, we have in place a comprehensive set of contingency plans to manage potential risks of any emergency or service disruption. For example, we back up our operating data regularly, and our staff responsible for database management perform daily inspection on our backup record to make sure all the operating data are properly archived. We also test the data recovery capability of our systems, which help us ensure our backup data can be completely retrieved. We did not experience any material service disruptions during the Track Record Period and up to the Latest Practicable Date.

Our R&D Process and Achievements

Our R&D Process

We follow a disciplined, modular and evaluation-driven process in the development of our models and agents. Our R&D process ensures that our models are both technically robust and adaptable to a broad range of applications, while meeting critical standards for safety, performance and scalability. Generally, our foundation language models are developed through the following process.



- *Architectural design*. We begin by selecting and adapting an underlying model structure based on the complexity of the target tasks, the characteristics of the input data and the requirements of the deployment environment. While we use the Transformer architecture as the foundation for most of our models, we also investigate various approaches to improve the Transformer architecture. These include sparse expert models such as MoE, hybrid encoder structures which combine multiple architectural styles for enhanced flexibility, and multimodal cross-attention designs, which enable the model to process and interact with information from different types of data, such as text and images. Our design strategy emphasizes modularity, allowing the model to handle a variety of input types, including text, computer code and structured tabular data. To support training stability and reliable learning, we integrate techniques such as pre-layer normalization which standardize data at certain points in the network for consistent behavior, residual scaling which adjusts how shortcut connections influence information flow, and stochastic depth which randomly skips certain layers during training to improve generalization. We also carefully consider the hardware on which the models will be deployed, aligning our design choices with suitable parallel processing strategies. These strategies include tensor parallelism (splitting operations within a model across multiple computing units), pipeline parallelism (distributing different parts of the model across hardware to process data in sequence), and fully sharded data parallelism (FSDP), which spreads both data and model parameters across many machines to achieve efficient large-scale training. All decisions are made with careful consideration of the particular requirements and limitations of the deployment infrastructure.

- *Pre-training*. The pre-training phase focuses on developing a model with strong general-purpose language understanding and generation skills. To achieve this, we train our models on extensive and diverse collections of data from both publicly available sources and third-party vendors. Our data processing workflow comprises three main steps. First, we remove near-duplicate documents through de-duplication, which helps improve the variety of training data and reduces the risk of the model simply memorizing repeated information. Second, we filter out low-quality content, including material that contains offensive language, meaningless placeholders, flawed web markup or corrupted code, to ensure the integrity of the dataset. Third, we apply tokenization, a technique that breaks text down into smaller units, such as sub words, to facilitate consistent processing across different languages and types of content. We further improve data quality by stratifying and re-weighting the datasets, so that high-quality sources are better represented during training.

  Our training objective typically follows an autoregressive language modeling paradigm or a span-based blank-filling strategy. Unlike traditional pre-training methods that focus solely on either generation or token prediction, our approach enables our models to perform both language generation and comprehension tasks, enhancing their effectiveness on a wide range of downstream applications. To maximize computational efficiency during training, we use methods such as mixed-precision computation which speeds up processing while reducing memory use, gradient checkpointing which saves memory by selectively storing intermediate calculations, and cosine learning rate scheduling which gradually reduces the pace of learning in a technically optimal way.

  We also refine the model further through fine-tuning, where the model is trained on datasets that are tailored to specific domains or tasks. This allows the model to adapt its broad, general-purpose language skills to support concrete applications, such as text summarization, answering questions or generating computer code. We achieve fine-tuning through gradient-based optimization, where the model's parameters are updated based on specific objectives related to the target task. We also adjust training settings, known as hyperparameters, such as the learning rate which determines how quickly the model learns, batch size, which is the amount of data processed at once, and details of the optimization algorithm. For projects seeking efficient use of computational

resources, we employ lightweight tuning strategies, such as Low-Rank Adaptation (LoRA) or P-Tuning, which update only a small subset of the model's parameters while retaining strong task performance. Throughout fine-tuning, we rely on established evaluation metrics to measure text quality and assess accuracy, to ensure that the model's outputs meet both technical standards and business needs.

- *Post-training alignment*. While pre-training and fine-tuning equip the model with technical skills, a post-training alignment phase is essential to ensure the model responds in ways that reflect human values, comply with safety standards and follow task instructions accurately. We achieve this alignment using a two-step process. First, through supervised fine-tuning (SFT), the model is trained on real examples of human-written instructions and their corresponding responses. Unlike artificial, template-based prompts, these genuine interactions improve the model's ability to follow instructions naturally and produce human-like conversations. Second, we apply reinforcement learning from human feedback (RLHF). In this stage, human reviewers assess and rate the model's responses on criteria such as safety, factual accuracy, usefulness and relevance. We then use such annotated data to train a reward model, which helps the main model refine its behavior. We use the reinforcement learning algorithm Proximal Policy Optimization (PPO) for its stability and efficiency. PPO restricts the size of behavioral adjustments made during training by using a "clipped" objective function, helping to prevent abrupt changes and ensuring reliable progress. For example, in our GLM-4-Plus model series, integrating PPO into the post-training phase leads to more consistent and reliable responses and better alignment with human preferences. We carefully check the quality of alignment data review through multi-layer audits.

- *Deployment optimization ("quantization")*. To make our models suitable for deployment in production environments where computing resources are limited, we use various model compression and quantization techniques. Quantization involves reducing the precision of model calculations, such as converting model weights from 32-bit floating point to 16-bit floating point or 8-bit integer formats, which helps decrease the model's size and the amount of memory it uses, with minimal effect on accuracy. We apply both post-training quantization, which is performed after the initial model training, and quantization-aware training, where the model is trained to anticipate and accommodate lower precision from the outset. Additionally, we deploy our models using optimized software runtimes which support advanced methods like tensor parallel inference to further improve efficiency during real-time use. These approaches collectively reduce the model's memory requirements and speed up response times, enabling applications that require fast, low-latency performance, such as those running on edge devices or private cloud infrastructure, while still supporting high throughput and robust task execution.

- *Continuous evaluation and feedback.* After deployment of models, we maintain a rigorous evaluation and monitoring system to ensure ongoing model reliability and safety. This framework continuously tracks key performance indicators in real time, such as latency, frequency of errors and activation of any safety measures. It helps us promptly identify issues such as distributional drift (changes in input patterns) or declines in model performance. When introducing new versions of a model, we use controlled canary rollouts, where we release updates to a small subset of users first, to monitor for unintended effects before broader deployment. We also gather anonymized user feedback, which provides valuable insights for improving future iterations.

  To further ensure model quality and compliance, we use carefully designed synthetic test suites and adversarial prompt sets, which assess the model's robustness, fairness and adherence to relevant regulations or guidelines. Updates to the model or its systems are implemented gradually, with comprehensive checks for backward compatibility and regression testing to prevent the reintroduction of past errors, thus safeguarding both technical and operational integrity.

Our Technology Breakthroughs

Our advancements in AI technologies depend on consistent innovation and groundbreaking research. The following table highlights our major research breakthroughs, reflecting our commitment to advancing advanced AI and addressing global challenges through responsible innovation.

Date	Breakthrough
June 2021	Completed training of our first ten-billion-parameter model, GLM-10B, based on our GLM pre-training framework. According to Frost & Sullivan, our GLM-10B was one of the first few ten-billion-parameter models trained in China, representing a breakthrough in both model size and technological sophistication. Our GLM-10B's optimization for Chinese language environments also sets a strong foundation for localization of our AI models.
June 2021	Completed training of a trillion-parameter sparse model using an MoE architecture. Such sparse model also reached "convergence," meaning our training algorithm has succeeded in finding an optimized set of parameters that enable the model to perform the given task.
August 2022	Developed and open-sourced the massive bilingual 130-billion-parameter pre-trained language model GLM-130B. One of our major goals for GLM-130B was to lower the hardware requirements for accessing trillion-parameter-scale LLMs without efficiency and effectiveness disadvantages. To allow GLM-130B to run on smaller systems without losing performance, we attempted to compress GLM-130B as much as possible via quantization techniques. Our GLM-130B also outperformed many then globally recognized models in English tasks and demonstrated solid abilities in Chinese-language tasks, making it a standout model for bilingual applications. Its reproducibility and support for multiple hardware platforms further enhance its practicality for researchers and developers worldwide.
March 2023	Released and open-sourced our ChatGLM dialog model, ChatGLM-6B, based on our GLM framework. Quantization significantly reduced the hardware requirements of ChatGLM-6B, so that the model can run efficiently on consumer-grade hardware. By open-sourcing ChatGLM-6B for both academic and commercial use, developers of all levels can access, study and build upon this model, not only making AI models more accessible, but also accelerating the development and adoption of AI across industries.
January 2024	Released our next-generation foundation model GLM-4 with significant performance improvements over the previous generation. Our GLM-4 can handle longer and more complex conversations, work effectively across multiple types of input, such as text and images, and perform tasks faster and more efficiently, supporting more users at the same time while reducing costs. Additionally, it has enhanced agent abilities, making it a powerful tool for a wide range of applications.
June 2024	Open-sourced GLM-4-9B, the smaller, more accessible version of GLM-4, and GLM-4V-9B, a visual model based on GLM-4. Despite their smaller size, GLM-4-9B and GLM-4V-9B delivered multimodal capabilities comparable to then globally recognized multimodal models, according to Frost & Sullivan.

Date	Breakthrough
July 2024	Introduced CogVideoX, the video generation model built on the earlier CogVideo model with multiple key upgrades that improve performance, efficiency and usability. Using a cutting-edge 3D Variational Autoencoder (3D VAE), it compresses video data to just 2% of its original size, making training faster and less resource-intensive while generating videos that are more natural and fluid by effectively capturing relationships between frames. Its Transformer architecture and innovative 3D position encoding enhances video consistency and ensure smooth transitions across frames. This allows CogVideoX to generate higher-resolution videos (up to 1440×960) in just 30 seconds for a six-second clip—six times faster than its predecessor.
August 2024	Released the upgraded GLM-4 model, GLM-4-Plus, achieving performance that rivals or even surpasses top international models in key areas such as understanding language, following instructions and processing long and complex texts. Our GLM-4-Plus incorporates PPO to enhance precision and adaptability, making it suitable for complex real-world applications.
October 2024	Released the end-to-end bilingual voice model GLM-4-Voice. It represents a major breakthrough in voice interaction technology by offering more natural, emotional and efficient human-like communication.
October 2024	Released our AI Agent AutoGLM, the foundation agents for autonomous control of digital devices through GUIs. Our AutoGLM represents a step toward building more capable AI tools that can support real-world problem-solving with minimal human input.
November 2024	Released the upgraded AutoGLM Agent with GLM-PC, initiating research on computer use, where the AI can independently operate a computer like a human user does. GLM-PC demonstrates the potential of AI to transform how we interact with everyday technology, bringing us closer to automated and intelligent personal computing.
December 2024	Unveiled GLM-Zero-Preview, our first reasoning model developed using advanced reinforcement learning technique. Our GLM-Zero-Preview is designed for handling complex tasks requiring mathematical logic, coding and deep reasoning. Using advanced reinforcement learning, GLM-Zero-Preview can break down problems, reflect on its methodology and adapt its approach—mimicking how humans rethink and optimize their solutions.
January 2025	Released the end-to-end model GLM-Realtime that enables real-time video comprehension and voice interaction with low delay. It can understand and respond quickly to video and audio inputs, remember up to two minutes of conversation context and even perform singing. Our GLM-Realtime is also capable of "Function Call," allowing it to use external tools or data for more complex tasks.
March 2025	Released AutoGLM Rumination, our first AI agent capable of deep research and tasks. Unlike traditional AI, which either thinks or executes tasks separately, our AutoGLM Rumination combines deep reasoning with practical action, and can handle complex responsibilities and drastically improve efficiency across industries such as research, education, finance and everyday services.

OUR CORE AI SAFETY AND ETHICS PRINCIPLES

We envision a world where AI serves as a transformative force for good, a world where AI—ultimately AGI—empowers humanity to improve life in all corners of our planet and address the greatest challenges of our time.

At the same time, there are profound risks inherent in creating machine systems that emulate human intelligence. Handled in wrong ways, AI could lead to grave harm, even catastrophe. In particular, AI will seep into the finest fabric of human society and smallest crease of everyone's lives. The culture of every community and the wellbeing of every individual will be at stake. Therefore, we must approach AI with extreme care.

As a leader in foundational AI technologies, we are committed to adhering to our core AI safety and ethics principles and steering our organization and everything we do around these principles.

Core Principles

Safety as our fundamental priority. We pledge to conduct rigorous research and deploy robust safety mechanisms to ensure predictable, controlled AI behaviors under all conditions. Our safety measures include the following three levels:

- *Model level*. We will continuously refine our models to reduce hallucinations and biased outputs. We will also prevent offensive behaviors or unethical recommendations from the models.

- *Personal level*. We implement strong safeguards to prevent unauthorized access to sensitive information and protect individuals from manipulative or unethical actions that could harm mental health or exploit personal vulnerabilities.

- *Sovereign level*. We also see a crucial need for collaboration among stakeholders we call "sovereigns"—governments, industries and international organizations that represent the wills of their constituencies—to ensure safety as AI poses unprecedented questions on the social fabric of our societies at every level: local, tribal, national, global. We are dedicated to working closely with the broader community to develop AI best practices and global governance frameworks.

  We, together with the world's leading AI companies, signed the *Frontier AI Safety Commitments* in the 2024 AI Seoul Summit. These commitments include: (i) effectively identify, assess and manage risks when developing and deploying frontier AI models and systems; (ii) be accountable for safely developing and deploying frontier AI models and systems; and (iii) use approaches to frontier AI safety that are appropriately transparent to external actors.

Democratization, diversity and equity. AI should be advancement for all humanity, not a privilege reserved for a few. We are dedicated to ensuring that its benefits extend beyond the tech elite and the wealthy, and reach underserved communities and marginalized groups. Addressing power imbalances and ensuring fairness will remain central to our approach. We will design AI systems to respect human values, autonomy and dignity, embedding alignment processes to ensure these systems are inclusive and equitable.

Environmental sustainability. We are deeply aware of the environmental costs associated with training and deploying large-scale AI systems. To mitigate these impacts, we are committed to designing energy-efficient systems and using clean, renewable energy sources for our operations. Sustainability will be a core principle guiding us, ensuring that technological progress does not come at the expense of our planet.

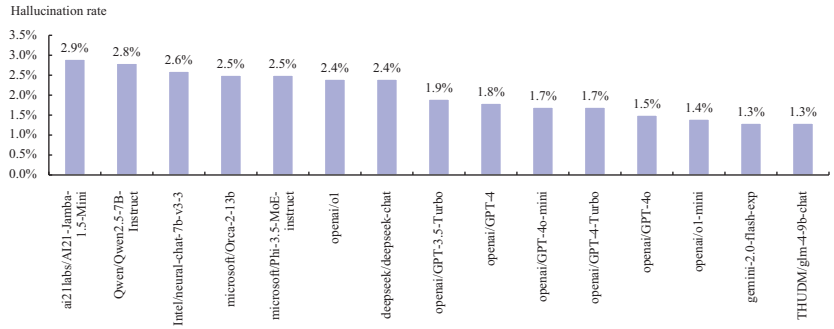
Transparency and accountability. We believe that trust in AI can only be earned through transparency and accountability. We will communicate not only our successes but also our challenges, confronting risks and openly addressing limitations. Accountability means taking ownership of our actions. If errors occur or unintended consequences arise, we will act swiftly to address them, openly communicate what went wrong, and implement solutions to prevent recurrence. By fostering dialog with the broader AI community, we aim to create a transparent, collaborative environment where feedback can shape better, safer AI practices.

Achievements

- We signed the *Frontier AI Safety Commitments* in the 2024 AI Seoul Summit together with the world's leading AI companies.

- We were the only Chinese AI company acknowledged in the *AI Safety Index 2024*, published by the Future of Life Institute, a renowned nonprofit organization established by leading AI experts.

- Our GLM-4-9B model achieved one of the lowest hallucination rates (1.3%) among top LLMs, as evaluated by the Hughes Hallucination Evaluation Model (HHEM-2.1-Open) according to the 2025 AI Index Report published by Stanford University:



Source: HHEM leaderboard, 2025 | Chart: 2025 AI Index report

- Our GLM-4.5 achieved the world's second lowest and China's lowest hallucination rate in September 2025, according to the LLM Hallucination Leaderboard for Retrieval-Augmented Generation (RAG).

DATA PRIVACY AND PERSONAL INFORMATION PROTECTION

We attach great importance to data security and protection. We have built a comprehensive personal information management system and formulated a series of technical standards and specifications to ensure data and personal information security throughout their life cycle. Our data security team oversees our data security and personal information protection efforts.

Data Collection

We collect data from our users with their direct authorization to us through our self-operated applications for the purpose of providing services. We also obtain data from (i) third-party vendors, which primarily consist of text, image, audio and video data, to train and optimize our models, and (ii) open websites, public datasets or other publicly accessible sources, which primarily consist of publicly available text, images and similar content, to train and optimize our models. We primarily rely on open-source data to train our models' general capabilities, such as broad language understanding and generation, as well as basic logical reasoning. We use third-party vendor datasets mainly for industry-specific training, since high-quality specialized data are relatively scarce in public sources and datasets procured from third-party

vendors typically have higher quality, accuracy and reliability. In general, we do not acquire any data from our institutional customers or their end-users unless we are explicitly entrusted by our institutional customers to do so for the specific purpose of providing services. Details regarding such entrusted data processing are set out below.

We collect data from users who directly authorize us through our self-operated applications, such as mobile apps, WeChat mini programs and other online platforms. Such data are collected solely for the purposes of providing, maintaining and improving our services. We collect data from both domestic and overseas users. Our user privacy policies clearly describe our data collection, usage, sharing and processing practices and how users can exercise their rights in activities relating to the processing of personal information. In particular, we provide users with prior notice and obtain their consent as to what data are being collected, how such data will be used and undertake to manage and use the data collected in accordance with applicable laws before they use our services. The user data we collect, store and use generally include (i) users' basic information, such as mobile phone number; (ii) data from users' interactions with our AI product, including user inputs such as prompts, queries, images, audio files, documents and other information, as well as the content generated by our product; and (iii) attribute information of devices used to install and operate our mobile applications, such as device identifiers. The scope of usage is consistent with that being disclosed in our privacy policies and does not exceed the scope authorized by users. The data are collected and used mainly for the purposes of user registration, content generation, and user safety.

We collaborate closely with our clients for provision of our services and are deeply involved in the deployment with routine communications with the clients. Generally, we do not collect or otherwise process any personal data of our clients' end users unless specifically commissioned or directed by the client to do so. Only in very limited circumstances, where we are expressly entrusted by our clients, we may process the personal data of our clients' end-users, solely for the purpose of performing the agreed-upon services. We only process clients' end-users' personal data in limited scenarios, for which we act as a data processor of the clients. In these scenarios, we provide operational support for two mobile applications on behalf of the clients and, in doing so, obtain consent directly from the end-users through the privacy policies displayed within such applications, or as otherwise required by applicable laws and regulations. Save for such limited and specific entrusted services, we do not collect or otherwise process any personal data of our clients' end-users in the ordinary course of business.

The data we obtained from third party vendors have been provided after anonymization or desensitization pursuant to the relevant agreements with such vendors. We request the third-party vendors to explicitly confirm in their agreements or undertakings with us that: (i) they have acquired data from legitimate sources and that they have obtained the rights to use such data for the purpose specified in the agreements or undertakings; (ii) they comply with all applicable laws and regulations and does not infringe on any third-party rights; (iii) all services, data and content provided to us are free of illegal or harmful content and do not infringe upon third-party intellectual property rights, trade secrets, personality rights, personal information rights or any other legitimate rights or interests; and (iv) they are liable for any breach of these obligations and will compensate us for resulting losses.

For public websites, public datasets or other publicly accessible sources, we limit the scope of data so that such data we collect do not contain sensitive personal information or private personal information.

Data Processing

We process data on an as-needed basis for our services and model training during the ordinary course of our business operations.

For individual users' data, we strictly process data in a manner with the least impact on the rights of data subjects. We process data for specific, reasonable purposes within a minimal scope and inform the subjects of such personal information in advance. Data shall not be used for any purpose irrelevant to such purpose.

For client data, we generally deploy the access control mechanism on the server side and do not collect, store, process, use or have ownership over our clients' end-users' personal data. We only process such data as entrusted by our clients in accordance with the instructions of our clients to fulfill the purposes of our collaboration agreements with them, and do not process such data beyond the scope stipulated in such agreements or outside our client's explicit instructions. To ensure the implementation of this principle, we take specific measures in different scenarios. For example, for our MaaS clients who opt for on-premise deployment, our models are hosted within the clients' own infrastructures, thereby ensuring that data processing remains under the clients' control. In this scenario, during product maintenance processes, such as model fine-tuning, we may access clients' data stored locally by our clients only with their consent and solely for maintenance purposes, without engaging in any other data processing activities, such as transferring or downloading data. Whereas for MaaS clients who prefer cloud-based deployment over local infrastructure, we only process the interaction data between the clients' end-users and our AI products, and such data processing is strictly governed by the terms of the service agreements with our clients.

For AI model training, we desensitize the input data before processing. We remove or use similar technologies to process personal and sensitive information, such as personal identifiable information, and make reasonable efforts within the limits of existing technical measures to ensure that our data are used for training purposes without personal information attached.

Data Sharing

We do not share users' data with third parties, except for the limited purposes and under the special circumstances set forth in our privacy policies. Pursuant to our policies, we only grant authorization to third-party business partners to access our user data for legitimate, necessary and specific purposes, and we inform our users of the purpose, use and scope of data sharing. We secure legal undertakings from authorized business partners under relevant agreements that require them to comply with the authorized purposes, scopes and security measures in handling such data. We de-identify personally identifiable information and would not share with authorized partners any personally identifiable data without user consent.

Data Storage and Deletion

We have established data and personal information storage and deletion mechanisms and management procedures. We store users' personal information for the minimum amount of time necessary to fulfill the purpose for which it was collected. For personal information subject to legally mandated retention periods, we adhere to relevant requirements. For example, we retain online transaction information, including service details and payment records, for at least three years from the transaction completion date, as required by applicable laws. For personal information not subject to specific legally mandated retention periods, we follow the "minimum necessary period" principle as stipulated under Article 19 of the PRC Personal Information Protection Law, to ensure that we only keep personal information for the shortest time needed to fulfill the specific purpose for which the information was collected or processed. We determine retention periods based on the type of personal information, guided by a comprehensive assessment that considers the purpose and necessity of processing, the sensitivity of the personal information involved, potential risks associated with the processing and our specific business needs. We delete such personal information or anonymize them in a timely manner after the purpose of processing such data has been achieved, when users request account deactivation or data deletion, or as otherwise provided by applicable laws and regulations.

We store all user data collected and generated during our domestic operations in China. To ensure the confidentiality and integrity of our data, we maintain a comprehensive and rigorous data security system. Specifically, we implement centralized governance over users' personal information and uniformly store confidential personal information collected by each business unit in our data middle platform through

API-encrypted transmission. Our data middle platform encrypts such personal information using encryption algorithms. Each business unit and data processing personnel can only access such information on a need-to-use basis with formal approval procedure.

As of the Latest Practicable Date, personal information collected or generated by our domestic operating entities in the PRC was stored within the PRC and has not been transferred overseas and personal information collected by our overseas operating entities through our Z.ai website was stored in Singapore. In accordance with our privacy policy, our overseas operating entity has conducted certain cross-border transfers of user data. Specifically, during the Track Record Period, certain data collected or generated by our overseas operating entity, primarily consisting of anonymous technical data, such as device type, operating system, browser version, session duration and on-site event interactions, were transmitted to our domestic entities solely for processing. As our domestic entities did not provide any personal information of PRC individuals or any important data to overseas recipients during such transfer and processing, such transfer and processing activities are not subject to PRC laws and regulations governing cross-border data transfers, according to our PRC Legal Advisors. In addition, in accordance with our privacy policy, our overseas entities use third-party vendors and service providers, such as analytics service providers, as necessary to provide or optimize our services. Accordingly, the collection of pseudonymous or anonymous technical and interaction data may result in cross-border transfer of data.

While our overseas entity may collect certain information submitted by users located in the PRC, based on the user information identifiable to us and our reasonable assessment, we have not engaged in any cross-border transfer of important data or PRC personal information that would trigger any thresholds or specific criteria under PRC laws and regulations on cross-border data transfer. First, such information has not been identified, notified or publicly designated by any competent governmental authorities as "important data" and therefore does not require a security assessment as important data, according to our PRC Legal Advisors. Second, our "reasonable assessment" primarily focused on whether the data collection activities of our overseas operating entity constitute a cross-border processing activity subject to PRC data export regulatory requirements, including whether our overseas online product is targeted at PRC individuals or involved the analysis or evaluation of their behavior. In particular, (i) the online product is provided in English and accessible globally without PRC-specific versions or localization; (ii) registration and login do not require PRC-specific identifiers such as PRC mobile numbers or identity card numbers; and (iii) the product contains no precise geo-targeting functions or mechanisms that select users located in the PRC. While PRC-based users may voluntarily access the overseas online product and submit information due to the global and open nature of online services, such possibility does not constitute purposeful collection of PRC individuals' personal information. Accordingly, as advised by our PRC Legal Advisors, we are not required under PRC laws and regulations to apply for a security assessment for cross-border data transfers, to complete the filing of standard contracts for such transfers or to obtain personal information protection certification.

Although we did not generate any revenue from our Z.ai website during the Track Record Period, we have implemented appropriate compliance measures, including disclosure and user consent through our privacy policy, completion of a self-assessment on data cross-border transfer, adoption of security measures for data transmission and storage. In line with industry practice, we engaged experienced data security legal advisors to draft the privacy policy. We have been monitoring our overseas entity's data processing practices, with readiness to fulfill any additional regulatory obligations should triggering conditions arise. In light of the foregoing, our PRC Legal Advisors advise that we comply with the current PRC regulatory requirements on cross-border data transfers. Based on the foregoing, our Directors are of the view that we are in compliance with applicable PRC and overseas data protection (including data storage and data transfer) laws and regulations in all material respects.

Internal Control

We have adopted and implemented policies and management systems in relation to data privacy and personal information protection, including the following principles.

- *Management of third-party vendors and clients.* We have formulated a third-party vendor management system and client management system to conduct necessary data security assessment and data security capability review. The relevant agreements with third-party data providers include the representations and warranties made by relevant third parties in relation to compliance with relevant laws and regulations, as well as the relief and indemnification clauses and dispute resolution mechanism that we can resort to in the event of the breach by such data providers. For our operational applications, including mobile apps, we conduct technical testing and privacy compliance reviews prior to product launches and material updates. We also engage external legal advisers to review and assess the compliance of our privacy-related practices on a regular basis. For our clients who entrust us to process their data for certain of our business cooperation, we request them to confirm that they have acquired such data from legitimate sources and obtained the rights to use such data, with their end users' consent for the purposes specified in our agreements. We only use data for purposes explicitly authorized by our clients, and do not use data for purposes without prior approval and consent. We continuously monitor our data processing collaboration with our clients, and regularly review the content of such collaborations, the scope of the collaboration agreements and the execution of such agreements to ensure compliance with relevant laws and regulations.

- *Comprehensive data and personal information security and management policies.* We have implemented comprehensive employee confidentiality policies, data use approval procedures and data tracking mechanisms to ensure the security of our database. We adopt the principle of minimum authorization for the staff who may have access to users' personal data. Our operating systems and database systems have password complexity requirements, adopt the bastion host, which is a specially designated server that acts as a secure gateway for administrative access to the database, for remote management and strictly restrict access to the default accounts. We keep comprehensive audit records of our systems which cover all system users. We have formulated corresponding workplace procedures based on relevant rules and regulations. As a data processor, we have implemented multiple data protection and cybersecurity measures to ensure our proper handling of sensitive data, including our data desensitization technology used for all data training activities.

- *Cybersecurity contingency plan and incident response drill.* During the Track Record Period, we did not find material non-compliance issues for data security. We have formulated a cybersecurity contingency plan and conduct training and incident response drills in preparation for any emergency cybersecurity incidents. In the event that our security measures are compromised, we will report to the competent authority in accordance with relevant laws and regulations and promptly inform impacted users.

Data Protection

We have adopted secure sockets layer (SSL) to ensure the secured transmission of data and prevent any unauthorized users or personnel from accessing or using our data for unintended purposes. Data are categorized in accordance with their level of confidentiality, and de-identified or anonymized before they are processed by our personnel. Use and retrieval of data are subject to assessment and approval procedures based on data categorization, and operation journals are maintained. Our application systems set up identity authentication, user identity uniqueness verification, role-based access control and other security control mechanisms and use HTTPS protocol for secure communication.

We use firewalls, anti-malware, network security protection applications and various encryption technologies 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. We audit and monitor all the user accounts for server operation. 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 have our own independent database and secure server system. Our server systems are protected with heightened levels of security. We regularly conduct user account auditing and monitoring of our server operations. Once we discover security issues with certain server systems, we will promptly upgrade such systems to ensure the security of our server systems and applications. We have a comprehensive personal information security and management system, covering security management of our data, source code, personal information, third-party personnel, cybersecurity incidents and infrastructure.

Through continuous investment in technology advancement, we have improved our overall security capabilities. Meanwhile, we have obtained multiple certifications, including the information security management system certification (ISO/IEC 27001:2013), the one-star personal information protection impact assessment certificate, the data management capability maturity (DCMM) Level II certification and the privacy information management system certification (ISO/IEC 27701:2019), and our core information systems have multi-level protection scheme (MLPS) Level III certification. Moreover, our service design puts great emphasis on data security, and our solutions must pass data privacy evaluations and security tests before launching or delivery to clients.

Considering that (i) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties, mandatory rectifications or other sanctions by any competent PRC regulatory authorities in relation to cybersecurity, data security or personal data protection, nor had we been involved in or subject to any investigation, warning, litigation or other administrative or governmental proceedings pending or, to the best of our knowledge, threatened against us in this regard; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material information security incidents including data or personal data theft, leakage, damage or loss, nor had we received any material claims from any third party based on infringement of such party's rights under applicable PRC data protection laws and regulations; (iii) we have formulated and implemented a comprehensive set of internal policies, procedures and measures on cybersecurity, data security, personal data protection, including, among others, data access control, data encryption and anonymization, data backup and recovery, contingency plans for cybersecurity incidents, incident response procedures, as well as vendor and third-party data management measures, which provide detailed operational guidance and controls for data processing activities throughout the entire data lifecycle; (iv) our core systems have satisfied the security protection requirements under the Multi-Level Protection Scheme ("MLPS") and obtained MLPS Level III Certification; (v) we have established a committee responsible for cybersecurity and data compliance oversight, including formulating and enforcing internal rules and conducting compliance reviews; (vi) we have been continuously monitoring updates to laws, regulations and industry guidelines on cybersecurity, data security and personal data protection, while maintaining ongoing communication with the relevant regulatory authorities and proactively seeking their compliance guidance; and (vii) we promptly update our internal policies to reflect regulatory changes, so as to ensure timely enhancements to our operational practices in response to evolving requirements, our Directors are of the view and our PRC Legal Advisors advise that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents related to cybersecurity, data security and personal data protection which, individually or in the aggregate, had or were reasonably likely to have a material and adverse financial or operational impact on the Group, and as of the Latest Practicable Date, we were in compliance with applicable PRC laws and regulations on cybersecurity, data security and personal data protection in all material respects in the PRC. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material user complaint or subject to any pending or threatened litigation, arbitration or administrative proceedings with respect to our overseas data protection.

The Cybersecurity Review Measures outline two specific scenarios in which operators are required to apply for a cybersecurity review. Specifically, the Cybersecurity Review Measures require that critical information infrastructure operators that purchase network products and services shall anticipate the potential national security risk of these products and services once they are operational. If they affect or may affect national security, the operator must apply for cybersecurity review with the Cybersecurity Review Office. In addition, network platform operators holding personal information of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. The obligations to make voluntary filings for cybersecurity review are not applicable to us on the basis that: (i) according to Regulations on Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), the competent authorities and administration departments of important industries and sectors are responsible for organizing the identification of critical information infrastructure within their respective industries and sectors in accordance with identification rules and notifying operators about their identification results. Therefore, the identification of a critical information infrastructure operator is subject to the competent authorities. As of the Latest Practicable Date, we had not received any notification from relevant regulatory authorities regarding our identification as a critical information infrastructure operator; and (ii) as advised by our PRC Legal Advisors, "listing in a foreign country" should not include **[REDACTED]**. Therefore, we were not required to apply for a cybersecurity review under the Cybersecurity Review Measures as of the Latest Practicable Date.

SALES AND MARKETING

Sales

Through our all-in-one MaaS platform, we deliver intelligence to meet the diverse needs of clients across a broad range of industries via our model and agent solutions through a variety of deployment options. Our model and agent solutions can be hosted on the cloud, accessed via API, deployed on-premise to computer private datasets or pre-installed on-device. To enhance our market reach and penetration, we have assembled a professional sales and marketing team consisting of 145 members as of June 30, 2025. Our sales and marketing team are specialized in different regions and industry sectors to capture new business opportunities, acquire new clients and projects, and better understand our client needs and changes in market trends. We promote our services through our in-house sales team. Our sales team is divided into regional sales teams in major cities in China and certain overseas regions, such as Hong Kong and Singapore. Through our regional and industry-focused sales strategy, we penetrate, expand and maintain strong connections in targeted markets to serve our clients.

Alongside our sales taskforce, we have a client support team dedicated to assisting our clients in fine-tuning and deploying our models to enhance their capabilities within specific business environments. Our sales personnels work closely with our client support team to make sure that we can propose the best solutions to address the pain points in each industry and maximize the value-added of our services. Meanwhile, our sales operation and management center oversee project management, financial processes and other sales administration tasks.

We aim to create value for clients and share in their success. We not only seek to work closely with industry leaders, but also to forge partnerships with entities that specialize in specific industry applications. By targeting influential and innovative leaders in the respective industry sector, we can co-develop and deliver benchmark cases to showcase the tangible benefits and capabilities of our services. These benchmark cases can also serve as respected reference points, building trust and credibility, encouraging further adoption by other entities in the same or related industries, and accelerating our entry and recognition across different industries. On the other hand, through collaboration with established industry application providers, we integrate the core capabilities of our models into the solutions offered by these industry partners to help enhance their products and their services for end users. This approach not only enables our partners to address unique industry requirements more effectively but also ensures that the strengths of our models are fully realized in practice. Through partnerships, we extend our platform's reach

and deliver practical model capabilities and value to users across different industries and consumers. In this way, we bring together industry-leading collaborations and technology enablement to drive both the adoption and the ongoing service extension of AI.

Marketing and Branding

We typically establish our presence with entry projects for specific use cases, from which we create value for the early adopters of AI model and agent solutions in each sector and cultivate our word-of-mouth reputation. We believe that our brand equity and market recognition depend, in part, on our ability to add value for iconic corporate clients in each industry sector and increase our industry influence.

We have also increased our brand awareness through a variety of branding and marketing activities to reach potential customers, including in-person and online events, content marketing, partner marketing, developer outreach, search engine optimization, social media and public relations. We hosted and participated in various offline events, such as industry conferences, product launch events and developer forums to showcase client success stories and developer breakthroughs and to deepen industry connections. Such events allow us to demonstrate how AI can empower entities across different industries. Through establishing exhibition booths at these regional and global events, our potential customers around the world may experience how we digitalize cities and businesses with AI. In addition, we enhance awareness of our brand and promote our new and existing solutions through online channels. We have also been a significant contributor to numerous publications on the latest industry development and market trends and publications that educate the general public about AI.

INTELLECTUAL PROPERTY

Our intellectual property is critical to our innovation which underpins our success. We seek to protect our intellectual property through a combination of patents, copyrights, trademarks, domain names, trade secrets, confidentiality agreements and other measures. As of the Latest Practicable Date, we had 86 registered patents in China, among which 84 were invention patents, and 234 patent applications in China. Among the 86 registered patents, four were co-owned under our R&D collaboration with universities and research institutions. The table below sets forth our key patents in relation to our MaaS platform as of the Latest Practicable Date.

Patent name	Jurisdiction	Patent number	Status	Application date
A method, device and medium for optimizing the instruction-following capability of LLMs	PRC	2024115864607	Granted	November 8, 2024
An intelligent extraction method and system for input text containing mathematical formulas	PRC	2024103497310	Granted	March 26, 2024
A training method for web navigation AI agents based on LLMs	PRC	2024103093694	Granted	March 19, 2024
A method, device, equipment and medium for dynamically adjusting the depth of LLMs	PRC	2024102713774	Granted	March 11, 2024
A training method and device for MoE models based on decision trees	PRC	2024102713030	Granted	March 11, 2024
An application-oriented LLM interface system, method, device and medium	PRC	2024100405834	Granted	December 25, 2023

Patent name	Jurisdiction	Patent number	Status	Application date
An automatic parallelised language model text generation method	PRC	2023118355360	Granted	December 28, 2023
A method, device and storage medium for generating instruction fine-tuning data	PRC	2023117958411	Granted	December 25, 2023
A general text quality evaluation method based on LLMs	PRC	2023116186705	Granted	November 30, 2023
An alignment evaluation method for Chinese LLMs	PRC	2023116210193	Granted	November 30, 2023
A fair and efficient multi-dialog system evaluation system and method	PRC	2023115438272	Granted	November 20, 2023
A generative information extraction method and device based on pre-trained models	PRC	2021110162958	Granted	August 31, 2021
An evaluation method, device and electronic equipment for LLMs	PRC	2023109676521	Granted	August 2, 2023
A personality test method, device and electronic equipment based on human-machine dialog	PRC	2023108615338	Granted	July 13, 2023
A model optimisation training system, method and relevant device	PRC	2023108092439	Granted	July 4, 2023
A method, device, medium and computing equipment for initial dialog content generation	PRC	2023106006354	Granted	May 25, 2023
A safety evaluation method and relevant device based on LLMs	PRC	2024119331870	Granted	December 26, 2024
A method for extracting key information frames from surveillance videos	PRC	201510062263X	Granted	March 13, 2015

As of the Latest Practicable Date, we had 160 copyrights, including 154 software copyrights. The table below sets forth our key software copyrights in relation to our MaaS platform as of the Latest Practicable Date.

Copyright name	Jurisdiction	Copyright number	Registration date
AutoGLM software V1.1.01	PRC	14591247	December 25, 2024
GLM embedded large model system V1.0	PRC	12267756	December 19, 2023
Zhipu QingYan software V1.0	PRC	11783805	December 8, 2023
ChatGLM-6B software V1.1	PRC	11479077	August 4, 2023
Large model GLM3.5_130B platform V0.8	PRC	11279154	June 20, 2023
Large-scale pre-trained model application platform V1.0	PRC	9568431	May 20, 2022
Large-scale pre-trained model system V1.0	PRC	9568432	May 20, 2022

As of the Latest Practicable Date, we also had 314 trademarks and 58 domain names in China. During the Track Record Period and up to the Latest Practicable Date, we did not have (i) any material co-owned IP rights and (ii) any licensing-in or licensing-out arrangements with third parties. We have designed and adopted comprehensive measures to protect our intellectual property. We enter into employment agreements

with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, certain consultants and advisors. They acknowledge that the intellectual property developed by them in connection with their employment with us, including our in-house developed content, is our property. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement of third parties' trademarks, licenses and other intellectual property rights.

BUSINESS SUSTAINABILITY

Our Historical Performance

We achieved strong growth in revenue during the Track Record Period. Our revenues grew from RMB57.4 million in 2022 to RMB124.5 million in 2023 and further to RMB312.4 million in 2024 with a CAGR of over 130%. Our revenue also grew significantly from RMB44.9 million in the six months ended June 30, 2024 to RMB190.9 million in June 30, 2025. We achieved continued growth in gross profit and gross margin during the Track Record Period. Our gross profit increased from RMB31.4 million in 2022 to RMB80.5 million in 2023 and further to RMB175.9 million in 2024, with a CAGR of over 100%. Our gross profit also grew significantly from RMB22.0 million in the six months ended June 30, 2024 to RMB95.4 million in June 30, 2025.

While we achieved sustained business growth, we had loss for the year of RMB143.7 million, RMB788.0 million, RMB2,958.0 million, RMB1,235.6 million and RMB2,357.9 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. After eliminating the impact of equity-settled sharebased compensation expenses, changes in the carrying amount of financial instruments issued to investors and **[REDACTED]** which are not indicative of our operating performance, we had adjusted net losses (non-IFRS measure) of RMB97.4 million, RMB621.0 million, RMB2,465.6 million, RMB1,030.2 million and RMB1,752.0 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

Our losses during the Track Record Period were primarily due to our significant investments in research and development. Our R&D expenses increased from RMB84.4 million in 2022 to RMB528.9 million in 2023 and further to RMB2,195.4 million in 2024. Our R&D expenses increased by 85.6% from RMB859.2 million in the six months ended June 30, 2024 to RMB1,594.7 million in June 30, 2025.

Path to Profitability

While the absolute amount of our net losses increased during the Track Record Period, we expect to turn around our net loss position through increase in revenue and enhancement in operating efficiency.

Continuous Revenue Growth

Revenue growth is key to achieving profitability. We have built a robust portfolio of AI models and agents to empower a broad range of industries and address unique challenges and optimize workflows in each industry. Leveraging the significant market potential of the LLM market, as well as our technological leadership, we are well positioned to upgrade our AI models and agents in response to emerging market opportunities and continue to achieve revenue growth. The growth in our revenue will gradually cover the relevant costs and expenses and thereby reduce our net losses in general.

Rapid Growth of The LLM Market

According to Frost & Sullivan, AI will empower at least 20% of daily business decision-making worldwide and enable at least 80% of consumer smart devices globally by 2030, creating an AI-influenced

economy of over US$20 trillion. Driven by advancements in computing power, algorithm architectures and data volume, quality and diversity, the AI market is expected to experience rapid and significant growth. According to Frost & Sullivan, the AI market in China grew from RMB93.7 billion in 2022 to RMB160.7 billion in 2024, representing a CAGR of 31.0% from 2022 to 2024, and is estimated to further increase to RMB993.0 billion in 2030 with a CAGR of 35.5% from 2024 to 2030. While the LLM market in China is still at its early stage, with the continued advancement of LLM technologies and growing demand from both enterprises and consumers, the LLM market in China is estimated to grow to RMB101.1 billion by 2030, representing a CAGR of 63.5% from 2024 to 2030. See "Industry Overview." According to Frost & Sullivan, we were the first AI company in China to have self-developed large models at a scale of over 100 billion parameters. Benefiting from the growth potential of the AI market and the LLM sub-market, our comprehensive model portfolio will enable us to grasp the market potential and achieve continuous revenue growth.

Continuously Promote Iteration and Upgrade of Our AI Models and Agents

Our core growth strategy centers on the strengthen of R&D capabilities in general-purpose large models for the continuous iteration and upgrade of its foundation models and agent frameworks to enhance model capabilities, scalability and adaptability. We have developed a comprehensive suite of AI models, ranging from flagship, large-scale general-purpose models to lightweight agents designed for desktop and mobile environments. This diverse model portfolio allows us to address diverse computing requirements and client scenarios. Moving forward, we intends to further improve our models' apprehension, generation and reasoning abilities, with a particular focus on performance in complex industry settings. By incorporating network optimization technologies, such as MoE architecture and sparse activation techniques, and leveraging high-quality data resources, including proprietary datasets, industry-specific annotated data and synthetic data, we implement a unified technology roadmap under which these measures are developed and deployed in an integrated manner to improve model performance, stability, industry-specific applicability and delivery efficiency. For example, by optimizing inference paths and distributed scheduling, we seek to continuously enhance resource utilization efficiency and response consistency across different use cases, enabling enterprise clients to support large-scale API calls with lower and more stable per-request computing resource consumption and more predictable latency. In parallel, by continuously expanding high-quality general-purpose corpora and licensed structured industry datasets and building industry knowledge bases and fine-tuning frameworks, we aim to materially improve knowledge coverage, language understanding and reasoning consistency, while reducing hallucination rates and enhancing instruction following, tool calling and agent-like capabilities. As a result, our models are expected to be reusable and verifiable in a greater number of mission-critical workflows, such as document processing, professional question-and-answer services, research and decision support and compliance review tasks, driving client progression from single-scenario to multi-scenario use, increasing client renewals and support larger-scale deployments. These integrated measures are designed to improve training quality and generalization capabilities, enhance the performance of our existing AI models in terms of accuracy, efficiency and stability, and support the development of iterated and upgraded AI models with enhanced capabilities and a broader range of application scenarios. We will also continue building our multi-modal capabilities, enabling enhanced comprehension and output across text, speech, images and video, maintaining a technological advantage in multi-modal interaction and content understanding. For AI agent solutions, we are developing our agent frameworks with autonomous planning, tool use, long-term memory and reflective learning abilities, empowering the agents to deconstruct complex tasks, autonomously call external tools and self-optimize their own execution processes, and thus gradually achieving continuous self-improvement.

We plan to drive client demand and stickiness through coordinated and significant performance upgrade of our models, which are intended to enhance user experience and increase client dependency. Improvements in our AI models and agents' performance in certain critical tasks, such as code generation, question answering and content creation, are expected to boost client usage and application scenarios. As our network optimization technologies improve inference efficiency and service stability, we expect unit computing resource consumption and, accordingly, unit inference cost to decrease, which is expected to

contribute to improved gross margins for our cloud-based solutions and create headroom for more flexible pricing strategies. At the same time, as our models' agentic, reasoning and multi-step task execution capabilities strengthen and a single foundation model can be deployed in a broader range of high-value scenarios and critical business processes, we expect clients to increase both the breadth and depth of their usage and to integrate our models more deeply into their daily operations, thereby increasing switching costs and reinforcing client "stickiness". In addition to significant upgrade, our regular model and agent upgrades will ensure ongoing product competitiveness and sustained revenue growth. As model capabilities and deployment efficiency advance, we expect to steadily narrow our operating loss, supporting our long-term growth and strengthening our profitability.

Broaden Our Customer Reach

To continue our revenue growth, we intend to expand our customer base. During the Track Record Period, our client base continued to grow as we improved our brand awareness. The number of our institutional customers increased from 48 in 2022 to 3,156 in the six months ended June 30, 2025. Our growing client base reflects the scalability and strength of our MaaS platform. We have strategically positioned ourselves in industry sectors with complex application scenarios, such as technology and financial services. By continuously creating value for clients, accumulating industry insights and enhancing our service offerings, we are able to deepen our expertise and broaden our industry impact and thus attract new clients in the same or related sectors. In addition, as our models can be easily adapted to other companies in the same or similar industry sector, we expect to expand our client base at low costs. Through our partnerships with lighthouse clients in various fields, we jointly drive innovation in industry demand and simultaneously improve model performance and cross-sector applicability. We plan to deepen our industry penetration through our comprehensive and scalable MaaS platform and reach more end users through more IoT devices empowered by our AI models, further empowering a broad range of industries with our large model capabilities. For example, in the consumer electronics sector, we have established collaborations with several leading global consumer electronics providers, deploying our models on their flagship products to support on-device intelligent interactions, facilitate multilingual conversations and deliver provide personalized recommendations. We intend to further expand the role of AI in consumer electronics, aiming to enable cross-device collaborations and adaptive edge intelligence. In the internet sector, we have formed partnerships with several leading Chinese internet companies, enhancing functions such as translation, data analytics, content creation and search with our AI capabilities. As awareness of AI's strategic value rises among internet companies, we aim to expand the application of our models to an even broader array of use cases, such as advertising recommendations, intelligent customer service and knowledge analysis.

In addition, technological innovation is considered a crucial factor for our development. By consistently iterating our foundation models, key algorithms and large-scale training and inference infrastructures, and continuously developing versatile, powerful models by designing new model architecture and optimizing training infrastructure, our AI model and agent solutions will be able to tackle complex tasks and continuously improve their performance through self-learning and reflection. Therefore, we expect to attract new customers through our technological innovation and leading performance of our AI model and agent solutions. Furthermore, as we expand our model portfolio across a spectrum of parameter scales and engineer models that adapt to different computational capabilities, we reduce hardware barriers and make our large models more accessible, extending our customer reach to companies and organizations of all sizes, as well as individual customers.

Extending Our Solutions Use to New Industry Sectors

With our MaaS platform, we are able to enter into new industry sectors in a time-efficient and cost-efficient way. We have been continuously expanding to new industry sectors. For example, we partnered with a world-leading appliance and consumer electronics corporation to integrate our agentic models into their latest smartphone series in 2024. In the future, we intend to continue working with clients that are

market leaders with deep industry knowledge and abundant scenario data, such as Kingsoft Office, Zhaopin.com and Mengniu Dairy. We plan to co-create application scenarios and undertake tailored model fine-tuning, enabling us to build high-precision, industry-specific models that directly address real-world operational needs, expanding our footprint to empower more industry sectors. By leveraging the these market leaders' industry know-how such as application scenarios and integration methodologies, we plan to rapidly obtain high-quality real-world data on user preference and habits and operating environment that enhances the performance and expertise of our AI models, facilitating their adoption in sectors with high entry barriers. In particular, through our collaboration with the consumer electronics corporation, we expect to accumulate practical know-how regarding the performance of our models under different hardware and resource constraints, such as latency, power consumption, memory usage and stability, cross-device collaboration mechanisms and common failure modes and edge cases, without accessing or relying on end-users' personal information. Once validated in these specialized settings, we plan to standardize the solutions for broader use, deploying them via API, cloud and on-premise deployment. Over time, these integration methodologies and insights form a replicable framework that shortens deployment cycles, lowers implementation and maintenance costs and reduces technical risks for new clients, making it easier to roll out our models across additional device categories and industry scenarios. As a result, enterprises are more likely to integrate our models in their business processes, leading to sustained engagement and increased usage over time. We expect this collaborative approach to accelerate the commercial adoption of our AI models, drive up client usage and generates recurring revenue streams from both existing and new clients. As the collaborating client base and our engagement levels grow, we expect the demand for our AI model and agent solutions to increase, further accelerating our revenue growth and deepening our relationships within each vertical sector.

We are dedicated to creating super intelligent, widely accessible AGI-native applications that can empower and serve a wide range of customers and industries. We plan to further upgrade our agent workspace that enables customers to easily and seamlessly integrate diverse model applications and tools. This will improve the efficiency in deployment of our AI agent solutions deeply tailored to new industries, regions and scenarios, and drive advancements in intelligent automation. Furthermore, by tapping into the expansive intelligence network across industry verticals, we are able to fully leverage the adaptability of our foundation models to deliver wide-ranging benefits to end users of IoT devices. This enables us to accelerate the commercialization of our AI model and agent solutions. Looking ahead, we expect to develop an extended network that evolves from business-to-business to business-to-consumer applications, fostering a more diversified and resilient revenue structure.

In the next six months, we intend to prioritize the consumer electronics and IoT sectors, accelerating our model deployment and scenario validation. In the longer term, we plan to explore sectors with higher entry barriers, such as education and healthcare. For entry into each sector, we plan to incur R&D expenditure, including the computing service fees, of 10% to 15% of the revenue generated from such sector.

We adopt a structured strategy to enter new industry sectors, including education and healthcare, which typically feature higher regulatory, technical and trust entry barriers. We plan to actively collaborate with industry participants that possess deep domain-relevant expertise and long-standing operational experience but do not have the capability or resources to develop their own foundation models. In the education sector, for example, we established strategic partnerships and joint ventures with leading companies to co-develop products and services tailored to educational use cases. Under these partnerships, we contribute our AI model and agentic technologies, while our partners contribute their curriculum expertise, teaching methodologies, compliance know-how and access to real-world application scenarios. This division of roles enables us to quickly understand and encode domain-specific requirements, such as pedagogical logic, assessment standards and student interaction patterns, into our solutions, and to deliver deployable offerings that address concrete business needs in a high-barrier sector without needing to build industry capabilities from scratch. In addition, as many companies in these sectors prefer to integrate existing third-party foundation models as the underlying capability for their business-facing or consumer-facing applications,

we plan to provide our general-purpose and industry-adapted models to institutional customers on a business-to-business-to-business or business-to-business-to-consumer basis, where enterprises can develop industry-specific AI model and agent applications based on our models. This approach allows us to participate in the value chain of high-barrier sectors indirectly but at scale, broadening our reach across multiple institutions and use cases while our clients handle end-user operations, content, licensing and sector-specific compliance. Furthermore, we are continually upgrading our models to satisfy the stringent requirements of education and healthcare use cases, which place particular emphasis on reliability, safety and controllability. In practice, we focus on optimizing key technical indicators that are critical for these sectors, including model stability, hallucination control, instruction following and robustness in complex, multi-step task execution. For example, we are enhancing our models' ability to (i) execute multi-stage reasoning processes with consistent outputs, (ii) strictly comply with predefined prompts and safety policies, (iii) call external tools in a controllable manner and (iv) maintain high availability and predictable behavior in complex, high-stakes scenarios. These improvements are designed to ensure that, when our models are deployed in education and healthcare workflows, they can provide highly reliable support for tasks such as structured content generation, knowledge-based question answering, workflow assistance and preliminary information triage, within guardrails set by sector specialists. Together, we expect these measures to enable us to not only enter but also to establish and consolidate our position in education, healthcare and other high-barrier industries, supporting sustainable business expansion and revenue growth in these sectors.

Improving Operating Leverage

Improvement of our operating efficiency is also a significant factor to achieve profitability. The following table sets forth our research and development expenses, selling and marketing expenses and administrative expenses, as a percentage of revenue for the years indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
			(%)	(unaudited)	
As a percentage of revenue:					
Research and development expenses	147.0	424.7	702.7	1,913.2	835.4
General and administration expenses	56.3	53.2	42.8	114.6	97.0
Selling and marketing expenses	26.4	81.3	124.0	321.1	109.3
Total	**229.7**	**559.2**	**869.5**	**2,348.9**	**1,041.7**

Our operating expenses as a percentage of total revenue increased from 229.7% in 2022 to 559.2% in 2023 and to 869.5% in 2024, primarily attributable to our significant increase in investments in R&D and marketing expenses. While we expect to continue to incur significant research and development expenses in the near future, we have adopted measures to control general and administration expenses and improving operational efficiency. Our operating expenses as a percentage of total revenue decreased from 2,348.9% in the six months ended June 30, 2024 to 1,041.7% in the six months ended June 30, 2025. We have simplified workflows and optimized resource allocation to ensuring that operational needs are met in a cost-effective manner. In addition, we have adopted a focused approach to selling and marketing activities to further improve the efficiency of related expenses. By directing resources and efforts toward cloud-based deployment and leveraging data-driven insights, we have optimized our selling and marketing strategies. Accordingly, we expect our operating expenses as a percentage of revenue to decrease as we ramp up commercialization of our solutions to achieve revenue growth and improve the efficiency of our sales and marketing and administrative activities and our spending on such activities.

Since our inception, we have invested significantly in R&D and our MaaS platform. With our deep academic roots as cornerstone for technological leadership, we are constantly making technological advancements and iterations of our foundation models, boosting our profitability. Our research and development expenses amounted to RMB84.4 million, RMB528.9 million, RMB2,195.4 million, RMB859.2 million and RMB1,594.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively accounting for 147.0%, 424.7%, 702.7%, 1,913.2% and 835.4% of our total revenue in the same periods, respectively. Our R&D expenses as a percentage of our total revenue increased significantly from 2022 to 2024 primarily because we expanded our R&D team and devoted significant efforts to iterate our foundation models and advance our technology infrastructure. Our R&D expenses as a percentage of our total revenue were relatively high in the six months ended June 30, 2024 and 2025 compared to that in 2022, 2023 and 2024 primarily because we strategically increased our R&D investment in early 2024 to accelerate the development and iteration of our next-generation flagship foundation models and multimodal agents, which result in a higher computing service fees. Going forward, we plan to further optimize our R&D processes and strengthen our internal R&D collaboration mechanisms to enable dynamic allocation of R&D resources. As computing service fees contribute to a substantial portion of our research and development expenses, we plan to focus on increasing the efficiency of computing resource through advancements in our research and development capabilities. As we optimize training and inference of our models and advance our self-developed infrastructure platforms, we expect to achieve more efficient consumption of computing services. As a result, our R&D expenses as a percentage of our total revenue decreased from the six months ended June 30, 2024 to the six months ended June 30, 2025. In addition, we can leverage our leading industry position and our models' broad compatibility for computing power infrastructure and seek business partners to secure better pricing on computing service. Furthermore, benefiting from our MaaS platform, we have achieved efficient mass-production of AI applications. Leveraging the increasing capabilities of our MaaS platform, we aim to generate economies of scale and shorten the time-to-market of our AI model deployment and commercialization, achieving improvement in operating leverage as our business grows.

Our general and administration expenses amounted to RMB32.3 million, RMB66.3 million, RMB133.6 million, RMB51.5 million and RMB185.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for 56.3%, 53.2%, 42.8%, 114.6% and 97.0% of our total revenue in the same periods, respectively. Our general and administration expenses as a percentage of our total revenue decreased from 2022 to 2024 and from the six months ended June 30, 2024 to the six months ended June 30, 2025, primarily attributable to our effective cost control measures and our efforts in increasing our operational efficiency. Our general and administration expenses as a percentage of our total revenue were relatively high in the six months ended June 30, 2024 and 2025 compared to that in 2022, 2023 and 2024 primarily due to the expansion of our management team, as well as the implementation of our share incentive schemes in late 2024 and early 2025 to attract and retain our key talent. We expect our general and administration expenses to grow significantly alongside our business growth mainly due to expected increase in employee benefit expenses. We expect to continue to evaluate and monitor the effectiveness and efficiency of our general and administration expenses in order to improve our operating leverage. Except for an expected temporary increase in our general and administration expense as a percentage of our revenue in 2025 primarily due to expected significant increase in equity-settled share-based compensation expenses and expected **[REDACTED]** we expect our general and administration expenses to remain relatively stable as percentage of our revenue in the near future with a decrease in such percentage in the long run. To improve management efficiency, enable faster decision-making and achieve higher stability of the core team, we have streamlined our internal finance, operations and project management processes. Going forward, we plan to introduce digital management tools and data-driven decision support systems to refine budget management, project monitoring and performance evaluation processes to enhance our resource allocation.

Our selling and marketing expenses amounted to RMB15.1 million, RMB101.2 million and RMB387.5 million, RMB144.2 million and RMB208.6 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively, accounting for 26.4%, 81.3%, 124.0%, 321.1% and 109.3% of our total revenue in the same periods, respectively. Our selling and marketing expenses as a percentage of our total revenue increased from 2022 to 2024 primarily attributable to significant increase in our advertising and marketing expenses, as we strategically made more advertising investment in order to swiftly take advantage of emerging market opportunities. Our selling and marketing expenses as a percentage of our total revenue then decreased from the six months ended June 30, 2024 to the six months ended June 30, 2025 as we adopted a more focused and effective marketing approach. Our selling and marketing expenses as a percentage of our total revenue were relatively high in the six months ended June 30, 2024 and 2025 compared to that in 2022, 2023 and 2024 primarily driven by our increased efforts to promote the launches of our major new AI models and our expanded MaaS offerings as we invested in brand promotion, customer education, industry events and building our partner ecosystem. These initiatives improved client awareness and our market acceptance, expanded our partner network and accelerated the adoption of our new AI model and agent solutions. We expect our selling expenses to grow alongside our business growth mainly due to expected increases in employee benefit expenses. As we increase our brand awareness, we expect our selling and marketing expenses to decrease as a percentage of our revenue in the long run. To improve marketing efficiency, reduce client acquisition costs, accelerate market expansion and achieve sustained growth in brand influence, we plan to use data analytics to enable targeted client engagement and channel resource allocation, as well as strengthen brand communications and client experience management.

Improving Operating Cash Flow Position

We have a healthy cash balance to support our operations and future business expansion. During the Track Record Period, we funded our cash requirements principally with cash generated from our operations and capital contribution from shareholders. We had cash and cash equivalents of RMB218.9 million, RMB1,249.2 million, RMB2,268.2 million and RMB2,552.0 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. We believe that we possess sufficient working capital, taking into account the financial resources available to us, including (i) cash and cash equivalents; (ii) short-term investments measured at FVPL; (iii) available bank facilities; and (iv) the estimated **[REDACTED]** from the **[REDACTED]**.

We had net cash flows used in operating activities of RMB68.2 million, RMB648.0 million, RMB2,244.9 million, RMB994.7 million and RMB1,327.2 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. Our operating cash flows were primarily due to (i) our net losses and (ii) our significant investments in our research and development efforts to enhance our services during the Track Record Period. We expect to improve our net operating cash outflows position by taking advantage of (i) our continuous revenue growth; (ii) our improved operating leverage; and (iii) our improved working capital. In addition, we plan to reinforce our receivable collection efforts to reduce the accounts receivable collection cycles. We plan to (i) further strengthen our client management practices, including rigorous review of payment terms at the contract stage, performing periodic review, monitoring payment behavior and implementing credit assessment procedures to ensure their financial creditworthiness and (ii) enhance collection of accounts receivable by promptly issuing invoices, regularly checking with our clients to ensure collection and implementing remedial measures when customers do not make timely payment.

OUR CUSTOMERS

We have a broad and diverse client base, which expanded rapidly over the Track Record Period. Our customers include enterprises, public sector entities and individual users. We generally enter into written agreements with our enterprise and public sector clients, the major terms and conditions of which are set out below.

- *Service scope.* We provide licenses of use rights to our model and/or agent solutions, maintenance and upgrade service related to our model and/or agent solutions and/or hardware embedded with our model and/or agent solutions.

- *Pricing.* Our pricing is primarily determined by functions of solutions, scope of services, technological sophistication and advantages of our solutions, deployment method, costs of procuring hardware and components and value created for our clients. In addition, we take into consideration the prices of our competitors' offerings and overall market demand. We may grant a credit term to certain customers, which generally ranges from ten days to six months.

- *Payment terms*. We grant credit terms to certain customers on a case-by-case basis, which generally ranges from 10 to 180 days.

- *Duration*. The term of agreement is usually one year.

- *Ownership.* All intellectual property rights of the model and/or agent solutions, services and technical materials provided by us under the agreement belong to us and will not change due to the transfer of product ownership. For agreements involving new R&D requirements, the ownership of intellectual property rights for such R&D results is based on commercial negotiations. No party shall conduct any reverse engineering, decompiling, disassembly or use other methods to obtain the source code and underlying algorithms of the software, hardware and related technologies provided by any other party.

- *Data use.* When necessary, our clients may authorize us to process their data for the purposes agreed upon with them. In circumstances where the data are from or generated by our clients' users, we obtain consent from our clients for the purposes specified in our cooperation agreements. We typically undertake to comply with all applicable laws and regulations in connection with the collection of our clients' data, including but not limited to any laws in respect of intellectual property rights, privacy, data protection and image rights. See "—Data Privacy and Personal Information Protection."

- *Warranty.* We typically provide warranty for one to three years after the delivery of the project. During the warranty period, we also provide free technical support and maintenance to customers.

- *Compliance.* Clients certify that all solutions will be used in compliance with all applicable laws and regulations.

- *Confidentiality.* Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and its contractual terms, and not use information obtained for other purposes.

Individual users are required to agree to our terms of services before using our AI model and agent solutions. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, revenue from our five largest customers accounted for 55.4%, 61.5%, 45.5% and 40.0% of our total revenue, respectively. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, revenue from our largest customer accounted for 15.4%, 14.7%, 19.0% and 11.0% of our total revenue, respectively.

The table below sets forth the details of our five largest customers, to which we provided on-premise deployment of AI model and agent solutions along with technology support and consulting services, in each year during the Track Record Period.

Customer	Principal Business	Number of Years of Business Relationship	Credit Term	Revenue	% of Total Revenue
				(RMB'000)	
Six months ended June 30, 2025					
A[1]	art-related learning services, live-streaming e-commerce, cultural tourism research and study, smart education services, and AI education	2	10 working days	20,977	11.0%
B[2]	telecommunications services	2	30 days	18,980	9.9%
C[3]	telecommunications infrastructure, multimedia telecommunications, and information and communications technology services	1	35 days	17,927	9.4%
D[4]	information system integration services, technical services, retail of computer software, hardware and auxiliary equipment	1	6 months	9,623	5.0%
E[5]	information system integration services and software development	1	30 days	9,026	4.7%
Total				**76,533**	**40.0%**
Year ended December 31, 2024					
F[6]	technology development and consulting services; computer system and data processing services; development of AI applications	1	10 working days	59,465	19.0%
G[7]	scientific research and education	4	pay upon acceptance	31,038	9.9%
H[8]	value-added telecommunication services; operation, production and distribution of audio-visual and electronic media	1	10 working days	26,770	8.6%
I[9]	technology development and technical services related to mobile communications and the internet; wholesale and leasing of mobile phones and internet equipment	5	2 months	14,297	4.6%
J[10]	technology marketing and application services	1	10 working days	10,619	3.4%
Total				**142,189**	**45.5%**

Customer	Principal Business	Number of Years of Business Relationship	Credit Term	Revenue	% of Total Revenue
				(RMB'000)	
Year ended December 31, 2023					
K[11]	technology development, consulting, communication, transfer and promotion services; wholesale of computer software and hardware; information system integration services	3	60 days	18,244	14.6%
L[12]	technology promotion and computer system services; software development and computer graphic design; organization of exhibition and display activities; corporate planning; business management and consulting; conference services	1	10 working days	17,536	14.1%
M[13]	development of AI applications; technology development, consulting, communication, transfer and promotion services; computer system services	2	20 working days	16,809	13.5%
N[14]	production of mobile terminals and communication equipment, electronic components and computer software and hardware	1	15 working days	14,875	11.9%
O[15]	technology promotion services; computer system services; wholesale of communication equipment, electronic products, computers, software and auxiliary equipment	1	10 working days	9,163	7.4%
Total				**76,627**	**61.5%**
Year ended December 31, 2022					
P[16]	development, consulting, service, transfer and training of electronic information and software technology; manufacturing, wholesale and retail of computers, auxiliary equipment and software; integration of computer systems	1	10 days	8,850	15.4%
Q[17]	sale of robots and industrial automatic control devices; technology development, consulting, communication, transfer and promotion services	1	N/A	7,925	13.8%
R[18]	implementation of national strategies, regulations and policies of science and technology development; drafting of relevant local legislative and regulatory and formulation and implementation of related policy measures	1	60 working days	6,545	11.4%
S[19]	technology development, consulting, communication, transfer and promotion services; development of AI software	1	pay upon acceptance	5,675	9.9%
T[20]	education and training of talent	1	15 working days	2,830	4.9%
Total				**31,825**	**55.4%**

Notes:

(1) Customer A is an IT service company based in Beijing, China, with a registered capital of RMB868.3 million. Customer A is listed on Shenzhen Stock Exchange.

(2) Customer B is the Ningxia branch of a telecommunications network operation Company. Its parent company has a registered capital of RMB213.1 billion and is listed on both Shanghai Stock Exchange and HKEx.

(3) Customer C is a company that provides telecommunication infrastructure and multimedia telecommunication services, based in Wilayah Persekutuan, Malaysia.

(4) Customer D is an IT and cloud computing service company based in Shanghai, China, with a registered capital of USD80.0 billion.

(5) Customer E is a software and IT service company based in Beijing, China, with a registered capital of RMB50.0 million.

(6) Customer F is an IT service company based in Beijing, China, with a registered capital of RMB100.0 million. Customer F is a wholly owned subsidiary of a company listed on Shenzhen Stock Exchange.

(7) Customer G is a higher education institution based in Shenzhen, China.

(8) Customer H is an IT service company based in Hangzhou, China, with a registered capital of RMB139.5 million. Customer H is listed on the Shenzhen Stock Exchange.

(9) Customer I is a branch research institute of a telecommunications network operation Company based in Beijing, China. Its parent company has a registered capital of RMB53.2 billion and is listed on HKEx.

(10) Customer J is an IT service company based in Beijing, China, with a registered capital of RMB70.0 million.

(11) Customer K is a delivery service company based in Beijing, China, with a registered capital of USD5.05 billion. Customer K is a wholly owned subsidiary of a company listed on HKEx.

(12) Customer L is a recruitment service company based in Beijing, China, with a registered capital of RMB10.0 million.

(13) Customer M is an AI software development company based in Beijing, China, with a registered capital of RMB1.9 million.

(14) Customer N is an electronic devices company based in Dongguan, China, with a registered capital of RMB65.0 million.

(15) Customer O is an IT service company based in Beijing, China, with a registered capital of RMB10.0 million. Customer O is a wholly owned subsidiary of a company listed on Shanghai Stock Exchange.

(16) Customer P is an IT service company based in Tianjin, China, with a registered capital of RMB1.5 billion. Customer P is listed on Shanghai Stock Exchange.

(17) Customer Q is a cloud computing and AI technology company based in Hangzhou, China, with a registered capital of RMB1.0 billion.

(18) Customer R is a government agency based in Beijing, China, responsible for formulating and promoting science and technology policies in the city.

(19) Customer S is an IT service company based in Beijing, China, with a registered capital of RMB90.6 million.

(20) Customer T is a science and technology institution based in Beijing, China, responsible for providing training programs and talent services for science and technology professionals.

During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in any of our five largest customers in each year during the Track Record Period that are required to be disclosed under the Listing Rules.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product liability claims, product, quality issues and customer complaints.

OUR SUPPLIERS

Our suppliers primarily consist of (i) providers of computing resources, such as computing hardware and computing services, (ii) hardware equipment vendors, including servers, storage devices and network devices, (iii) providers of research and development support, such as data cleansing and large model evaluation services, and (iv) providers of marketing services.

We have established a set of internal measures on selection of suppliers. We take into account various factors in selecting our suppliers, which primarily include product quality, price, service quality, qualifications and credentials. When engaging suppliers, our legal and finance department is primarily responsible for reviewing the procurement agreements in accordance with our procurement protocols. We usually enter into framework agreements with our computing resource suppliers, particularly cloud computing service providers, the major terms of which are set out below.

- *Service scope*. Under the framework agreements, the suppliers generally provide cloud computing service that meet our needs for computing services, along with necessary computing infrastructure and technical support services.

- *Duration*. The term of agreement generally range from one to four years and is renewable upon mutual agreement.

- *Payment terms*. We typically settle the payments in installments in accordance with the performance progress of the agreements. Generally, we may be granted a credit term of up to 40 days.

- *Termination*. Typically, either party may terminate the agreements with written notice and the other party's written consent or in the event of the opposing party's material violation of laws and regulations or material breach of contracts. In such cases, the terminating party is liable for any losses suffered by the other party.

During the Track Record Period, we had not experienced any significant fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or delay in delivery of our orders from our suppliers.

In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers accounted for 54.5%, 53.6%, 47.3% and 50.2% of our total purchases, respectively. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our largest supplier accounted for 33.1%, 16.4%, 15.6% and 13.4% of our total purchases, respectively. The table below sets forth the details of our five largest suppliers in each year during the Track Record Period.

Supplier	Principal Business	Products/Services Procured	Number of Years of Business Relationship	Credit Term	Purchase Amount	% of Total Purchases
					(RMB'000)	
Six months ended June 30, 2025						
A[(1)]	software development, technical services and development and information system integration services	Computing service	2	30 days	207,921	13.4%
B[(2)]	software development, technical services and development and information system integration services	Computing service	1	10 working days	157,052	10.1%
C[(3)]	software development; technology service and development; information system integration services	Computing service	1	prepayments	152,430	9.8%
D[(4)]	technical services and development and software development	Computing service	4	5-15 working days	139,442	9.0%

Supplier	Principal Business	Products/Services Procured	Number of Years of Business Relationship	Credit Term	Purchase Amount	% of Total Purchases
					(RMB'000)	
E[5]	technical services and development and software development	Computing service	3	N/A	123,474	7.9%
Total					**780,319**	**50.2%**
Year ended December 31, 2024						
E	technical service and development; software development	computing services	3	N/A	394,771	15.6%
C	software development; technology service and development; information system integration services	computing services	1	prepayments	379,829	15.0%
F[6]	technical service and development; sale of computer software and hardware	computing hardware	2	7 days	191,150	7.6%
G[7]	technical service and development; sale of construction materials; data processing services	computing services	1	10 working days	119,834	4.7%
D	technical service and development; software development	computing services	4	5 - 15 working days	112,394	4.4%
Total					**1,197,978**	**47.3%**
Year ended December 31, 2023						
E	technical service and development; software development	computing services	3	N/A	158,890	16.4%
H[8]	technical service and development; software development	computing services and hardware	2	2 - 5 days	124,471	12.8%
I[9]	internet information services; labor dispatch services	computing hardware	2	prepayments	95,841	9.9%
J[10]	software and technology consulting services	computing hardware	3	15 - 40 days	83,869	8.6%
K[11]	technical service and development; software development; data processing and storage support	computing hardware	2	prepayments	57,345	5.9%
Total					**520,416**	**53.6%**
Year ended December 31, 2022						
J	software and IT services	computing hardware	3	10 days	25,204	33.1%
L[12]	data processing and storage support services; technical service and development	computing services	3	5 days	5,834	7.7%
D	technical service and development; software development	computing services	4	5 days	5,028	6.6%
E	technical service and development; software development	computing services	3	N/A	2,804	3.7%
M[13]	technical service and development; software development	computing services	3	prepayments	2,548	3.4%
Total					**41,418**	**54.5%**

Notes:

(1) Supplier A is an IT service company based in Beijing, China, with a registered capital of RMB10.0 million.

(2) Supplier B is an IT service company based in Bejing, China, with a registered capital of RMB1.6 billion.

(3) Supplier C is an IT service company based in Jiaxing, China, with a registered capital of RMB721.1 million.

(4) Supplier D is an IT service company based in Beijing, China, with a registered capital of RMB58.2 million.

(5) Supplier E is an IT service company based in Beijing, China, with a registered capital of RMB1.0 billion.

(6) Supplier F is an IT service company based in Beijing, China, with a registered capital of RMB10.0 million.

(7) Supplier G is an IT service and data processing service company based in Beijing, China, with a registered capital of RMB673.5 million.

(8) Supplier H is an IT service company based in Beijing, China, with a registered capital of RMB47.8 million. Supplier H is listed on Shanghai Stock Exchange.

(9) Supplier I is an internet information services company based in Chongqing, China, with a registered capital of RMB50.0 million.

(10) Supplier J is an IT service company based in Beijing, China, with a registered capital of RMB700.0 million. Supplier J is a wholly owned subsidiary of a company listed on Shanghai Stock Exchange.

(11) Supplier K is an IT service and data processing and collection company based in Beijing, China, with a registered capital of RMB14.0 million.

(12) Supplier L is an IT service and data processing and collection company based in Beijing, China, with a registered capital of RMB200.0 million.

(13) Supplier M is an IT service company based in Beijing, China, with a registered capital of RMB92.3 million.

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in each year during the Track Record Period that are required to be disclosed under the Listing Rules.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Customer A, our largest customer in the six months ended June 30, 2025, was also our supplier in 2024 and 2025. We procured database and IP authorization services from Customer A in 2024 and 2025 and provided on-premise deployment to Customer A in the same years. In 2022, 2023, 2024 and the six months ended June 30, 2025, our purchases from Customer A amounted to nil, nil, RMB12.9 million and RMB11.8 million, accounting for nil, nil, 0.5% and 0.8% of our total purchases in the same periods, respectively, and our sales to Customer A amounted to nil, nil, RMB3.2 million and RMB21.0 million, accounting for nil, nil, 1.0% and 11.0% of our revenue during the same periods, respectively.

Supplier E, our largest supplier in 2023 and 2024, was also our customer in 2024 and 2025. Supplier E is a cloud service provider, and a subsidiary of a large internet technology Company in China. During the Track Record Period, we procured computing services from Supplier E. We also provided on-premise and cloud-based deployment to Supplier E in 2024. In 2022, 2023, 2024 and the six months ended June 30, 2025, our purchases from Supplier E amounted to RMB2.8 million, RMB158.9 million, RMB394.8 million and RMB123.5 million, accounting for 3.7%, 16.4%, 15.6% and 8.2% of our total purchases in the same periods, respectively, and our sales to Supplier A amounted to nil, nil, RMB2.4 million and RMB4.7 million, accounting for nil, nil, 0.8% and 2.5% of our revenue during the same periods, respectively.

Customer G was also our suppliers during the Track Record Period. Customer G is a public university in China. During the Track Record Period, we provided on-premise deployment to Customer G and procured research and development services from Customer G in relation to our collaboration with such university. In 2022, 2023, 2024 and the six months ended June 30, 2025, our sales to the Customer G amounted to RMB1.6 million, RMB0.4 million, RMB31.0 million and nil, accounting for 2.8%, 0.3%, 9.9% and nil of our revenue during the same periods, respectively, and our purchases from Customer G amounted to RMB0.7 million, RMB1.4 million, RMB1.7 million and RMB1.6 million, accounting for 0.9%, 0.1%, 0.1% and 0.1% of our total purchases in the same periods, respectively.

Customer I was also our suppliers during the Track Record Period. Customer I is an online recruitment platform in China. During the Track Record Period, we provided on-premise deployment to Customer I and procured recruiting services from Customer I. In 2022, 2023, 2024 and the six months ended June 30, 2025, our sales to Customer I amounted to nil, RMB17.5 million, nil and nil, accounting for nil, 14.1%, nil and nil of our revenue during the same periods, respectively, and our purchases from Customer I amounted to RMB24,000, RMB0.1 million, RMB0.2 million and RMB0.9 million, accounting for 0.03%, 0.01%, 0.01% and 0.1% of our total purchases in the same years, respectively.

Customer P/Supplier L was also one of our five largest suppliers in the same year. Customer P/Supplier L is a supercomputer manufacturer in China. During the Track Record Period, we provided on-premise deployment to Customer P/Supplier L and procured computing services from Customer P/Supplier L. In 2022, 2023, 2024 and the six months ended June 30, 2025, our sales to Customer P/Supplier L amounted to RMB8.9 million, nil, nil and nil, accounting for 15.4%, nil, nil and nil of our revenue during the same periods, respectively, and our purchases from Customer P/Supplier L amounted to RMB5.8 million, RMB5.2 million, nil and nil, accounting for 7.7%, 0.5%, nil and nil of our total purchases in the same periods, respectively.

Customer Q was also our suppliers during the Track Record Period. Customer Q is a cloud computing company in China. During the Track Record Period, we provided on-premise deployment to Customer Q and procured computing services from Customer Q. In 2022, 2023, 2024 and the six months ended June 30, 2025, our sales to Customer Q amounted to RMB7.9 million, nil, nil and nil, accounting for 13.8%, nil, nil and nil of our revenue during the same periods, respectively, and our purchases from Customer Q amounted to RMB0.98 million, RMB27.2 million, RMB76.6 million and RMB94.5 million, accounting for 1.3%, 2.8%, 3.0% and 6.3% of our total purchases in the same periods, respectively.

Our Directors are of the view that each of our transactions with such overlapping customers and suppliers during the Track Record Period were conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties.

COMPETITION

As a large model company, we operate in what is known as the LLM market, a subset of the AI market. The LLM market is highly competitive. According to Frost & Sullivan, LLM vendors compete based on factors including (i) technical capabilities such as self-developed LLM pre-training framework and model customization and optimization, (ii) flexible business models and delivery strategies, (iii) ecosystem building capabilities and (iv) talent with deep technical backgrounds and extensive experience. We compete with both independent and non-independent LLM vendors, both within China and internationally. We may also in the future face competition from new entrants that will increase the competition. Principal competitive factors important to us include scope, performance and safety of our service offerings, user experience, our R&D capabilities and our talents. For additional details regarding the competitive landscape of the industry in which we operate, see "Industry Overview." For risks relating to our competitiveness in the industry, see "Risk Factors—The AI industry is characterized by constant changes. If we are not able to upgrade, enhance or innovate our technologies and services, our business, results of operations, financial condition and prospects could be adversely affected."

AWARDS AND RECOGNITIONS

The following table sets out a summary of the major awards and recognitions we had received as of the Latest Practicable Date.

Year	Awards or Recognition	Issuing Authority
2024	2024 World Computing Conference Special Exhibition—Outstanding Achievement (2024世界計算大會專題展優秀成果)	World Computing Conference (世界計算大會)
2024	Scientific and Technological Progress Award—First Prize (科技進步一等獎)	Chinese Institute of Electronics (中國電子學會)
2023	Digital Economy Industry Innovation Achievement (數字經濟產業創新成果)	Global Digital Economy Conference
2023	Artificial Intelligence Key Technology and Application Evaluation Key Laboratory (人工智能關鍵技術和應用評測重點實驗室)	China Artificial Intelligence Industry Alliance (中國人工智能產業發展聯盟)
2023	The 25th China Hi-Tech Fair—Excellent Product Award (第二十五届中國國際高新技術成果交易會優秀產品獎)	China Hi-Tech Fair Organizing Committee (中國國際高新技術成果交易組委會)
2021	State Scientific and Technological Progress Award—Second Prize (國家科學技術進步獎二等獎)	State Council
2021	Beijing Invention Patent Award—First Prize (北京市發明專利一等獎)	The People's Government of Beijing Municipality
2021	2021 "Sci-Tech Innovation China" List—Rising Enterprise (2021年"科創中國"榜單新銳企業)	China Association for Science and Technology (中國科學技術協會)
2021	Zhongguancun High-Tech Enterprise (中關村高新技術企業)	Zhongguancun Science Park Administrative Committee (中關村科技園區管理委員會)
2020	SIGKDD Test of Time Award	Association for Computing Machinery
2020	2020 Outstanding Scientific and Technological Achievement Award (2020年度優秀科技成果獎)	Chinese Association for Artificial Intelligence (中國人工智能學會)
2020	Zhongguancun Golden Seed Enterprise (中關村金種子企業)	Zhongguancun Science Park Administrative Committee (中關村科技園區管理委員會)

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, permits, approvals and certificates necessary to conduct our actual business operations from the

relevant government authorities, and such licenses, permits, approvals and certificates remained in full effect. The following table sets out the details of our material licenses and permits as of the Latest Practicable Date.

License/Permit	Entity Holding the License/Permit	Issuing Authority	Grant Date	Expiration Date
Value-added Telecommunications Business Operation License (for provision of internet information services)	Our Company	MIIT	May 30, 2025	April 16, 2029
Value-added Telecommunications Business Operation License (for provision of internet information services)	Beijing Knowledge Huixing	MIIT	January 26, 2025	January 26, 2030

EMPLOYEES

As of June 30, 2025, we had 883 employees, substantially all of whom were based in China. The following table sets forth the number of our employees by function.

Function	Number of Employees	Percentage
Research and Development	657	74.4%
Sales and Marketing	145	16.4%
Management and administrative	81	9.2%
Total	883	100.0%

Our success depends on our ability to attract, retain and motivate qualified personnel. We adopt high standards and strict procedures in our recruitment, including campus recruitment, online recruitment, internal referral and third-party recruiters, to satisfy our demands for different types of talents. We provide regular and specialized training tailored to the needs of our employees in different departments. New employees will receive pre-job training and general training.

We believe we offer our employees competitive compensation packages. In addition, we regularly evaluate the performance of our employees and reward those who perform well with higher compensation or promotion. We enter into standard contracts and agreements regarding confidentiality, intellectual property, employment, commercial ethics and non-compete with our executive officers and full-time employees. During the Track Record Period, we made contributions to social insurance and housing provident funds in compliance with applicable PRC laws and regulations in all material respects.

None of our employees are currently represented by labor unions. We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our

industry. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain key man life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties. See "Risk Factors—Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations, financial condition and prospects."

PROPERTIES

As of the Latest Practicable Date, we did not own any real property. As of June 30, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

As of the Latest Practicable Date, we leased 17 properties with a GFA of 20,375 sq.m. in the PRC as our offices from Independent Third Party. As of the Latest Practicable Date, the lessors of five out of our 17 leased premises used as our offices had not provided copies of the real property title certificates to us despite our continuous effort in requesting such documents. As advised by our PRC Legal Advisors, if the relevant lessor has no right to lease the leased property and a third party other than the parties to the relevant lease contracts have legal title to such leased property, such third party may claim that the relevant lease contracts are null and void or have no effect thereto, or request us to cease our use and move out of such leased property. However, considering that (i) as of the Latest Practicable Date, we had not received any notices requiring us to cease our use or move out of such leased property, (ii) according to Frost & Sullivan, there are abundant unoccupied properties available for lease at similar costs and we believe we would be able to relocate our facilities to a different site relatively easily if we are required by third parties, and (iii) in accordance with the relevant provisions of the PRC Civil Code, if we are unable to use or accrue proceeds from the leased property due to any claim by a third person, we may request reduction of rent or refuse to pay rent, our Directors are of the view that such incidents will not have a material adverse impact on our continuous operation, financial condition and results of operations. In the event that we are required to relocate from the leased properties, we expect that the relocation cost will be minimal for each leased property. In light of the foregoing, our Directors are of the view that if we are required to relocate, it will not have a material disruption on our business operations. As advised by our PRC Legal Advisors, as of the Latest Practicable Date we were not in violations of the fire safety requirements pursuant to the relevant laws and regulations in the PRC in all material respects. Accordingly, our Directors are of the view that our leased properties comply with the fire safety requirements in all material respects pursuant to the relevant laws and regulations. Based on the foregoing, nothing material has come to the attention of the Sole Sponsor that would cause them to cast doubt on the Directors' view relating to the fire safety issue.

As of the Latest Practicable Date, 13 out of our 17 leased properties used as our offices had not been registered and filed with relevant land and real estate administration bureaus in the PRC. The failure to register such lease agreements is due to factors beyond our control including, among other things, the lessors' willingness to cooperate in the registration process and provision of relevant documents for registration is necessary. As advised by our PRC Legal Advisors, failure to complete the registration and filing of lease agreements will not affect the validity of such lease agreements nor the lawful and effective use of leased properties pursuant to the lease agreements. However, the relevant authorities may require us to rectify such noncompliance within a prescribed period and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each of such properties if we fail to rectify such non-compliance within the prescribed period. During the Track Record Period, we have not been subject to any administrative penalties imposed by the competent authorities for failure to complete the registration and filing of the lease

agreements. Based on the above, we believe that the failure to register and file the leased properties will not have any material adverse effect on our operation and financial condition. See "Risk Factors—Our legal right to some leased properties may be challenged."

U.S. EXPORT CONTROL LAWS AND REGULATIONS

On January 16, 2025, our Company and nine of our subsidiaries (together, "Listed Entities") were added to the Entity List administered by the BIS. The addition of the Listed Entities to the Entity List (the "Entity List Addition") restricts our ability to purchase or otherwise access certain goods, software and technology (collectively, "items") that are subject to the EAR without a license from the BIS. Items subject to the EAR include, among other things, U.S.-origin items, as well as non-U.S. items that contain more than a *de minimis* portion of U.S.-origin controlled content, and certain items of non-U.S.-origin that are the direct product of certain U.S.-origin controlled software or technology. For further information and the potential consequences for violating U.S. export controls, see "Regulatory Overview—U.S. Export Control Laws and Regulations."

As advised by our International Sanctions Counsel, the Entity List restrictions do not apply to non-listed entities in our Group that are legally distinct from the Listed Entities (the "Non-listed Entities"). That is, BIS has explicitly advised that "the licensing and other obligations imposed on an entity by virtue of being listed on the Entity List do not *per se* apply to its subsidiaries, sister companies, or other legally distinct affiliates that are not listed on the Entity List." However, a Non-listed Entity (or any other person) may not act as an agent, a front, or a shell company for a Listed Entity in order to facilitate transactions that would not otherwise be permissible with the Listed Entity.

Our International Sanctions Counsel further confirmed that our suppliers can continue to provide items subject to the EAR to the Non-listed Entities that are legally distinct from the Listed Entities so long as (i) those items are not exported, reexported or transferred, directly or indirectly, to the Listed Entities; (ii) those items are not diverted to the Listed Entities by the Non-listed Entities; and (iii) the Listed Entities do not otherwise serve as the purchaser, intermediate consignee, ultimate consignee or end-user of the items. In addition, our International Sanctions Counsel also confirmed that (i) our suppliers can still continue to provide items that are not subject to the EAR to the Listed Entities; and (ii) our customers can lawfully purchase items subject to the EAR from the Listed Entities so long as those items were obtained lawfully by the Listed Entities (*e.g.*, obtained prior to the Entity List Addition or obtained pursuant to a license from the BIS).

During the Track Record Period and prior to the Entity List Addition, we purchased certain computing hardware containing U.S.-origin AI chips subject to the EAR in compliance with the relevant export control rules and regulations and we have not procured any items subject to the EAR since August 2023. We did not rely on any specific EAR items during the Track Record Period. After the Entity List Addition, we are unable to purchase AI chips subject to the EAR and have not procured any AI chips subject to the EAR. However, this has not had an adverse impact on our business, as we did not plan to develop our own AI data center. In fact, we have not procured any AI chips, whether subject to the EAR or not, since the Entity List Addition. Instead, we procure computing resources from reputable cloud computing service providers in China, whose services were not subject to the EAR as of the Latest Practicable Date.

In light of the above, the Entity List Addition has not had, and our Directors are of the view that (assuming there is no expansion of the EAR restrictions or the scope of the Entity List Addition) it will not have in the near future, any material adverse impact on our business and financial performance. In addition, as of the Latest Practicable Date, none of our material investors, customers or suppliers had withdrawn their investment or ceased doing business with us due to the Entity List Addition.

Internal Control Measures

To address concerns under the EAR, we have taken all reasonable steps to establish an export control compliance program supported by dedicated compliance resources, in accordance with the Export Compliance Guidelines—The Elements of an Effective Export Compliance Program issued by the BIS. Out of prudence, we have extended the export control compliance program to cover our entire Group. Our legal department is responsible for overseeing export control compliance. To ensure the sustainability of our export control compliance program, we have also established a new export control compliance management committee, consisting of our general manager and members from our legal department, finance department, information systems management department and procurement department to act as the central point of contact for employees in respect of any export control-related questions. Our export control compliance program incorporates all eight elements of an effective export control compliance program issued by the BIS.

(i) *Management awareness and commitment.* We will publish annual statements to all employees expressing our support of export control compliance, the consequences of violating the EAR and the designated contact person for such matters. All employees are required to sign an acknowledgement confirming their compliance with our export control compliance policies and procedures.

(ii) *Risk assessment.* We are in the process of implementing, among others, policies and standard operating procedures to

a) identify, restrict and monitor access to software or technology that are subject to the EAR, such that the Listed Entities and their personnel will not have access to any such software or technology;

b) (i) identify and classify items procured from our suppliers by obtaining the relevant export control information, export control classification numbers ("ECCN") if applicable and (ii) identify and classify items created by us by jurisdictional analysis and ECCN classification; and

c) screen our business partners (including customers and suppliers) against the restricted and sanctioned party lists under the U.S., the United Kingdom, the European Union, the United Nations and Australia regimes. In addition, it is our policy that EAR Items shall be prevented from being provided to the Listed Entities by Non-listed Entities.

(iii) *Export authorization.* We will monitor and periodically review (internally and via an external consultant if necessary) our procured and saleable items, to determine whether they are subject to the EAR and, if so, the relevant classification and licensing requirements.

(iv) *Record retention.* We update, verify and retain customer identification records. In addition, we conduct verification and maintain updated records if there are doubts about previously collected information or if we identify or suspect any unusual activities.

(v) *Training.* We will conduct export compliance training in various forms (including in-person and online training) for all of our employees.

(vi) *Audits.* We will conduct internal audits for compliance with our export control compliance program.

(vii) *Export violations and corrective actions.* Our export control compliance management policy sets out the available reporting channel and investigation process on any reports regarding actual or suspected violations of export control laws and regulations. The export control compliance management committee will investigate any potential issues and take corrective actions. All reports are treated in a strictly confidential manner.

(viii) *Export control compliance management policy.* We have adopted an Export Control Compliance Management Policy that applies to all Group entities. The policy expressly sets out the rules and regulations related to the EAR. We will regularly review and refresh this policy to ensure that it will reflect any changes to the EAR and company operations.

In addition to our export control compliance program listed above, we will continue to engage external counsel and consultants to review and advise on our export control compliance program on an ongoing basis. Accordingly, our International Sanctions Counsel has reviewed our export control compliance policies and advises that, subject to the implementation and enforcement of the above compliance policies, our export control compliance measures provide a reasonably adequate and effective internal control framework for us to identify and mitigate any material risk relating to the Entity List.

Based on the foregoing, our Directors believe that our export control compliance policies provide a reasonably adequate and effective internal control framework to identify and mitigate any material risk relating to the Entity List Addition, and the establishment of the export control compliance program, would be beneficial to the application for removal of the Listed Entities from the Entity List in the future. As of the Latest Practicable Date, we had not yet submitted a removal application to the BIS. However, we remain committed to having the Listed Entities removed from the Entity List and intend to build up the track record of our export control compliance program. We will proceed with our removal request as soon as an appropriate opportunity arises.

Based on the foregoing, nothing material has come to the attention of the Sole Sponsor that would cause them to cast doubt on the Directors' view relating to the effectiveness and sufficiency of the export control compliance policy of our Group on identifying and mitigating material risk relating to Entity List.

TARIFFS AND INTERNATIONAL TRADE POLICIES

Starting in February 2025, the tariff war between the United States and China escalated with the introduction of significant additional tariffs by the United States against imports from China, followed by further measures and reciprocal countermeasures from China. However, as (a) we had not exported any products to the United States during the Track Record Period and up to the Latest Practicable Date; (b) we had not procured any raw materials or components directly from the U.S during the Track Record Period and up to the Latest Practicable Date; and (c) since our Entity List designation in January 2025, we have not imported any items from the United States, as we have been unable to do so without appropriate authorization, the impacts of the increased tariffs by the U.S. and the countermeasures taken by China on our business operations were limited as of the Latest Practicable Date. As of the Latest Practicable Date, we had not received any service cancellations, material pricing adjustments or delivery suspensions from our customers and suppliers due to the recent U.S. tariff hikes. Accordingly, we have not experienced any material indirect impact from our customers and suppliers in relation to the increased tariffs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are subject to various social, health, safety and environmental laws and regulations and our operations are regularly inspected by local government authorities. We believe we have adequate policies ensuring compliance with all social, health, safety and environmental protection regulations. Particularly, we believe that our continuous growth also depends on integrating social values into our business. We attach great importance to environmental, social and governance matters ("ESG") and are committed to the promotion of corporate social responsibility and environmental protection.

Environment, Climate and Sustainability

Given the nature of our business, we do not operate any production facilities or otherwise impose any material threats to the environment or the climate. Therefore, we are not subject to significant environmental or climate-related risks. Nonetheless, we have made significant efforts toward environmental protection, climate change and sustainability.

Energy and Resource Consumption

Our direct energy consumption primarily consist of electricity usage in our offices and our resource consumption primarily consist of water source from municipal water supply. For years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our Company's energy and resource consumption expenses for our offices were RMB0.1 million, RMB0.4 million, RMB0.8 million and RMB0.4 million, respectively. The following table sets forth our Company's energy and resource consumption in 2024 and the six months ended June 30, 2025.

	Year Ended December 31, 2024	Six Months Ended June 30, 2025
Electricity (MWh)	82	44
Electricity intensity (MWh per million RMB of revenue)	0.3	0.2
Water consumption (tons)	1,456	1,084
Water consumption intensity (tons per million RMB of revenue)	4.7	5.7

Notes:

(1) We gradually relocated our offices in 2023. Prior to this relocation, we only maintained data on consumption expenses, but not on consumption volume. Given the significant differences in the office premises and associated facilities before and after the relocation, the consumption volume from our previous offices is not comparable to that after the relocation and is not relevant for setting our future targets. Therefore, we have not retrospectively collected consumption volume data for the period prior to 2024.

(2) Our water consumption increased primarily due to the increase in our employees, which was in line with our business expansion.

As we optimize our models and R&D capabilities, we are able to utilize the hardware resources efficiently, thereby achieving the same results with less computing power. We also strive to empower enterprises to improve operating efficiency and achieve carbon neutrality via our services. Moreover, we believe that as AI and its application develop and mature, AI can solve problems more efficiently than traditional technologies, ultimately resulting in less energy consumption.

In addition, we make efforts to save electricity energy in our daily office life as a part of our corporate culture. We operate most of our businesses digitally and utilize cloud-based services to reduce consumption of paper and renovate our offices with environmental-friendly materials, in an effort to keep our carbon consumption low. For example, we paint our offices in light colors and make sure the curtains are open during daytime to reduce use of lighting. We also arrange our office superintendents to inspect the building regularly and turn down the lights in empty rooms. We have imposed office policies for air conditioning with considerations to season, weather and use scenario to manage the energy consumption of air conditioning and displayed notices adjacent to the air conditioners to remind our employees of the environmental impact.

We aim to reduce our Company's electricity intensity by 5% by 2027 compared to the level in the year ended December 31, 2024. We plan to achieve this goal by implementing stricter controls over the use of high-wattage appliance.

Emissions

Greenhouse Gas Emissions

In accordance with the relevant standards of the Global Reporting Initiative (GRI) and the Greenhouse Gas Protocol (GHG Protocol), we do not engage in Scope 1 greenhouse gas emission because we do not carry out any production activities and have no direct emission from our business operations. Our scope 2 greenhouse gas emissions arose solely from the consumption of purchased electricity at our offices. The following table sets forth our Company's greenhouse gas emission in 2024 and the six months ended June 30, 2025.

	Year Ended December 31, 2024	Six Months Ended June 30, 2025
Scope 2 greenhouse gas emissions (tons of CO_2 equivalent)	438	237
Scope 2 greenhouse gas emissions intensity (tons of CO_2 equivalent per million RMB of revenue)	1.4	1.2

We aim to reduce our Company's scope 2 greenhouse gas emissions intensity by 5% by 2027 compared to the level in the year ended December 31, 2024. We plan to achieve this goal by replacing some of our equipment with more electrically efficient equipment.

We are currently in the process of assessing the applicability of scope 3 emissions, identifying relevant departments and external stakeholders and evaluating feasibility of relevant data collection. Going forward, we are committed to improving our understanding of Scope 3 greenhouse gas emissions and making the required disclosures in accordance with the relevant guide issued by the Stock Exchange.

Waste Management

As we lease our offices as well as certain office equipment, such as printers, our hazardous waste is generally negligible. The relevant property management company and equipment provided is responsible for collection and disposal of any hazardous waste that may arise. Our non-hazardous waste primarily consists of general domestic waste generated from employees' daily activities in the offices. The generation of such waste is unavoidable and does not have any material direct financial or operational impact on our Group. The following table sets forth our Company's solid waste emission during the Track Record Period.

	Year Ended December 31, 2024			Six Months Ended June 30, 2025
	2022	2023	2024	
Non-hazardous waste (tons)	20	45	70	35
Non-hazardous waste intensity (tons per million RMB of revenue)	0.3	0.4	0.2	0.2

Given that we operate in leased office premises, all non-hazardous waste is collected and disposed of by the property management company. We aim to reduce our Company's non-hazardous waste intensity by 2% by 2027 compared to the level in the year ended December 31, 2024.

Social Responsibility

We believe that having a balanced lifestyle is crucial to achieving a good mindset at work. Therefore, we encourage employees to maintain good mental and physical health by participating in sports and recreational activities. With respect to our safety policy, we require all employees to follow our safety rules and receive safety training, which includes fire drills and video on evacuation and other fire safety measures.

We nurtured a friendly and inspirational corporate culture that we believe is attractive to the talented scientists who are keen on our success, and we invest heavily in training and retaining them. We provide adequate resources to help them succeed, including easy access to our rich internal resources for training and studying, our invaluable industry-related insights and opportunities to work in an inclusive community with our similar-minded scientists. We continually increase our investment in employee training with the aim of enhancing both professional competence and overall capabilities. Since January 1, 2024, we have accumulated over 360 hours in new staff induction session, enabling new employees to quickly blend in the corporate culture, master essential job skills and clarify their career development paths. Meanwhile, we have organized cultural training programs for senior management, with a cumulative training duration of over 330 hours from January 1, 2023 to June 30, 2025. In addition, we continue to optimize our leadership development training program, concentrating on key topics such as objective management, performance management, empowerment and motivation, effective collaboration and case studies. During the Track Record Period, we provided nearly 1,100 hours of training sessions to our mid-level and senior managers under this program, supporting their comprehensive improvement in areas including team building, decision-making and execution capabilities.

We have also played a role in advancing social inclusion and accessibility by developing the digital sign language broadcaster, an AI-powered digital figure that delivers real-time, professional sign language interpretation of event news for people with hearing impairments, for 2022 Winter Olympics. This innovative effort not only supports equal participation in society and improves quality of life for people with disabilities, but also promotes the standardization of national sign language and sets a benchmark for the human-centered application of technology.

Data Governance

We have established a systematic and multi-layered governance framework to promote algorithmic transparency and responsible AI practices. At the model development and system design stage, we incorporate "explainability" as a core design principle and adopts model architectures that can provide clear decision paths so that our AI models and matching algorithms are developed in a way that allows us to trace and explain how key outputs are generated. We maintain comprehensive documentation, including system architecture descriptions, data processing flows and decision logic, so that stakeholders, including those without a technical background, can understand the basic principles of the operations of our AI models. At the model deployment and operational stage, in compliance with relevant regulations, we have implemented transparency management measures such as periodically publishing technical reports or academic papers on our models, proactively disclosing material algorithm updates and maintaining user inquiry and feedback channels. These measures also help enhance public and user trust in the reliability and integrity of our AI models. We actively participates in open-source communities and have open-sourced most of our self-developed models, which further enhances our algorithmic transparency. In addition, as part of our data governance framework, we incorporate fairness and bias-mitigation considerations throughout the lifecycle of our AI models, including data selection, training, testing and monitoring, to reduce discriminatory outcomes and promote fairness in matching results.

Governance

As part of our efforts to promote corporate social responsibility and sustainable development, we are in the process of optimizing our corporate governance on environmental, social and corporate governance. We have established a Strategy and ESG Committee which is responsible for overseeing and guiding our ESG initiatives. We also plan to adopt a comprehensive ESG policy. In addition, we intend to set up an ESG task force led by the Strategy and ESG Committee, which would be responsible for the formulation, implementation and evaluation of our ESG initiatives and report to our Strategy and ESG committee regularly. Moreover, we plan to engage professional external ESG consultants to help us establish and improve our ESG policies and standards.

Each year, the ESG task force will perform identification and evaluation of ESG risk factors, weighing the risks of different ESG factors, including environmental, social and climate-related risks, by evaluating aspects such as affected scope, frequency of occurrence, recovery costs, predictability and social awareness, so that we can pinpoint the key ESG risk factors and formulate mitigation measures accordingly. In such assessment, we may also use metrics such as percentage of renewable energy used for our solutions, employee air travel emissions, percentage of suppliers that have an environmental program in place, potable water use per square foot and/or waste to landfill per square foot.

Worldwide environmental issues such as climate change and natural resources depletion are becoming increasingly prominent. Despite that our operations do not involve any production facilities or otherwise impose any material threats to the environment, we still make our best effort to minimize our impact on the environment. We intend to adopt a company-wide environmental management system that aligns with customary international standards. Our Strategy and ESG committee are responsible for overseeing, and the ESG task force will be responsible for implementing, the environmental management system.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to noncompliance in relation to health, work safety or environment regulations and had not had any incident, or received any claim for personal or property damage made by our employees, which had materially and adversely affected our financial condition or business operations. Given that we operate our business primarily in the office, and that a majority of our operations are conducted online, we leave limited impact on the environment with a small carbon footprint. As advised by our PRC Legal Advisors, we were in compliance with laws or regulations in relation to health, work safety or environment in all material respects during the Track Record Period and up to the Latest Practicable Date. In light of such business nature, environmental-related and social-related risks and climate-related issues are not likely to have material negative impacts on our business, strategy and financial performance going forward. During the Track Record Period and up to the Latest Practicable Date, we had not incurred material capital expenditures or compliance costs related to climate and environmental protection. In 2022, 2023, 2024 and the six months ended June 30, 2025, our expenses in relation to environmental compliance matters were RMB0.04 million, RMB4.5 million, RMB0.02 million and RMB0.2 million, respectively. We also do not anticipate to incur material capital expenditures or compliance costs related to climate in the foreseeable future.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional departments.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial management, budget management and financial statement preparation. We also have procedures in place to carry out such accounting policies, and our finance department reviews our management accounts in accordance with such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

Information System Risk Management

See "—Data Privacy and Personal Information Protection."

Compliance and Intellectual Property Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations, as well as the protection of our intellectual property rights. Our legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties or us to perform contractual obligations and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements. There was no material and systemic non-compliance during the Track Record Period and up to the Latest Practicable Date.

We have in place detailed internal procedures to ensure that our in-house legal department reviews our services, for regulatory compliance before they are made available to the general public. Our legal department is also responsible for identification of any regulatory requirements, obtaining any requisite governmental pre-approvals or consent and completing any required regulatory filings, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines and ensuring all necessary application, renewals or filings for trademark, copyright and patent registration have been timely made to the competent authorities.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and conduct regular reviews to monitor the status and effectiveness of those licenses and approvals. We obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

Human Resources Risk Management

We have established internal control and risk management policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential incompliance with our code of conduct, work ethics and violations of our internal policies or illegal acts at all levels of our Group.

In particular, we have in place a set of comprehensive anti-corruption and anti-bribery policies within our company to promote and support the compliance with applicable anti-corruption laws and regulations, providing guidance on anti-corruption and anti-bribery practices, the whistleblowing channel, as well as the responsibilities for implementing the policies. All of our employees and third-party agents are required to understand and comply with such policies, and we from time to time provide anti-corruption trainings to our employees and third-party agents.

Investment Risk Management

Our investment department is responsible for investment project sourcing, screening, execution and portfolio management. The department sources investment projects in accordance with our investment strategy and conducts thorough pre-investment due diligence to assess the risks, business synergies and potential return of the investment projects.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

During the Track Record Period and up to the Latest Practicable Date, there were no material breaches or violations of laws or regulations applicable to us which are expected to have a material adverse effect on our business, financial condition or results of operations.

BOARD OF DIRECTORS

Our Board of Directors comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. The powers and duties of our Board include determining our business and investment plans, devise management and governance policies and exercising other powers, functions and duties as conferred by the Articles. The table below sets out the key information of our Directors:

Name	Age	Date of joining our Group	Date of appointment as Director[(1)]	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisor and senior management
Executive Directors						
Dr. Liu Debing (劉德兵)	49	June 11, 2019	March 26, 2025[(2)]	Co-founder, executive Director and chairman of the Board	Responsible for the strategic planning, business direction and overall management of our Group	Party acting in concert with Dr. Zhang and Dr. Li
Dr. Zhang Peng (張鵬)	46	June 11, 2019	March 26, 2025[(2)]	Co-founder, executive Director, chief executive officer and general manager	Responsible for the business development, R&D and the daily operations and management of our Group	Party acting in concert with Dr. Liu and Dr. Li
Ms. Zhang Xiaohan (張笑涵)	28	July 11, 2022	March 26, 2025[(2)]	Executive director	Participating in the Board as an employee director	None
Non-executive Directors						
Dr. Li Juanzi (李涓子)	61	June 11, 2019	June 28, 2025	Co-founder and non-executive Director	Responsible for providing guidance for the R&D, strategy and business development of our Group	Party acting in concert with Dr. Liu and Dr. Zhang
Mr. Li Jiaqing (李家慶)	51	February 10, 2023	March 26, 2025[(2)]	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None
Mr. Wang Meng (王盟)	42	August 19, 2024	March 26, 2025[(2)]	Non-executive Director	Responsible for providing guidance for the strategy and business development of our Group	None

Name	Age	Date of joining our Group	Date of appointment as Director[1]	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisor and senior management
Independent Non-executive Directors						
Dr. Yang Qiang (楊強)	63	December 31, 2025	June 28, 2025	Independent non-executive Director	Responsible for providing independent advice to our Board	None
Mr. Xie Deren (謝德仁)	53	December 31, 2025	June 28, 2025	Independent non-executive Director	Responsible for providing independent advice to our Board	None
Mr. Tang Ying (唐穎)	48	December 31, 2025	June 28, 2025	Independent non-executive Director	Responsible for providing independent advice to our Board	None

Notes:

(1) The re-designation of each Director as an executive Director or a non-executive Director and the appointment of independent non-executive Directors were approved by the Shareholders on June 28, 2025. The appointment of the independent non-executive Directors took effect as of the date of this document.

(2) This date of the appointment as Director refers to the appointment date at the Shareholders' meeting of our Company for the conversion into a joint stock company with limited liability in March 2025. See "History, Development and Corporate Structure—Establishment and Major Shareholding Changes of Our Company—Conversion into a Joint Stock Company in 2025" for further details of the conversion.

Executive Directors

Dr. Liu Debing (劉德兵), aged 49, is our co-founder, executive Director and chairman of the Board. He is primarily responsible for the strategic planning, business direction and overall management of our Group.

Dr. Liu has nearly 18 years of experience in the computing technology industry. From September 2007 to December 2012, he worked at the Beijing Institute of Technicolor (China) Technology Co., Ltd. (特藝 (中國) 科技有限公司) with his last position as a research engineer. Dr. Liu subsequently worked as senior engineer at Tsinghua University.

Dr. Liu obtained a bachelor's degree in computer science and technology from Beijing Jiaotong University (北京交通大學) in the PRC in July 1999 and a Ph.D. degree in computer science and technology from Institute of Computing Technology, Chinese Academy of Sciences (中國科學院計算技術研究所) in the PRC in July 2007.

In October 2013, Dr. Liu received the Science and Technology Progress Award—First Prize from the Chinese Association for Artificial Intelligence. In November 2017, he was awarded the title of Senior Engineer by the Chinese Academy of Sciences and the Beijing Science and Technology Progress Award—First Prize by the Beijing Municipal People's Government. In September 2021, Dr. Liu received the National Science and Technology Progress Award—Second Prize by the State Council. In March 2024, Dr. Liu received Science and Technology Progress—First Prize from the China Institute of Electronics.

Dr. Zhang Peng (張鵬), aged 46, is our co-founder, executive Director, chief executive officer and general manager. He is primarily responsible for the business development, R&D and the daily operations and management of our Group.

Dr. Zhang has nearly 20 years of experience in the field of computer science. He worked at Tsinghua University from August 2005 to December 2020.

Dr. Zhang obtained a bachelor's degree in computer science and technology, a master's degree in computer science and technology and a Ph.D. degree in electronics and information in July 2002, July 2005 and June 2025, respectively, from Tsinghua University in the PRC.

In November 2009, Dr. Zhang received the Fourth Wang Xuan News Science and Technology Award from the China Association of Press and Technology Professionals. In March 2024, Dr. Zhang was awarded the Science and Technology Progress Award—First Prize by the China Institute of Electronics. In April 2025, Dr. Zhang was awarded the title of Model Worker of the National Industry and Information System by the Ministry of Human Resources and Social Security and the MIIT.

Ms. Zhang Xiaohan (張笑涵), aged 28, is our executive Director. She is our employee director.

Ms. Zhang joined our Group in October 2021 and has served as core manager of our Group's data labeling operations and Zhipu QingYan since July 2022.

Ms. Zhang obtained a bachelor's degree in engineering mechanics in July 2019 and a master's degree in data science and information technology from in July 2022 from Tsinghua University in the PRC.

Non-executive Directors

Dr. Li Juanzi (李涓子), aged 61, is our co-founder and non-executive Director. She is primarily responsible for providing guidance for the R&D, strategy and business development of our Group.

From July 1989 to July 1996, Dr. Li was a lecturer in the Department of Computer Science and Technology at Shanxi University (山西大學). Dr. Li served as lecturer from December 2001 to December 2002, associate professor from December 2002 to December 2008 and tenured professor since December 2008 in the Department of Computer Science and Technology at Tsinghua University.

Since December 2014, Dr. Li has served as director of the Special Committee on Language and Knowledge Computing of the Chinese Information Processing Society of China. Since January 2019, Dr. Li has served as director of the Knowledge Intelligence Center at the Institute for Artificial Intelligence of Tsinghua University. Dr. Li also serves as director of the Joint Research Center between Tsinghua University's Department of Computer Science and Technology and Siemens (China) Co., Ltd for Industrial Intelligence and Internet of Things.

Dr. Li obtained a bachelor's degree and a master's degree in computer science and technology from Shanxi University in the PRC in July 1986 and July 1989, respectively. She received her Ph.D. degree in computer science and technology from Tsinghua University in the PRC in January 2000. Dr. Li also conducted postdoctoral research in the same field from December 2000 to December 2001.

In October 2013, Dr. Li received the Scientific and Technological Progress—First Prize from the Chinese Association for Artificial Intelligence. In November 2017, Dr. Li received the Beijing Scientific and Technological Progress—First Prize from the Beijing People's Municipal Government. In March 2020, Dr. Li was recognized by the China Language Resources Protection Outstanding Individual Award. In April 2021, Dr. Li received the Beijing Invention Patent Award—First Prize from the Beijing People's Municipal Government. In September 2021, Dr. Li received the National Scientific and Technological Progress—Second Prize from the State Council. In March 2024, Dr. Li received Scientific and Technological Progress—First Prize from the China Institute of Electronics. In April 2025, Dr. Li was recognized as Outstanding Mentor from Tsinghua University.

Mr. Li Jiaqing (李家慶), aged 51, is our non-executive Director. He is primarily responsible for providing guidance for the strategy and business development of our Group.

From July 1999 to January 2000, Mr. Li served as business development manager at Lenovo Group (聯想集團). Since July 2001, he has worked at and currently serves as the president of Legend Capital (君聯資本). Mr. Li served as director of Hichain Logistics Co., Ltd. (江蘇海晨物流股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300873), since May 2016; as director of Howbuy Wealth Management Co., Ltd. (好買財富管理股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 834418), from November 2012 to September 2024; as non-executive director of Pharmaron Beijing Co., Ltd. (康龍化成 (北京) 新藥技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300759) and the Stock Exchange (stock code: 3759), since October 2016; as non-executive director of Eastern Air Logistics Co., Ltd. (東方航空物流股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601156), from July 2017 to April 2024; and as non-executive director of UCloud Technology Co., Ltd. (優刻得科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688158), from June 2020 to August 2024, in each case providing strategic and governance guidance to the respective company.

Mr. Li obtained bachelor's degrees in engineering and business administration in July 1996 and a master's degree in management science and engineering in July 1999 from Tsinghua University in the PRC and a master's degree in business administration from Collège des Ingénieurs in France in June 2001. Mr. Li holds a fund qualification certificate (基金從業資格).

Mr. Wang Meng (王盟), aged 42, is our non-executive Director. He is primarily responsible for providing guidance for the strategy and business development of our Group.

Mr. Wang worked at China Mobile Communications Group Co., Ltd. (中國移動通信集團有限公司) as project manager of the support and maintenance center of its management information system department and as deputy general manager of its cloud computing center. From January 2018 to January 2022, Mr. Wang served as executive director and chief representative at the Beijing representative office of China Merchants Innovation Investment Management Co., Ltd. (招商局創新投資管理有限公司). Since February 2022, Mr. Wang served as director of the investment and corporate development department at Ant Group (螞蟻集團).

Mr. Wang obtained a bachelor's degree in communications engineering from in July 2005 and a master's degree in communications and information system in July 2007 from Beijing Institute of Technology (北京理工大學) in the PRC.

Independent Non-executive Directors

Dr. Yang Qiang (楊強), aged 63, is our independent non-executive Director. He is primarily responsible for providing independent advice to our Board.

Dr. Yang served as assistant and associate professor with tenure at the University of Waterloo in Canada from September 1989 to August 1995. He was associate professor and later tenured professor at Simon Fraser University in Canada from September 1995 to September 2004, during which period he was also the NSERC Industry Chair Professor. From August 2001 to June 2012, Dr. Yang was associate professor and later tenured professor at the Hong Kong University of Science and Technology. He was the founding director of the Noah's Ark Laboratory of Huawei from June 2012 to October 2014. He served as dean of the Department of Computer Science and Engineering and New Bright Chair Professor of Engineering at the Hong Kong University of Science and Technology from November 2014 to February 2018.

Dr. Yang co-founded and served as director at 4Paradigm Inc. (第四範式集團股份有限公司) since November 2016, a company listed on the Stock Exchange (stock code: 6682). He served as an independent

non-executive director of WeBank Co., Ltd. (深圳前海微衆銀行股份有限公司) from December 2016 to April 2018 and as chief artificial intelligence officer. Since May 2018, Dr. Yang has also served as an independent non-executive director of China Mobile Limited (中國移動有限公司), a company listed on the Stock Exchange (stock code: 941) and Shanghai Stock Exchange (stock code: 600941).

Dr. Yang has been chair professor of artificial intelligence in the Department of Data Science and Artificial Intelligence and chief artificial intelligence officer at the Hong Kong Polytechnic University, a fellow of the Institute of Advanced Studies of Lingnan University in Hong Kong and Chair Professor at The Hong Kong University of Science and Technology (Guangzhou).

Dr. Yang obtained a bachelor's degree in astrophysics from Peking University in the PRC in July 1982 and master's degrees in astrophysics and computer science in July 1985 and July 1987, respectively, and a Ph.D. degree in computer science, specializing in artificial intelligence, in July 1989, from the University of Maryland in the United States.

Dr. Yang is a fellow of the Institute of Electrical and Electronics Engineers (IEEE), the American Association for the Advancement of Science (AAAS), the International Association for Pattern Recognition (IAPR), the Association for Computing Machinery (ACM) and the Chinese Association for Artificial Intelligence (CAAI). He was the first Chinese fellow of the Association for the Advancement of Artificial Intelligence (AAAI) in 2013. Dr. Yang has also been a fellow of the Royal Society of Canada (RSC) and the Canadian Academy of Engineering (CAE) in 2021.

Mr. Xie Deren (謝德仁), aged 53, is our independent non-executive Director. He is primarily responsible for providing independent advice to our Board.

Mr. Xie successively served as a lecturer and an associate professor and served as a professor since December 2005 at the School of Economics and Management, Tsinghua University (清華大學經濟管理學院). Mr. Xie is now a council member of Accounting Society of China (中國會計學會) and the vice Chairman of Enterprise Accounting Standards Committee of Accounting Society of China. He became a member of the 17th Issuance Review Committee of the China Securities Regulatory Commission (中國證監會發行審核委員會) in September 2017. He had been a member of the First, Second and Third Advisory Committee for Enterprises Accounting Standards of the Ministry of Finance (財政部) from July 2016 to August 2023. Mr. Xie is a member of the Auditing Standards Committee of the Chinese Institute of Certified Public Accountants since December 2023.

Mr. Xie has been serving as an independent non-executive director and the chairman of the audit committee and remuneration committee of HengTai Securities Co., Ltd. (恒泰證券股份有限公司), a company listed on the Stock Exchange (stock code: 1476) from January 2020 to September 2023; an independent non-executive director, the chairman of audit committee and a member of remuneration committee of Xiamen Bank Co., Ltd. (廈門銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601187) since March 2021; an independent non-executive director, the chairman of audit committee and a member of remuneration committee of Beijing Jingwei Hirain Technologies Co., Ltd. (北京經緯恒潤科技股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 688326) since October 2020; an independent non-executive director, the chairman of audit committee and a member of remuneration committee of Liaoning Chengda Co., Ltd. (遼寧成大股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 600739) from August 2021 to January 2022; an independent non-executive director and the chairman of the audit committee and a member of remuneration committee of AInnovation Technology Group Co., Ltd. (創新奇智科技集團股份有限公司), a company listed on the Stock Exchange (stock code: 2121) since May 2021; and director of China Electronics Engineering Design Institute Co., Ltd. (中國電子工程設計院股份有限公司).

Mr. Xie obtained his bachelor's degree and Ph.D. degree in accounting from Xiamen University (廈門大學) in the PRC in July 1993 and July 1998, respectively.

Mr. Tang Ying (唐穎), aged 48, is our independent non-executive Director. He is primarily responsible for providing independent advice to our Board.

From August 1998, Mr. Tang served at Roland Berger International Management Consulting (Shanghai) Co., Ltd. (羅蘭貝格國際管理諮詢(上海)有限公司), where he held several senior management positions and was appointed a Global Principal in 2005, specializing in the automotive industry practice. From 2006 to 2008, he served as executive vice president for global strategy and business operations at Tiens Group (天獅集團).

In 2011, Mr. Tang founded and served as executive director at iFORCE Beijing Interactive Co., Ltd. (北京百孚思廣告有限公司), which was wholly acquired in 2015 by Zhewen Interactive Group Co., Ltd. (浙文互聯集團股份有限公司) (formerly known as KEDA Group Co., Ltd. (科達集團股份有限公司)), a company listed on the Shanghai Stock Exchange (stock code: 600986), and became the core digital marketing company within the Zhewen Interactive Group Co., Ltd. group. Mr. Tang served in Zhewen Interactive Group Co., Ltd. as vice general manager since June 2016, as general manager from December 2016 to July 2017, as director in July 2017, vice chairman from December 2018 to November 2020, and as chairman and chief executive officer from November 2020 to June 2025. Mr. Tang has continued to serve as director at Zhewen Interactive Group Co., Ltd. since June 2025. Since March 2025, Mr. Tang has also served as director at Juewei Foods Co., Ltd. (絕味食品股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603517).

Mr. Tang obtained a bachelor's degree in economics from Shanghai Jiao Tong University in the PRC in July 1999 and an executive master's degree in business administration (EMBA) from the Cheung Kong Graduate School of Business (CKGSB) in the PRC in 2012. Mr. Tang also completed the CEO Program and Business Scholars Program (DBA) from CKGSB and the Global Finance GFD Program at Tsinghua University.

General Confirmations

Save as disclosed above, each of our Directors has confirmed that he/she has no other relationship with any other Directors, Supervisor and senior management of our Company and none of our Directors, Supervisors or senior management has held any other directorships in listed companies during the three years immediately preceding the date of this document.

Save as disclosed above, to the best knowledge of our Directors, there are no other matters relating to the appointment of our Directors and Supervisor that need to be brought to the attention of our Shareholders and there is no other information in relation to our Directors and Supervisor which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Each of our Directors has confirmed that he/she obtained legal advice on June 24, 2025 with regard to the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange as set out in Rule 3.09D of the Listing Rules and he/she understood his/her obligations as a director of a listed issuer.

Each of our independent non-executive Directors has confirmed his independence with regards to each of the factors as set out in Rule 3.13(1) to (8) of the Listing Rules and that there are no other factors that may affect his independence at the time of his appointment.

SUPERVISOR

As of the Latest Practicable Date, we had one Supervisor. In accordance with the applicable PRC laws and regulation, the Supervisor will resign as Supervisor of the Company with effect from the completion of **[REDACTED]**, and our Company will no longer have any Supervisor. The table below sets out the key information of our Supervisor:

Name	Age	Date of joining our Group	Date of appointment as Supervisor	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors and senior management
Mr. Pei Bo (裴博)	24	July 1, 2024	March 26, 2025	Supervisor	Responsible for monitoring the performance of the Directors and senior management	None

Mr. Pei Bo (裴博), aged 24, was appointed as our Supervisor in March 2025. He is primarily responsible for monitoring the performance of the Directors and senior management.

Mr. Pei obtained bachelor's degree in law in June 2024 from Tsinghua University in the PRC. He holds a PRC Legal Professional Qualification Certificate (法律職業資格證書).

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The table below sets out the key information of our senior management:

Name	Age	Date of joining our Group	Date of appointment as senior management	Existing position(s) in our Group	Roles and responsibilities	Relationship with other Directors, Supervisor and senior management
Dr. Zhang Peng (張鵬)	46	June 11, 2019	January 1, 2024	Co-founder, executive Director, chief executive officer and general manager	Responsible for the business development, R&D and the daily operations and management of our Group	Party acting in concert with Dr. Liu and Dr. Li
Mr. Wang Shaolan (王紹蘭)	52	June 11, 2019	July 1, 2019	Co-founder and deputy general manager	Responsible for the business development, financing and the daily operations and management of our Group	None
Mr. Xiao Lei (肖磊)	37	October 30, 2025	December 18, 2025	Board secretary	Responsible for the corporate governance and financing operations of our Group	None

Dr. Zhang Peng (張鵬), aged 46 is our co-founder, executive Director, chief executive officer and general manager. See "—Directors—Executive Directors" above for his biographical details.

Mr. Wang Shaolan (王紹蘭), aged 52, is our co-founder and deputy general manager. He is mainly responsible for the business development, financing and the daily operations and management of our Group.

Mr. Wang has nearly more than 20 years of experience in the technology industry. From August 2001 to May 2012, he worked at Beijing O2Micro Microelectronics Development Co., Ltd. (北京凹凸微系電子開發有限公司). From July 2012 to June 2013, he worked at Nebula Sunac (Beijing) Technology Co., Ltd. (星雲融創(北京)科技有限公司). From July 2013 to December 2017, he served as chief executive officer at Wankang Century Technology (Beijing) Co., Ltd. (萬康世紀科技(北京)有限公司). From March 2018 to June 2019, he worked at Tsinghua University.

Mr. Wang obtained a master's degree in electronics and electronical drive from Anhui University of Technology (安徽工業大學) in the PRC in June 1999.

Mr. Xiao Lei (肖磊), aged 37, is our board secretary. He is mainly responsible for the corporate governance and financing operations of our Group.

Mr. Xiao served as a legal consultant of COFCO Land Management Co, Ltd. (中糧置地管理有限公司) from August 2012 to August 2014. Mr. Xiao held several positions, including the deputy general manager and general manager of the legal department, secretary to the board, general manager of the investment banking department and deputy general manager of Shoutai Jinxin (Beijing) Equity Investment Fund Management Co., Ltd. (首泰金信（北京）股權投資基金管理股份有限公司) from May 2014 to January 2020. Mr. Xiao served as director of finance and investment, joint company secretary, board secretary, chief financial officer and vice president of AInnovation Technology Group Co., Ltd (創新奇智科技集團股份有限公司), a company listed on the Stock Exchange (stock code: 2121). He served as vice president of Shanghai Soybean Network Technology Co., Ltd. (上海黃豆網絡科技有限公司) from February 2024 to October 2025.

Mr. Xiao obtained his bachelor's degree in law from China University of Political Science and Law (中國政法大學) in the PRC in July 2009 and his master's degree in civil and commercial law from China University of Political Science and Law in June 2012.

COMPANY SECRETARY

Mr. Cheng Ching Kit (鄭程傑) was appointed as our company secretary in June 2025.

Mr. Cheng Ching Kit is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services, and has over 12 years of experience in corporate secretarial field. He is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Mr. Cheng holds a Bachelor of Commerce degree in finance from the University of Queensland, Australia and a Master of Laws degree in Chinese law from the University of Hong Kong.

BOARD COMMITTEES

Our Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG and Strategy Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group's activities.

Audit Committee

We have established the Audit Committee pursuant to Rule 3.21 of the Listing Rules with written terms of reference in compliance with paragraph D.3 of Part 2 of the Corporate Governance Code as set out in

Appendix C1 to the Listing Rules (the "CG Code"). The Audit Committee consists of Mr. Xie Deren, Dr. Yang Qiang and Dr. Li Juanzi. Mr. Xie Deren is the chairperson of the Audit Committee and has the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are (i) reviewing annually the performance of external auditors and making recommendations to the board on their appointment, reappointment, removal, fees and terms; (ii) acting as liaison between the Company, the internal audit department and external auditors and assessing the independence of external auditors and effectiveness of audit procedures; (iii) establishing policies for engaging external auditors for non-audit services and ensuring such services do not affect independence of external auditors and that the external auditors are qualified to provide non-audit services; (iv) reviewing accounting policies, financial status, reporting procedures, internal controls and financial statements; (v) communicating with the Board, management and both internal and external auditors and meet with external auditors without executive directors present to discuss important and exceptional items in company reports and accounts at least biannually; (vi) examining the Company's financial policies, internal control systems and risk management and making recommendations for improvement; and (vii) performing other duties and responsibilities as assigned by our Board and/or required by applicable laws and regulations (including the Listing Rules) from time to time.

Remuneration Committee

We have established the Remuneration Committee pursuant to Rule 3.25 of the Listing Rules with written terms of reference in compliance with paragraph E.1 of Part 2 of the CG Code. The Remuneration Committee consists of Mr. Tang Ying, Dr. Liu Debing and Mr. Xie Deren. Mr. Tang Ying is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee are (i) formulating remuneration policies for Directors and senior management based on their duties, time commitment, responsibilities and remuneration in comparable companies; (ii) reviewing and approving remuneration proposals based on policies and objectives set by the Board; (iii) evaluating the performance of Directors and senior management annually and submitting bonus proposals for Board approval; (iv) supervising the implementation of remuneration policies; (v) advising the Board on remuneration of Directors and senior management, including non-monetary benefits, pensions and compensation for loss or termination of office, and preparing proposals on remuneration of non-executive Directors; (vi) consulting the chairman of the Board or general manager and obtaining independent advice as needed when setting remuneration for executive Directors; (vii) reviewing and approving compensation for loss or termination of office to ensure consistency with contract terms and fairness; (viii) overseeing arrangements for compensation for loss of office resulting from misconduct or dismissal; (ix) ensuring that no Director or their associates are involved in deciding their own remuneration and that remuneration of non-executive directors who serve on the Remuneration Committee is determined by other members; (x) reviewing employee incentive schemes and Directors' service contracts; and (xi) performing other duties and responsibilities as assigned by our Board and/or required by applicable laws and regulations (including the Listing Rules) from time to time.

Nomination Committee

We have established the Nomination Committee pursuant to Rule 3.27A of the Listing Rules with written terms of reference in compliance with paragraph B.3 of Part 2 of the CG Code. The Nomination Committee consists of Dr. Yang Qiang, Mr. Tang Ying and Dr. Li Juanzi. Dr. Yang Qiang is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are: (i) developing selection criteria and procedures for Directors and senior management based on factors such as cultural background, educational history and professional experience, and making recommendations to the Board; (ii) identifying and nominating

qualified candidates for directorships, examining the suitability of nominees and providing recommendations to the Board; (iii) searching for and assessing qualified candidates for senior management and proposing appointments to the Board; (iv) evaluating the independence of independent non-executive Directors; (v) reviewing the Board's structure, size and composition at least annually, assessing skills, knowledge and experience and recommending changes based on company strategy, and nominating members to Board committees for Board approval; (vi) advising the Board on Director appointments, reappointments and succession planning, especially chair and general manager; (vii) establishing, maintaining and updating a reserve list of candidates for Directors and senior management to ensure business continuity; (viii) evaluating the performance of Directors and based on such evaluation results, recommending changes and reappointments, including the chair and chief executive officer; (ix) formulating and reviewing the Board diversity policy, monitoring progress towards diversity objectives and disclosing the policy or its summary in the Company's annual report as appropriate; and (x) performing other duties and responsibilities as assigned by our Board and/or required by applicable laws and regulations (including the Listing Rules) from time to time.

ESG and Strategy Committee

We have established the ESG and Strategy Committee. The ESG and Strategy Committee consists of Dr. Liu Debing, Dr. Li Juanzi and Dr. Yang Qiang. Dr. Li Juanzi is the chairperson of the ESG and Strategy Committee.

The primary duties of the ESG and Strategy Committee are (i) overseeing the Company's business operations; (ii) researching and monitoring domestic and international industry developments and relevant policies; (iii) reviewing and considering the Company's strategic development plans and making recommendations to the Board; (iv) providing advice and recommendations on major capital operations, key investment and financing decision and material business reforms; (v) conducting research and providing advice and support in relation to the Company's ESG management, including but not limited to ESG goals, objectives, policies and material ESG risks; and (vi) performing such other duties as may be required under applicable laws and regulations (including the Listing Rules) and as delegated by the Board from time to time.

BOARD DIVERSITY POLICY

Our Board has adopted a board diversity policy ("Board Diversity Policy"), which sets out the approach to achieve diversity on our Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in supporting the attainment of our Company's strategic objectives and sustainable development. Our Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time. All Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard to the benefits of diversity on our Board.

Our Board has a balanced mix of knowledge, skills and experience, including but without limitation to computer science, artificial intelligence research, business management, investment, accounting, consulting and marketing. Members of our Board have obtained degrees in various majors including computer science, engineering, economics and business administration. We have three independent non-executive Directors from different backgrounds, including artificial intelligence research and management, accounting, consulting and marketing.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. Our Board currently comprises two female Directors and seven male Directors and expects to

continue to maintain an appropriate gender mix in the Board upon **[REDACTED]**. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our Board Diversity Policy provides that our Board should not be a single gender board. We will also ensure that there is gender diversity when recruiting staff at mid- to senior- level so that we will have a pipeline of senior management and potential successors to our Board going forward to achieve and maintain gender diversity. It is our objective to maintain an appropriate balance of gender diversity with reference to the expectations of stakeholders and international and local recommended best practices.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After **[REDACTED]**, our Nomination Committee will review our Board Diversity Policy and its implementation from time to time to monitor its continued effectiveness and we will disclose the implementation of our Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the CG Code and the relevant Listing Rules after the **[REDACTED]**.

COMPENSATION OF DIRECTORS, SUPERVISOR AND SENIOR MANAGEMENT

Our Directors, Supervisor and members of our senior management receive compensation from our Group in the form of fees, salaries and other benefits and contribution to pension scheme.

The aggregate remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments) paid or payable to our Directors and Supervisor for the three years ended December 31, 2024 and the six months ended June 30, 2025 was approximately RMB5.0 million, RMB6.0 million, RMB11.5 million and RMB43.4 million, respectively. Save as disclosed above, no amounts have been paid or are payable by any member of our Group to our Directors or Supervisor for the three years ended December 31 2024.

The aggregate amount of salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and share-based payments paid or payable to our five highest paid individuals (excluding Directors) in respect of the three years ended December 31, 2024 and the six months ended June 30, 2025 was approximately RMB2.0 million, RMB12.4 million, RMB30.8 million and RMB55.5 million, respectively.

No remuneration was paid by us to our Directors, Supervisor or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of the three years ended December 31, 2024 and the six months ended June 30, 2025. Further, none of our Directors or Supervisor had waived or agreed to waive any remuneration during the same periods.

Under the arrangement currently in force, the aggregate remuneration (including salaries, allowances, benefits in kind, discretionary bonuses, retirement scheme contributions and excluding share-based payments) of our Directors and Supervisor for the year ending December 31, 2025 is estimated to be approximately RMB9.0 million.

Our Board will review and determine the remuneration and compensation packages of our Directors, Supervisor and senior management and will, following the **[REDACTED]**, receive recommendation from the Remuneration Committee, which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

EMPLOYEE INCENTIVE SCHEMES

For further details of our Employee Incentive Schemes, See "Appendix VI—Statutory and General Information—D. Employee Incentive Schemes" for details.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Each of our Directors confirms that, as of the Latest Practicable Date, he/she did not have any interest in any business which competes or is likely to compete directly or indirectly with our business and requires disclosure under Rule 8.10 of the Listing Rules.

COMPLIANCE ADVISOR

We have appointed Maxa Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular and financial report;
- where a transaction, which might be notifiable or connected transaction under the Listing Rules, is contemplated, including shares issues, sales and transfers of treasury shares and share repurchases;
- where our Company proposes to use the **[REDACTED]** from the **[REDACTED]** in a manner different from that detailed in this **[REDACTED]** or where our business activities, developments or results deviate from any forecast, estimate or other information in this **[REDACTED]**; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our H Shares under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the **[REDACTED]** and end on the date on which our Company distribute our annual report in respect of our financial results for the first full financial year commencing after the **[REDACTED]**.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng, by virtue of the Concert Party Agreement entered into among them, were collectively interested in approximately 33.03% of the Shares. Accordingly, they are our group of Controlling Shareholders under the Listing Rules. See "History, Development and Corporate Structure—Concert Party Arrangement and Our Controlling Shareholders" for further details.

Immediately following the completion the **[REDACTED]**, our Controlling Shareholders will in aggregate hold approximately **[REDACTED]**% of the Shares (assuming the **[REDACTED]** is not exercised). Accordingly, upon **[REDACTED]**, they will remain as our group of Controlling Shareholders as defined under the Listing Rules.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, each of our Controlling Shareholders had confirmed that none of them had any interest in any business, other than our business, which competes or is likely to compete, either directly or indirectly, with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE CLOSE ASSOCIATES

We believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (other than the Group) after the **[REDACTED]** for the following reasons:

Management Independence

Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Dr. Liu is our co-founder, executive Director and the chairman of our Board responsible for the strategic planning, business direction, daily operations and overall management of our Group. Dr. Zhang is our co-founder, executive Director, chief executive officer and general manager responsible for the business development, R&D and the daily operations and management of our Group. With the support of our experienced management team, Dr. Liu and Dr. Zhang are expected to continuously devote a sufficient portion of their time to the day-to-day operations of our Group upon **[REDACTED]**. Dr. Li is our co-founder and a non-executive Director, primarily responsible for providing guidance for the strategy and business development of our Group. Dr. Li, as a non-executive Director, is not involved in the management of our day-to-day operations.

Each of our Directors 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 best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is an actual or potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Our Board comprises nine Directors, including three independent non-executive Directors, which represent one-third of the members of our Board. Our independent non-executive Directors have extensive experience in corporate management and governance, and they are appointed to ensure that our Board will only make decisions after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review.

We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders that would support our independent management. For details, see "Corporate Governance Measures" in this section.

Based on the reasons above, our Directors are of the view that our Group is capable of our business independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Operational Independence

We have full rights to make all decisions on, and carry on our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the **[REDACTED]**. Our Group is able to operate without reliance on our Controlling Shareholders and their respective close associates.

We have independent access to our customers, suppliers as well as our business partners. Our customer, supplier and business partner bases are diversified and unrelated to our Controlling Shareholders and their respective close associates. We also possess the relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses independently.

We have full-time management team and staff to carry out our own administration and operation independently from our Controlling Shareholders and their respective close associates. All key administrative functions (including administration, finance, internal audit, human resources, legal and compliance and company secretarial functions) have been and will be carried out by our own without reliance on our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, all of our full-time employees were independent from our Controlling Shareholders and their respective close associates and were primarily recruited through both internal referrals and external sources, such as campus recruitment, recruitment websites and third-party recruiters.

Based on the reasons above, our Directors are of the view that we have full rights to make all decisions on and to carry out our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the **[REDACTED]**.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging financial management, accounting, reporting, funding and treasury functions. We maintain bank accounts independently and do not share any bank account with our Controlling Shareholders. We are capable of obtaining financing from third parties, if necessary, without reliance our Controlling Shareholders and their respective close associates. We also received a series of Pre-**[REDACTED]** Investments from third-party investors independently in the past. See "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments" for further details of our Pre-**[REDACTED]** Investments.

As of the Latest Practicable Date, we did not have any outstanding loans granted or guaranteed by any of our Controlling Shareholders or their respective close associates to us.

Based on the above, our Directors believe that we are able to maintain financial independence and would not place undue reliance on our Controlling Shareholders or their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We will adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) as part of our preparation for the **[REDACTED]**, we have amended our Articles of Association to comply with the Listing Rules which will take effect upon **[REDACTED]**. According to our Articles of

Association, Directors shall avoid any conflict of interest between themselves and the Company and shall not improperly use their position to benefit themselves. In particular, our Articles of Association provide that, in reviewing a connected transaction or related party transaction, the connected or related Director shall make appropriate disclosure to the Borad and shall not vote on the resolution, and the Director shall not be counted in the quorum present at the meeting;

(b) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We have appointed three independent non-executive Directors and believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders. For details of our independent non-executive Directors, see "Directors, Supervisor and Senior Management—Board of Directors—Independent non-executive Directors" in this document;

(c) we have appointed Maxa Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, 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;

(d) our Company has established internal control mechanisms to identify connected transactions. Upon and after the **[REDACTED]**, if our Company enters into connected transactions (if any) with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules; and

(e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

Based on the above, our Directors believe that there are sufficient and adequate corporate governance measures in place to manage any existing and potential conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** and assuming the **[REDACTED]** is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

			As of the Latest Practicable Date taking into account the Share Subdivision		Immediately following the completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised)	
Name of Shareholder	**Type of Shares to be held upon [REDACTED]**	**Nature of Interest**	**Number of Shares[1]**	**Approximate percentage in the total issued Shares**	**Number of Shares[1]**	**Approximate percentage of shareholding in the relevant type of Shares**
Beijing Lianpai	Unlisted Shares	Beneficial interest	34,038,390	8.45%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	99,005,840	24.58%	**[REDACTED]**	**[REDACTED]**
Dr. Liu	Unlisted Shares	Beneficial interest	925,150	0.23%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	132,119,080	32.80%	**[REDACTED]**	**[REDACTED]**
Dr. Tang	Unlisted Shares	Beneficial interest	26,835,330	6.66%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	106,208,900	26.37%	**[REDACTED]**	**[REDACTED]**
Dr. Li	Unlisted Shares	Beneficial interest	3,367,760	0.84%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	129,676,470	32.19%	**[REDACTED]**	**[REDACTED]**
Dr. Xu	Unlisted Shares	Beneficial interest	799,040	0.20%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	132,245,190	32.83%	**[REDACTED]**	**[REDACTED]**
Dr. Zhang	Unlisted Shares	Beneficial interest	399,520	0.10%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	132,644,710	32.93%	**[REDACTED]**	**[REDACTED]**
Huihui	Unlisted Shares	Beneficial interest	39,482,710	9.80%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	93,561,520	23.23%	**[REDACTED]**	**[REDACTED]**
Zhideng	Unlisted Shares	Beneficial interest	27,196,330	6.75%	**[REDACTED]**	**[REDACTED]**
	Unlisted Shares	Interests held jointly with another person[2]	105,847,900	26.28%	**[REDACTED]**	**[REDACTED]**

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Type of Shares to be held upon [REDACTED]	Nature of Interest	As of the Latest Practicable Date taking into account the Share Subdivision		Immediately following the completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised)	
			Number of Shares[1]	Approximate percentage in the total issued Shares	Number of Shares[1]	Approximate percentage of shareholding in the relevant type of Shares
Mr. Chen Hao[3]	Unlisted Shares	Interest in controlled corporation	27,109,120	6.73%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Junqi Jiarui[3]	Unlisted Shares	Interest in controlled corporation	27,109,120	6.73%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Juncheng Hezhong[3]	Unlisted Shares	Interest in controlled corporation	27,109,120	6.73%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
LCM[3]	Unlisted Shares	Interest in controlled corporation	27,109,120	6.73%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Lhasa Junqi[3]	Unlisted Shares	Interest in controlled corporation	27,109,120	6.73%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Junlian Xiangdao[3]	Unlisted Shares	Beneficial interest	18,667,750	4.63%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Meituan[4]	Unlisted Shares	Interest in controlled corporation	17,217,310	4.27%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Tianjin Sankuai[4]	Unlisted Shares	Beneficial interest	17,217,310	4.27%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Ant Group[5]	Unlisted Shares	Interest in controlled corporation	16,084,740	3.99%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Tsinghua Asset Management[6]	Unlisted Shares	Interest in controlled corporation	15,534,390	3.86%	**[REDACTED]**	**[REDACTED]**
Tsinghua Technology[6]	Unlisted Shares	Beneficial interest	15,534,390	3.86%	**[REDACTED]**	**[REDACTED]**
Xu Xin[7]	Unlisted Shares	Interest in controlled corporation	11,349,910	2.82%	**[REDACTED]**	**[REDACTED]**

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Type of Shares to be held upon [REDACTED]	Nature of Interest	As of the Latest Practicable Date taking into account the Share Subdivision		Immediately following the completion of the Share Subdivision and the [REDACTED] (assuming the [REDACTED] is not exercised)	
			Number of Shares(1)	Approximate percentage in the total issued Shares	Number of Shares(1)	Approximate percentage of shareholding in the relevant type of Shares
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Capital Today Evergreen GenPar Ltd.(7)	Unlisted Shares	Interest in controlled corporation	11,349,910	2.82%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Capital Today Evergreen Fund, L.P.(7)	Unlisted Shares	Interest in controlled corporation	11,349,910	2.82%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**
Trend Mega(7)	Unlisted Shares	Beneficial interest	11,349,910	2.82%	**[REDACTED]**	**[REDACTED]**
	H Shares		—	—	**[REDACTED]**	**[REDACTED]**

Notes:

(1) All interests stated are long positions.

(2) Pursuant to the Concert Party Agreement, Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng confirmed and agreed that, during the period in which any party directly or indirectly holds or controls any shares of the Company, they will act in concert when exercising their shareholder rights as Shareholders of the Company. Therefore, under the SFO, each of Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng is deemed to be interested in the Shares held by each other.

(3) Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業(有限合夥)) ("Junlian Xiangdao") is owned as to approximately 1.18% by its general partner, Lhasa Junqi Enterprise Management Co., Ltd. (拉薩君祺企業管理有限公司) ("Lhasa Junqi"), which is wholly owned by Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司) ("LCM"). LCM is owned as to 80.00% by Beijing Juncheng Hezhong Investment Management Partnership (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)) ("Juncheng Hezhong"). Juncheng Hezhong is controlled by its general partner Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司) ("Junqi Jiarui"), which is owned by Mr. Chen Hao (陳浩) as to 40% and none of the other shareholders holds 30% or more interest therein. Junlian Jinfan Venture Capital Partnership (Limited Partnership) (蘇州君聯錦帆創業投資合夥企業(有限合夥)) ("Junlian Jinfan") is owned as to approximately 1.40% by its general partner, Lhasa Junqi. Social Security Zhongguancun Innovation Investment Fund (Beijing) Partnership (Limited Partnership) (社保基金中關村自主創新投資基金(北京) 合夥企業(有限合夥)) ("Social Security Zhongguancun Innovation Fund") is owned as to approximately 1.96% by Beijing Jun Chuang Li Xin Venture Capital Partnership (Limited Partnership) (北京君創勵新創業投資合夥企業(有限合夥)) as its general partner, in which Lhasa Junqi holds 50% partnership interest as the general partner. Therefore, under the SFO, each of Mr. Chen Hao, Junqi Jiarui, Juncheng Hezhong, LCM and Lhasa Junqi is deemed to be interested in the Shares held by Junlian Xiangdao, Junlian Jinfan and Social Security Zhongguancun Innovation Fund.

(4) Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司) ("Tianjin Sankuai") is wholly owned by Meituan (美团), the Class B Shares of which are listed on the Main Board of the Stock Exchange (stock codes: 3690 (HKD counter) and 83690 (RMB counter)). Therefore, under the SFO, Meituan is deemed to be interested in the Shares held by Tianjin Sankuai.

(5) Shanghai Yunya Enterprise Management Consulting Co., Ltd. (上海雲玡企業管理諮詢有限公司) ("Shanghai Yunya") is wholly owned by Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) ("Ant Group"). Shanghai Feiya Technology Co., Ltd. (上海飛玡科

技有限公司) ("Shanghai Feiya") is wholly owned by Ant Unicorn Fund, L.P., an exempted limited partnership registered in the Cayman Islands, and managed by its general partner, Ant Unicorn Ltd., an indirect wholly owned subsidiary of Ant Group. Therefore, under the SFO, Ant Group is deemed to be interested in the Shares held by Shanghai Yunya and Shanghai Feiya.

(6) Tsinghua Control Technology Transfer Co., Ltd. (華控技術轉移有限公司) ("Tsinghua Technology") is wholly owned by Tsinghua University Asset Management Co., Ltd. (清華大學資產管理有限公司) ("Tsinghua Asset Management"), which is in turn wholly owned by Tsinghua University. Therefore, Tsinghua Asset Management is deemed to be interested in the Shares held by Tsinghua Technology.

(7) Trend Mega Limited ("Trend Mega") is owned as to approximately 99.75% by Capital Today Evergreen Fund, L.P., which is controlled by its general partner, Capital Today Evergreen GenPar Ltd., a wholly owned subsidiary of Xu Xin.

Saved as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and the Conversion of Unlisted Shares into H Shares, have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, 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.

As of the Latest Practicable Date, the registered share capital of our Company was RMB40,281,069 divided into 40,281,069 Unlisted Shares, with a nominal value of RMB1.00 each.

Immediately prior to the **[REDACTED]**, the ordinary shares of the Company will be split on a one for ten basis, and the registered share capital of our Company will be RMB40,281,069, comprising 402,810,690 Unlisted Shares in issue of nominal value RMB0.10 each.

Immediately after the completion of the Share Subdivision, the Conversion of Unlisted Shares into H Shares and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the share capital of our Company will be as follows:

Number of Shares	Description of Shares	Approximate percentage of total issued share capital
[REDACTED]	Unlisted Shares	**[REDACTED]**
[REDACTED]	H Shares to be converted from Unlisted Shares	**[REDACTED]**
[REDACTED]	H Shares to be **[REDACTED]** under the **[REDACTED]**	**[REDACTED]**
[REDACTED]		100.00%

Immediately after the completion of the Share Subdivision, the Conversion of Unlisted Shares into H Shares and the **[REDACTED]** (assuming the **[REDACTED]** is exercised in full), the share capital of our Company will be as follows:

Number of Shares	Description of Shares	Approximate percentage of total issued share capital
[REDACTED]	Unlisted Shares	**[REDACTED]**
[REDACTED]	H Shares to be converted from Unlisted Shares	**[REDACTED]**
[REDACTED]	H Shares to be **[REDACTED]** under the **[REDACTED]**	**[REDACTED]**
[REDACTED]		100.00%

SHARE CLASSES AND RANKING

Upon the completion of the **[REDACTED]** and the Conversion of Unlisted Shares into H Shares, our 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 and are regarded as the same class of Shares under the Articles of Association.

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 our certain existing shareholders the Unlisted Shares held

by whom will be converted into H Shares according to the filing with the CSRC), H Shares generally cannot be subscribed 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 dividend 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 or a combination of cash and shares.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the PRC Company Law and 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. For details of circumstances under which our Shareholders' general meetings are required, see "Appendix V—Summary of Articles of Association" in this document.

CONVERSION OF UNLISTED SHARES INTO H SHARES

Pursuant to the regulations prescribed by the securities regulatory authorities of the State Council, the Unlisted Shares may be converted into H Shares. Such converted Shares could be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares, any requisite internal approval process has been duly completed and all the filling procedures with the relevant regulatory authorities, including CSRC which requires administrative filing procedures for the conversion and trading of such converted Shares, have been obtained. In addition, such conversion and trading shall comply with the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (a) giving instructions to our **[REDACTED]** regarding relevant share certificates of the converted H Shares; and (b) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

The Conversion of Unlisted Shares into H Shares will involve an aggregate of **[REDACTED]** Unlisted Shares (taking into account the Share Subdivision) held by **[REDACTED]** existing Shareholders, representing approximately **[REDACTED]** of total issued Shares of the Company as of the Latest Practicable Date and approximately **[REDACTED]** of total issued Shares of the Company upon completion of the Conversion of Unlisted Shares into H Shares and the **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

Filing with the CSRC and Full Circulation Application

In accordance with the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) and the Overseas Listing Trial Measures announced by the CSRC, H-share listed companies which apply for the conversion of domestic shares and unlisted foreign shares into H shares for listing and circulation on the Stock Exchange shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. An H-share listed company may apply for a "Full Circulation" separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for "Full Circulation" when applying for an overseas **[REDACTED]**.

We have filed with the CSRC for, and received the filing notice from the CSRC dated December 15, 2025 in relation to the **[REDACTED]** and the conversion of **[REDACTED]** Unlisted Shares (taking into account the Share Subdivision) into H Shares on a one-for-one basis upon **[REDACTED]**.

Listing Approval by the Stock Exchange

We have applied to the Stock Exchange for the approval for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the **[REDACTED]** (including any H Shares which may be issued pursuant to the exercise of the **[REDACTED]**) and the H Shares to be converted from **[REDACTED]** Unlisted Shares (taking into account the Share Subdivision) on the Stock Exchange, which is subject to the approval by the Stock Exchange.

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

The PRC Company Law provides that in relation to the **[REDACTED]** of a company, the shares issued prior to the **[REDACTED]** shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the **[REDACTED]** shall be subject to such statutory restriction and not be transferred within a period of one year from the **[REDACTED]**. See "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments."

For details of the lock-up undertaking given pursuant to the PRC Company Law and the Listing Rules, see "History Development and Corporate Structure—Lock-up Periods" and "**[REDACTED]**."

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant rules of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (the "CSDC"), and H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in the CSDC.

GENERAL MANDATE TO ISSUE SHARES, SELL AND/OR TRANSFER TREASURY SHARES AND REPURCHASE MANDATE

Subject to the completion of the **[REDACTED]**, pursuant to the Shareholders resolutions of the Company, our Directors have been granted general unconditional mandates to allot, issue Shares, or sell and/or transfer Shares out of treasury that are held as treasury shares. See "Statutory and General Information—A. Further Information about Our Group—5. Resolutions of our Shareholders" in Appendix VI to this document for further details.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the accompanying notes included in the Accountants' Report set out in Appendix I to this document. We have prepared our financial information in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions, including the United States.

The following discussion contains forward-looking statements that reflect our current view 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 factors that we believe are appropriate under the circumstances. However, our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections headed "Forward-Looking Statements," "Risk Factors" and "Business" in this document.

OVERVIEW

We are a leading AI company in China, dedicated to developing advanced general-purpose large models. We were founded in 2019 on the bold idea of pursuing innovation toward artificial general intelligence (AGI) in China. We have solidly delivered breakthrough technology across the full spectrum of cutting-edge research and steadily scaled up its commercial application to achieve fast growth in revenue. Our models had empowered over eight thousand institutional customers as of June 30, 2025 and approximately 80 million devices as of the Latest Practicable Date. According to Frost & Sullivan, we ranked first among China's independent developers and second among all developers of general-purpose large models in terms of revenue in 2024.

As we commercialize our technology to seize the tremendous market opportunity presented by advance AI, we organize our offerings around our all-in-one MaaS platform. Through this product development and commercialization platform, we deliver intelligence to enterprise clients, developers and end customers in the most suitable, sensible and scalable way despite the great heterogeneity in computing infrastructure, devices and applications. Our MaaS platform offers flexible custom model deployment options to meet the diverse needs of businesses while maintaining efficiency, scalability and data security. We primarily offer two deployment approaches cloud-based and on-premise deployment. We achieved significant growth in revenue during the Track Record Period. In 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, our revenue was RMB57.4 million, RMB124.5 million, RMB312.4 million, RMB44.9 million and RMB190.9 million, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial conditions have been, and are expected to continue to be affected by a number of factors, including those key factors set out below:

Investment in R&D

As a leading AI company, we are committed to enhancing the capabilities of the AI models and agents in our comprehensive AI suite, innovating new ones, and improving and developing efficient and cost-effective AI services for ever more industry verticals and other use cases. To achieve this, we have prioritized in-house R&D of AI technologies since our inception. Technological leadership requires sustained substantial investment in R&D. Our research and development expenses significantly increased from RMB84.4 million in 2022 to RMB528.9 million in 2023, and further increased to RMB2,195.4 million in 2024. Our research and development expenses also increased from RMB859.2 million for the six months ended June 30, 2024 to RMB1,594.7 million for the six months ended June 30, 2025.

Going forward, we plan to continue to invest in advancing model performance and driving progress toward more advanced AI. We will also continue to attract and retain top-tier R&D professionals, as well as specialists from a wide range of disciplines. Specifically, we plan to invest around [70.0]% of our net **[REDACTED]** from the **[REDACTED]** to strengthen our research and development capabilities in general purpose large AI model. For more information, see "Future Plans and Use of **[REDACTED]**" in this document. Our ability to continuously develop and introduce new technologies that meet our customers' demands is subject

In particular, computing power is essential for AI companies, as it underpins both the training, inference, and continuous development of our models and agentic tools in our research and development activities. Our computing service fees paid to third party computing power provider necessary for our R&D activities amounted to RMB14.6 million, RMB311.7 million, RMB1,552.8 million, RMB603.2 million and RMB1,145.1 million, in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively. Controlling such costs is key to improving our operational efficiency. According to Frost & Sullivan, the future unit price of computing power is expected to decline which will help us lower both our cost of revenue and research and development expenses, supporting our efforts to reduce costs while enhancing operational effectiveness to a number of risks and uncertainties, many of which are beyond our control. For more information, see "Risk Factors—Risks Related to Our Research and Development—We have made and expect to continue to make substantial investments in R&D. If we cannot continuously invest in our R&D activities while achieving technological innovation, our business, results of operations, financial condition and prospects may be materially and adversely affected."

Expansion of Our Offerings

During the Track Record Period, we generated revenue from the provision of large model-related services through our MaaS platform, including on-premise deployment and cloud-based deployment. These services were designed to meet the diverse needs of our customers while ensuring efficiency, scalability, and data security. Our significant revenue growth during this period was driven by our continual interation and enhancement of our models and rapid market expansion.

As our services gained greater recognition and our brand presence expanded, we were able to develop and deliver services with stronger capabilities and additional functionalities for our customers. For instance, we released GLM-4-Plus (latest model of the GLM-4 series) in August 2024, which reached SOTA performance in various benchmark tests, and significantly outperformed comparable models in long-video processing and small action understanding. In addition, building upon GLM-4 series as our base model, we further developed the reflection model (GLM-Z1) and rumination model (GLM-Z1-Rumination). Reflection model and rumination model both spend additional time "deep thinking" before generating an answer, which makes them better for complex reasoning tasks. For more information, see "Business—Our Models" in this document. We believe that these enhanced capabilities will enable us to meet the needs of an even broader range of customers across more industry verticals.

Furthermore, we are also committed to continuously expanding our service portfolio across a variety of parameter scales, ensuring compatibility with a wide range of computing power and end devices. This approach enables our models to better match end devices' computational capacity and reduce hardware limitations. At the application level, we remain focused on delivering convenient, user-friendly experiences that make large model technology more accessible, enabling companies and organizations of all sizes, as well as individual users, to unlock large models' potential. Our future success largely depends on our ability to further expand our services offerings and enhance our existing ones.

Expansion of Our Customer Base

Our growth depends on our ability to expand our customer base. We have formed regional and industry-focused sales strategy, through which we penetrate, expand and maintain connections in targeted markets to serve our customers. We not only seek to work closely with industry leaders, but also to forge partnerships with entities that specialize in specific industry applications. By targeting influential and

innovative leaders in the respective industry sector, we can co-develop and deliver benchmark cases to showcase the tangible benefits and capabilities of our services. We have participated in various branding and marketing activities to reach potential customers, including in-person and online events, content marketing, partner marketing, developer outreach, search engine optimization, social media and public relations, and we adjust our marketing strategies from time to time based on our management's judgment. For the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, our selling and marketing expenses were RMB15.1 million, RMB101.2 million, RMB387.5 million, RMB144.2 million and RMB208.6 million, respectively. The increases during the Track Record Period were primarily due to the increased advertising activities and expansion of sales and marketing team, in line with our business growth.

We have a broad and diverse client base, which expanded rapidly over the Track Record Period. Our customers include enterprises, public sector entities and individual users. We target influential and innovative leaders in the respective industry sector and co-develop and deliver benchmark cases to showcase the tangible benefits and capabilities of our services. Through collaboration with established industry application providers, we integrate the core capabilities of our models into the solutions offered by these industry partners to help enhance their products and their services for end users. For more information, see "Business—Sales and Marketing—Sales" in this document.

We believe through partnerships, we would be able to extend our reach and deliver practical model capabilities and value to users across different industries and customers. Our ability to attract new customers and deepen our relationships with existing customers is a key factor to our business growth and financial conditions.

Development and Competition in China's AI Industry

We operate in the rapidly growing AI industry. Our business, financial performance, and future growth are affected by the development of this industry, including the general factors affecting the global and China's AI market, macroeconomic conditions, regulatory environment, as well as the market acceptance, adoption and demand of large models and related services. According to Frost & Sullivan, the size of the AI market in China expanded rapidly from RMB52.4 billion in 2020 to RMB160.7 billion in 2024, representing a CAGR of 32.3%.

Furthermore, the size of the AI market in China is expected to grow further to RMB993.0 billion in 2030, with a CAGR of 35.5%. According to Frost & Sullivan, by 2030, AI will empower at least 20% of daily business decision-making worldwide and enable at least 80% of consumer mainstream smart devices globally, achieving over US$20.0 trillion in value.

According to Frost & Sullivan, we were the largest independent vendor among all LLMs vendors in China by revenue in 2024. Competition within the AI market significantly influences our financial performance. We believe that our competitive advantage is derived from the scope, performance and safety of our service offerings, user experience, our R&D capabilities and our talent. However, intensified competition or an inability to sustain this advantage may adversely affect our operational performance. For more information, see "Risk Factors—Risks Related to Our Commercialization—We may not be able to compete effectively against current or future competitors."

General Factors Affecting the Industries in Which We Operate

Our business and operating results are also affected by general factors affecting the AI industry, which include:

- the overall economic conditions in markets where we operate;
- global acceptance of and demand for general-purpose large models; and
- relevant laws and regulations, governmental policies and initiatives.

Any changes in any of these general factors may have a material impact on our business operations and results of operations.

BASIS OF PRESENTATION

We were incorporated in China on June 11, 2019 as a limited liability company. In March 2025, we were converted from a limited liability company into a joint stock limited liability company.

Our historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information adopted are set out in Note 2 of the Accountants' Report in Appendix I to this document.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this historical financial information, we have consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. We have not adopted any new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning January 1, 2024 which are set out in Note 35 of the Accountants' Report in Appendix I to this document.

The historical financial information also complies with the applicable disclosure provisions of the Listing Rules.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are note readily apparent from other sources. Actual results may differ from these estimates.

Below is a summary of the accounting policies in accordance with IFRS Accounting Standards that we believe are important to the presentation of our financial results and involve the need to make estimates and judgments about the effect of matters that are inherently uncertain. We also have other policies that we consider to be key accounting policies. We do not expect such estimates and assumptions to be likely to change significantly in the future. For more information, please see Note 2 to the Accountants' Report set out in Appendix I to this document.

Material Accounting Policy Information

Revenue Recognition

We classify income as revenue when it arises from the sale of goods or the provision of services in the ordinary course of our business.

Revenue from contracts with customers

We recognize revenue when control over a product or service is transferred to the customer at the amount of promised consideration to which we expect to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

In determining whether we act as a principal or as an agent, it considers whether it obtains control of the product or service before they are transferred to the customers. Control refers to our ability to direct the use of and obtain substantially all of the remaining benefits from the product or service.

We principally engage in the provision of large model-related services, which offers on-premise deployment and cloud-based deployment.

On-premise deployment

Our on-premise deployment consists primarily of localised deployment of large models and all necessary on-site services to facilitate such deployment. We recognize revenue at the point of time when the large model and related services are delivered to the customer's designated location and accepted by the customer.

We also provide other related services such as model training and fine-tuning. We recognize revenue from these services upon the transfer of control, either over time or at a point in time, depending on the nature of the arrangements.

Cloud-based deployment

Our cloud-based deployment is provided through cloud infrastructure. We recognize revenue over the contract term. For subscription-based contract, we generally recognize revenue ratably over the contract term. For usage-based contract, we recognize revenue base on the customer's utilisation of the resources when the services are rendered to the customers.

Revenue from other sources and other income

Dividends

We recognize dividend income in profit or loss on the date on which our right to receive payment is established.

Interest income

We recognize interest income using the effective interest method. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Government grants

We recognize government grants that compensate us for expenses incurred are recognized in the statement of financial position as deferred income and are recognized as a reduction of the expenses related to the grants in profit or loss on a systematic basis in the same periods in which such expenses are incurred.

Financial instruments issued to investors

A contract that contains an obligation for the Company or the Group to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability even if the Company's or the Group's obligation to purchase is conditional on the counterparty exercising its right to redeem.

We initially recognize the financial instruments issued to investors and subsequently measure the financial instruments issued to investors at the present value of the redemption amount, which represents the settlement that would be triggered by the event with the highest settlement outcome. We recognize changes in the carrying amounts of the financial liabilities in profit or loss as "changes in carrying amounts of financial instruments issued to investors".

The carrying amounts of the financial instruments issued to investors are reclassified to share premium upon the termination of the counterparty's redemption right.

Convertible Bonds

We designated convertible bonds as financial liabilities measured at FVPL on initial recognition. Subsequent to initial recognition, the convertible bonds are carried at fair value with changes in fair value recognized in profit or loss as changes in fair value of financial instruments measured at FVPL.

Credit Losses

Credit losses from financial instruments and contract assets

We recognize a loss allowance for expected credit losses ("ECL"s) on:

- financial assets measured at amortised cost (including cash at bank and on hand, trade and other receivables, and time deposits); and
- contract assets.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, we measure credit losses as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls of trade and other receivables and contract assets are discounted using the effective interest rate determined at initial recognition or an approximation thereof if the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which we are exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

We measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, we consider reasonable and supportable information that is

relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analyses, based on our historical experience and informed credit assessment, that includes forward-looking information.

We assume that the credit risk on a financial asset has increased significantly if it is past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. We recognize an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling).

At the end of each year during the Track Record Period, we assess whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being past due;
- the restructuring of a loan or advance by us on terms that we would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when we determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

We recognize subsequent recoveries of an asset that was previously written off as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Impairment of non-current assets other than financial assets

If circumstances indicate that the carrying amount of a non-current asset other than financial assets may not be recoverable, the asset may be considered impaired and an impairment loss may be recognized in accordance with accounting policy for impairment of non-current assets to the Accountants Report. These assets are tested for impairment periodically or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to the level of revenue and amount of operating costs.

In accordance with IAS 36.12, we assess at the end of each reporting period whether there is any indication that non-current assets (other than inventories, deferred tax assets and financial assets) may be impaired. If any such indication exists, we estimate the recoverable amount of the relevant assets. Impairment tests on property and equipment, right-of-use assets, intangible assets and other non-current assets were performed at the level of cash-generating units (CGUs). In performing such tests, the carrying

amount of each CGU is compared to its recoverable amount. The recoverable amount is determined based on the estimated future cash flows, 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 assets. An impairment loss in respect of goodwill is not reversed.

In accordance with IAS 36, we performed impairment tests at the end of each period on non-current assets, primarily including property, plant and equipment, right-of-use assets, intangible assets and other non-current assets at the CGU level. The recoverable amounts of these assets exceeded their respective carrying amounts at the end of each period, therefore, no impairment loss was recognized during the Track Record Period.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following table summarizes our results of operations and as percentage of our total revenue for the years/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
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Revenue	57,409	100.0	124,538	100.0	312,414	100.0	44,909	100.0	190,877	100.0
Cost of revenue	(26,049)	(45.4)	(44,056)	(35.4)	(136,525)	(43.7)	(22,950)	(51.1)	(95,453)	(50.0)
Gross profit	31,360	54.6	80,482	64.6	175,889	56.3	21,959	48.9	95,424	50.0
Other income	1,784	3.1	9,965	8.0	19,281	6.2	4,174	9.3	4,614	2.4
Selling and marketing expenses	(15,139)	(26.4)	(101,198)	(81.3)	(387,475)	(124.0)	(144,194)	(321.1)	(208,570)	(109.3)
General and administration expenses	(32,316)	(56.3)	(66,302)	(53.2)	(133,603)	(42.8)	(51,452)	(114.6)	(185,165)	(97.0)
Research and development expenses	(84,377)	(147.0)	(528,884)	(424.7)	(2,195,436)	(702.7)	(859,217)	(1,913.2)	(1,594,661)	(835.4)
Impairment losses on financial assets	(31)	(0.1)	(19,786)	(15.9)	(17,008)	(5.4)	(763)	(1.7)	(10,867)	(5.7)
Loss from operations	**(98,719)**	**(172.0)**	**(625,723)**	**(502.4)**	**(2,538,352)**	**(812.5)**	**(1,029,493)**	**(2,292.4)**	**(1,899,225)**	**(995.0)**
Finance costs	(5,694)	(9.9)	(26,332)	(21.1)	(38,321)	(12.3)	(12,212)	(27.2)	(53,270)	(27.9)
Share of profits less losses of associates	—	—	(453)	(0.4)	21,254	6.8	324	0.7	14,147	7.4
Changes in fair value of financial instruments measured at fair value through profit or loss ("FVPL")	5,972	10.4	26,022	20.9	66,271	21.2	7,004	15.6	9,791	5.1
Changes in the carrying amounts of financial instruments issued to investors	(45,209)	(78.7)	(161,471)	(129.7)	(468,859)	(150.1)	(201,174)	(448.0)	(429,295)	(224.9)
Loss before taxation	**(143,650)**	**(250.2)**	**(787,957)**	**(632.7)**	**(2,958,007)**	**(946.8)**	**(1,235,551)**	**(2,751.2)**	**(2,357,852)**	**(1235.3)**
Income tax	—	—	—	—	—	—	—	—	—	—
Loss for the year	(143,650)	(250.2)	(787,957)	(632.7)	(2,958,007)	(946.8)	(1,235,551)	(2,751.2)	(2,357,852)	(1235.3)
Loss attributable to:										
Equity holders of the Company	(143,374)	(249.7)	(787,960)	(632.7)	(2,956,491)	(946.3)	(1,235,551)	(2,751.2)	(2,351,173)	(1,231.8)
Non-controlling interests	(276)	(0.5)	3	0.0	(1,516)	(0.5)	—	—	(6,679)	(3.5)

Non-IFRS Financial Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted loss for the year (a non-IFRS measure), as an additional financial measures which is not required by or presented in accordance with IFRS Accounting Standards. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted loss for the year (a non-IFRS measure) may not be comparable to similar measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS Accounting Standards. We define adjusted loss for the year (a non-IFRS measure) as loss for the year/period adjusted for adding back equity-settled share-based compensation expenses, changes in the carrying amount of financial instruments issued to investors, and **[REDACTED]**.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(RMB in thousands)				
				(Unaudited)	
Net loss for the year/period	(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)
Add:					
— Equity-settled share-based compensation expenses[(1)]	1,024	5,502	23,579	4,217	158,852
— Changes in the carrying amount of financial instruments issued to investors[(2)]	45,209	161,471	468,859	201,174	429,295
— **[REDACTED]**[(3)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss for the year/period (non-IFRS measure)	(97,417)	(620,984)	(2,465,569)	(1,030,160)	(1,751,974)

Notes:

(1) Equity-settled share-based compensation expenses represented share-based compensation expenses incurred in connection with our share incentive plan. Equity-settled share-based compensation expenses are not expected to result in future cash payments. The reconciling item is non-cash and does not result in cash outflow, and the adjustment has been consistently made during the Track Record Period.

(2) We adjust changes in the carrying amount of financial instruments issued to investors because it was non-cash in nature. We recognized the financial instruments at present value of financial instruments, with changes in such carrying amounts being booked in profit or loss, arising from redemption rights issued to Pre-**[REDACTED]** Investors. These redemption rights issued will be terminated and converted into equity upon the **[REDACTED]**.

(3) **[REDACTED]** represent professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**.

Revenue

During the Track Record Period, we derived our revenue from providing large model services through our MaaS platform. This platform offers customers access to a matrix of models and a suite of agentic tools with flexible deployment options, including on-premise deployment and cloud-based deployment. During the Track Record Period, we generated substantially all of our revenue from mainland China.

The following table sets forth a breakdown of revenue by segment both in absolute amount and as a percentage of our total revenue for the years/periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)						*(Unaudited)*			
On-premise deployment	54,815	95.5%	112,614	90.4%	263,930	84.5%	26,806	59.7%	161,777	84.8%
Cloud-based deployment	2,594	4.5%	11,924	9.6%	48,484	15.5%	18,103	40.3%	29,100	15.2%
Total	**57,409**	**100.0%**	**124,538**	**100.0%**	**312,414**	**100.0%**	**44,909**	**100.0%**	**190,877**	**100.0%**

On-premise deployment

On-premise deployment refers to the provision of large model services according to the customers' specific instructions and needs on the customers' infrastructure. This service is designed to meet the commercial needs of customers, such as large private enterprises and public sector entities, who have stringent requirements around data security, regulatory compliance and system customization. This approach allows customers to use our AI models in their specific domains, with the peace of mind that their sensitive data remain secure and private. Unlike our on-premise deployment, where we provide localized services at the client's designated site pursuant to detailed service agreements, our cloud-based deployment services are offered on a subscription or usage basis through cloud infrastructure. When registering for our cloud-based services, users are not required to disclose their respective industries, and we do not proactively collect or retain such information in the course of service usage. As a result, we are unable to determine the industries in which users of our cloud-based services operate.

The following table sets forth a breakdown of revenue derived from on-premise deployment by industry vertical both in absolute amount and as a percentage of our total revenue derived from on-premise deployment for the years/periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)									
Internet and technology	30,258	55.2%	76,177	67.6%	130,956	49.6%	11,598	43.3%	61,924	38.3%
Public services	19,752	36.0%	10,267	9.1%	57,967	22.0%	693	2.6%	47,533	29.4%
Telecommunications	1,504	2.7%	21,742	19.3%	42,731	16.2%	13,748	51.3%	22,045	13.6%
Traditional corporate[(1)]	2,198	4.0%	939	0.8%	26,559	10.1%	64	0.2%	18,679	11.5%
Consumer electronics	915	1.7%	241	0.2%	3,405	1.3%	42	0.2%	9,177	5.7%
Others[(2)]	188	0.4%	3,248	3.0%	2,312	0.8%	661	2.4%	2,419	1.5%
Total	**54,815**	**100.0%**	**112,614**	**100.0%**	**263,930**	**100.0%**	**26,806**	**100.0%**	**161,777**	**100.0%**

Notes:

(1) Includes financial services, manufacturing and energy sectors.
(2) Includes retail, media and consulting sectors.

Starting from 2024, our large model on-premise deployment services have generated revenue from overseas customers, primarily from customers in Southeast Asia. The following table sets forth a breakdown of revenue derived from on-premise deployment by geographical location of our customers both in absolute amount and as a percentage of our total revenue derived from on-premise deployment for the years/periods indicated.

	Years Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)									
On-premise deployment										
Mainland China	54,815	100.0%	112,614	100.0%	262,479	99.5%	26,806	100.0%	142,990	88.4%
Southeast Asia[1]	—	—	—	—	1,080	0.4%	—	—	17,927	11.1%
Hong Kong	—	—	—	—	371	0.1%	—	—	—	—
Others[2]	—	—	—	—	—	—	—	—	860	0.5%
Total	**54,815**	**100.0%**	**112,614**	**100.0%**	**263,930**	**100.0%**	**26,806**	**100.0%**	**161,777**	**100.0%**

Notes:

(1) Includes Malaysia and Singapore.
(2) Include the United States.

Cloud-based deployment

Cloud-based deployment allows customers to access our large portfolio of foundation models, agents and tools. This approach is particularly sensible for businesses seeking agility and ease of implementation.

Cloud-based deployment help accelerate our customers' AI adoption process by minimizing up-front investment and offering flexible, secure and efficient access to cutting-edge model capabilities across diverse industry use cases.

Cost of Revenue

During the Track Record Period, our cost of revenue consisted of (i) payroll cost, mainly representing the wages and benefits of service personnel involved in the deployment and maintenance of our services; (ii) computing service fee paid to providers of computing power necessary for providing our services, which includes the cost of computing power used for model training and fine-tuning prior to delivery of on-premise deployment to clients, as well as the cost of computing power used in providing services to clients through cloud-based deployment. In particular, for services provided through cloud-based deployment, our clients access and invoke our proprietary large models hosted on cloud infrastructure based on their specific needs, and each such invocation consumes computing power to process and analyze the relevant inputs and generate the corresponding outputs, resulting in computing service fees primarily representing amounts paid to third-party cloud service providers for computing resources that support the training, hosting and inference of our models; (iii) provision for warranty; (iv) depreciation and amortization; (v) technical service and consultation fees as we outsourced to third-party service providers certain standard labor intensive tasks to save costs, such as data annotation; (vi) tax and surcharges; and (vii) others.

The following table sets forth a breakdown of our cost of revenue by nature both in absolute amount and as a percentage of our total cost of revenue for the years/periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)									
							(Unaudited)			
Payroll cost	16,434	63.1%	15,375	34.9%	74,262	54.4%	10,832	47.2%	37,628	39.4%
Computing service fee	—	—	11,996	27.2%	30,173	22.1%	8,451	36.8%	35,845	37.6%
Provision for warranty	2,101	8.1%	4,522	10.3%	12,171	8.9%	1,672	7.3%	6,670	7.0%
Depreciation and amortization	1,912	7.3%	6,436	14.6%	6,769	5.0%	549	2.4%	2,074	2.2%
Technical service and consultation fees	4,553	17.5%	623	1.4%	9,126	6.7%	356	1.6%	6,165	6.5%
Taxes and surcharges	57	0.2%	1,713	3.9%	541	0.4%	361	1.6%	1,109	1.2%
Others	992	3.8%	3,391	7.7%	3,483	2.5%	729	3.1%	5,962	6.1%
Total	**26,049**	**100.0%**	**44,056**	**100.0%**	**136,525**	**100.0%**	**22,950**	**100.0%**	**95,453**	**100.0%**

The following table sets forth a breakdown of our cost of revenue by segment in absolute amount and as a percentage of our total cost of revenue for the years/periods indicated:

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)									
							(Unaudited)			
On-premise deployment	25,429	97.6%	35,833	81.3%	89,674	65.7%	10,030	43.7%	66,237	69.4%
Cloud-based deployment	620	2.4%	8,223	18.7%	46,851	34.3%	12,920	56.3%	29,216	30.6%
Total	**26,049**	**100.0%**	**44,056**	**100.0%**	**136,525**	**100.0%**	**22,950**	**100.0%**	**95,453**	**100.0%**

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin for the years/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
	(RMB in thousands, except for percentages)									
							(Unaudited)			
On-premise deployment	29,386	53.6%	76,781	68.2%	174,256	66.0%	16,776	62.6%	95,540	59.1%
Cloud-based deployment	1,974	76.1%	3,701	31.0%	1,633	3.4%	5,183	28.6%	(116)	(0.4%)
Total	**31,360**	**54.6%**	**80,482**	**64.6%**	**175,889**	**56.3%**	**21,959**	**48.9%**	**95,424**	**50.0%**

The level of our overall gross profit margin is affected by the variety of our service offerings. During the Track Record Period, our on-premise deployment had notably higher gross profit margins while our cloud-based deployment had relatively lower gross profit margins.

Specifically, on-premise deployment is typically provided to large private enterprises and public sector customers who have pressing requirements for data security, regulatory compliance, and extensive customisation. These customers are often willing and able to pay higher prices for dedicated deployment, dedicated model services and comprehensive on-site support. Cloud-based deployment enables the customers to deploy AI solutions quickly and cost effectively, without the need for costly local infrastructure.

Other Income

During the Track Record Period, our other income comprised (i) interest income from bank deposits; (ii) net (loss)/gain on disposal of property and equipment and intangible assets; and (iii) others.

The following table sets forth a breakdown of other income for the years/periods indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)			*(Unaudited)*	
Interest income	1,426	11,236	13,406	4,163	4,607
Net (loss)/gain on disposal of property and equipment and intangible assets	—	(1,539)	6,807	—	(15)
Others	358	268	(932)	11	22
Total	**1,784**	**9,965**	**19,281**	**4,174**	**4,614**

Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) computing service fees paid to third party providers for the computing power used in our research and development activities; (ii) payroll cost, mainly representing the wages and benefits of our research and development personnel, including the share-based payment expenses; (iii) depreciation and amortization; (iv) technical service and consultation fees, mainly representing fees for outsourced R&D activities, such as data cleansing, large model evaluation and other activities; and (v) others.

The following table sets forth a breakdown of research and development expenses both in absolute amount and as a percentage of our total research and development expenses for the years/periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Computing service fees	14,633	17.3%	311,746	58.9%	1,552,832	70.7%	603,237	70.2%	1,145,124	71.8%
Payroll cost	41,982	49.8%	137,296	26.0%	324,193	14.8%	107,988	12.6%	265,567	16.7%
Depreciation and amortization	14,689	17.4%	49,206	9.3%	259,038	11.8%	118,517	13.8%	123,966	7.8%
Technical service and consultation fees	11,412	13.5%	25,184	4.8%	45,036	2.1%	24,670	2.9%	52,209	3.3%
Others[(1)]	1,661	2.0%	5,452	1.0%	14,337	0.6%	4,805	0.5%	7,795	0.4%
Total	**84,377**	**100.0%**	**528,884**	**100.0%**	**2,195,436**	**100.0%**	**859,217**	**100.0%**	**1,594,661**	**100.0%**

Note:

(1) Others mainly included utilities, offices and transportation and travel expenses associated with our research and development activities.

We are committed to capitalizing on the rapid expansion of the AI industry. To achieve this goal, we have been continually updating our foundation models and investing in more advanced model training infrastructure. In parallel, we are exploring new application scenarios to increase our models' compatibility to better match end devices' computational capacity and reduce hardware limitations.

All these activities require us to run frequent and large-scale model training and retraining. We are constantly experimenting with larger models, richer datasets and more frequent iterations which need substantially more computing power from third party suppliers.

We recognize expenditure on research and development activities as research and development expenses in profit or loss when it incurred. Such expenditure is capitalized only when (i) the cost can be measured reliably, (ii) the related products and/or services are both technically and commercially feasible, (iii) there is a high probability of future economic benefits of such products and/or services, and (iv) we intend to complete the development and have sufficient resources to do so, as well as to use or sell the resulting products or services. Once capitalized, development expenditure is carried at cost, less any accumulated amortization and impairment losses. The Company did not capitalize any research and development expenses during the Track Record Period.

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses mainly represented (i) advertising and marketing expenses; (ii) payroll cost, mainly representing the wages and benefits of our sales personnel, including the share-based payment expenses; (iii) technical service and consultation fees, mainly representing outsourcing service fees, market research expenses, translation fees, bidding fees and other fees in relation to our sales and distribution activities; (iv) computing service fees paid to third party computing power providers used in our sales and promotion activities; (v) depreciation and amortization; and (vi) others.

The following table sets forth a breakdown of selling and marketing expenses both in absolute amount and as a percentage of our total selling and marketing expenses for the years/periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Advertising and marketing expenses	1,167	7.7%	54,868	54.2%	237,453	61.3%	80,713	56.0%	95,675	45.9%
Payroll cost	11,378	75.2%	30,334	30.0%	93,695	24.2%	44,493	30.9%	71,744	34.4%
Technical service and consultation fees	210	1.4%	3,767	3.7%	21,963	5.7%	9,061	6.3%	8,778	4.2%
Computing service fees	—	—	1,852	1.8%	12,840	3.3%	2,287	1.6%	20,564	9.9%
Depreciation and amortization	1,705	11.3%	5,615	5.5%	6,054	1.6%	2,956	2.1%	4,194	2.0%
Others[1]	679	4.4%	4,762	4.8%	15,470	3.9%	4,684	3.1%	7,615	3.6%
Total	**15,139**	**100.0%**	**101,198**	**100.0%**	**387,475**	**100.0%**	**144,194**	**100.0%**	**208,570**	**100.0%**

Note:

(1) Others mainly included general office expenses, transportation and travel expenses in relation to selling and marketing activities, and market research expenses.

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses consisted of (i) payroll cost, mainly representing the wages and benefits of our general and administrative personnel, including the share-based payments; (ii) professional service fees in relation to our general and administrative activities; (iii) depreciation and amortization; (iv) transportation and travel expenses in relation to our general and administrative activities; and (v) others.

The following table sets forth a breakdown of general and administrative expenses both in absolute amount and as a percentage of our total general and administrative expenses for the years/periods indicated.

	Year ended December 31,						Six Months Ended June 30,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentages)						*(Unaudited)*			
Payroll cost	20,923	64.7%	33,956	51.2%	78,369	58.7%	29,041	56.4%	124,655	67.3%
Professional service fees	2,835	8.8%	11,931	18.0%	14,845	11.1%	6,608	12.8%	28,345	15.3%
Depreciation and amortization	1,712	5.3%	7,674	11.6%	8,076	6.0%	5,656	11.0%	8,802	4.8%
Transportation and travel expenses	2,583	8.0%	3,914	5.9%	5,759	4.3%	2,559	5.0%	3,516	1.9%
Others[1]	4,263	13.2%	8,827	13.3%	26,554	19.9%	7,588	14.8%	19,847	10.7%
Total	**32,316**	**100.0%**	**66,302**	**100.0%**	**133,603**	**100.0%**	**51,452**	**100.0%**	**185,165**	**100.0%**

Note:

(1) Others mainly included utilities, offices and property management expenses associated with our general and administrative activities.

Impairment Losses on Financial Assets

Impairment losses on financial assets mainly represented provision of trade and other receivables and contract assets. We recognized impairment loss on trade and other receivables and contract assets of RMB0.03 million, RMB19.8 million, RMB17.0 million, RMB0.8 million and RMB10.9 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

Finance Costs

During the Track Record Period, our finance costs consisted of (i) interest on lease liabilities; (ii) interest on bank loans; (iii) transaction costs in relation to the financial instruments issued to investors; and (iv) foreign currency exchange loss/(gain), net. The following table sets forth a breakdown of finance costs in absolute amount for the years/period indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)			*(Unaudited)*	
Interest on lease liabilities	788	7,498	30,931	11,840	17,983
Interest on bank loans	—	—	1,716	—	1,807
Transaction costs in relation to the financial instruments issued to investors	4,906	16,488	20,119	5,185	31,975
Foreign currency exchange loss/(gain), net	—	2,346	(14,445)	(4,813)	1,505
Total	**5,694**	**26,332**	**38,321**	**12,212**	**53,270**

Share of Profits Less Losses of Associates

During the Track Record Period, our share of profits less losses of associates represented our share in the profits or losses of our associates. We recognized losses of associates of RMB0.5 million in 2023, and profits of associates of RMB21.3 million in 2024. We recognized profits of associates of RMB0.3 million and RMB14.1 million for the six months ended June 30, 2024 and 2025, respectively.

Changes in Fair Value of Financial Instruments Measured at FVPL

During the Track Record Period, our changes in fair value of financial instruments measured at FVPL represented changes in fair value of (i) our equity investment of certain unlisted entities; and (ii) our investments of wealth management products. We recognized changes in fair value of financial instruments measured at FVPL of RMB6.0 million, RMB26.0 million, RMB66.3 million, RMB7.0 million and RMB9.8 million in 2022, 2023 and 2024, and for the six months ended June 30, 2024 and 2025, respectively.

Changes in the Carrying Amount of Financial Instruments Issued to Investors

During the Track Record Period, we recognized the financial instruments issued to Pre-**[REDACTED]** Investors as financial liabilities, because they were granted redemption rights to require us to redeem all of the

instruments upon certain redemption or liquidation events. For more details, please see "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments" in this document. We expect to continue to recognize such redemption rights held by Pre-**[REDACTED]** Investors for the period from December 31, 2024 to the date when the redemption rights held by our Pre-**[REDACTED]** Investors were terminated, and we do not expect to recognize changes in the carrying amount of financial instruments issued to investors thereafter. For more details, see Note 26 of the Accountants' Report set forth in Appendix I to this document. We recognized losses in the changes in the carrying amount of financial instruments issued to investors of RMB45.2 million, RMB161.5 million, RMB468.9 million, RMB201.2 million and RMB429.3 million in 2022, 2023 and 2024 and for the six months ended June 30, 2024 and 2025, respectively.

RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our total revenue increased by 325.0%, from RMB44.9 million for the six months ended June 30, 2024 to RMB190.9 million for the six months ended June 30, 2025, in line with our overall business expansion and increase in the sales volume of both on-premise deployment and cloud-based deployment.

On-premise deployment

Our revenue derived from on-premise deployment increased by 503.5%, from RMB26.8 million for the six months ended June 30, 2024 to RMB161.8 million for the six months ended June 30, 2025 as we continued to provide more complex large model services to our customers and to extend our large model services to additional customers.

Cloud-based deployment

Our revenue derived from cloud-based deployment increased by 60.7%, from RMB18.1 million for the six months ended June 30, 2024 to RMB29.1 million for the six months ended June 30, 2025, primarily resulted from an increase in the number of customers and application scenarios of our service offerings.

Cost of Revenue

Our cost of revenue increased by 315.9%, from RMB23.0 million for the six months ended June 30, 2024 to RMB95.5 million for the six months ended June 30, 2025. The increase was in line with our business expansion and revenue growth. Specifically, the increase was primarily due to (i) an increase in computing service fees of RMB27.4 million, which was in line with our business expansion and revenue growth, (ii) an increase in technical service and consultation fees of RMB5.8 million, and (iii) an increase in payroll cost of RMB26.8 million, in line with our business expansion.

Gross Profit and Gross Profit Margin

Our gross profit increased by 334.6%, from RMB22.0 million for the six months ended June 30, 2024 to RMB95.4 million for the six months ended June 30, 2025. Our gross profit margin increased from 48.9% for the six months ended June 30, 2024 to 50.0% for the six months ended June 30, 2025.

On-premise deployment

Our gross profit for on-premise deployment increased by 469.5% from RMB16.8 million for the six months ended June 30, 2024 to RMB95.5 million for the six months ended June 30, 2025. Our gross profit margin for on-premise deployment remained relatively stable at 62.6% for the six months ended June 30, 2024 and 59.1% for the six months ended June 30, 2025.

Cloud-based deployment

Our gross profit for cloud-based deployment was RMB5.2 million for the six months ended June 30, 2024, while we recorded gross loss of RMB0.1 million for the six months ended June 30, 2025. Our gross profit margin for cloud-based deployment was 28.6% for the six months ended June 30, 2024, while we recorded gross loss margin of 0.4% for the six months ended June 30, 2025, primarily due to the decrease in price of cloud-based deployment in line with the market trend, and our strategy to rapidly gain market share with competitive price.

Other Income

Our other income increased from RMB4.2 million for the six months ended June 30, 2024 to RMB4.6 million for the six months ended June 30, 2025, mainly due to an increase in interest income of RMB0.4 million associated with our cash and cash equivalent balance.

Research and Development Expenses

Our research and development expenses increased by 85.6%, from RMB859.2 million for the six months ended June 30, 2024 to RMB1,594.7 million for the six months ended June 30, 2025, primarily due to (i) an increase in computing service fees of RMB541.9 million, paid to third party computing power providers as we devote significant efforts to iterate our foundation models, and investing in more advanced model training infrastructure; and (ii) an increase in payroll cost of RMB157.6 million, in line with our business expansion.

Selling and Marketing expenses

Our selling and marketing expenses increased by 44.6%, from RMB144.2 million for the six months ended June 30, 2024 to RMB208.6 million for the six months ended June 30, 2025, primarily due to an increase in payroll cost of RMB27.3 million, in line with our business expansion.

General and Administrative expenses

Our general and administrative expenses increased from RMB51.5 million for the six months ended June 30, 2024 to RMB185.2 million for the six months ended June 30, 2025, primarily due to an increase in payroll cost of RMB95.6 million, in line with our business expansion.

Impairment Losses on Financial Assets

Our impairment losses on financial assets increased from RMB0.8 million for the six months ended June 30, 2024 to RMB10.9 million for the six months ended June 30, 2025, primarily due to an increase in trade receivables and contract asset in line with our business expansion.

Finance Costs

Our finance costs increased from RMB12.2 million for the six months ended June 30, 2024 to RMB53.3 million for the six months ended June 30, 2025, primarily due to an increase in the transaction costs on issuance of financial instruments to investors of RMB26.8 million associated with the equity financing.

Share of Profit Less Losses of Associates

Our share of profit less losses of associates increased from RMB0.3 million for the six months ended June 30, 2024 to RMB14.1 million for the six months ended June 30, 2025, primarily due to the operations and financial performance of our associates in each period.

Changes in Fair Value of Financial Instruments Measured at FVPL

Changes in fair value of financial instruments measured at FVPL increased from RMB7.0 million for the six months ended June 30, 2024 to RMB9.8 million for the six months ended June 30, 2025, primarily due to an increase in the fair value of the unlisted entity.

Changes in the Carrying Amounts of Financial Instruments Issued to Investors

Our changes in the carrying amounts of financial instruments issued to investors increased from RMB201.2 million for the six months ended June 30, 2024 to RMB429.3 million for the six months ended June 30, 2025. The increase was primarily due to the additional equity financing in 2025.

Loss for the year

As a result of the foregoing, our loss for the period increased from RMB1,235.6 million for the six months ended June 30, 2024 to RMB2,357.9 million for the six months ended June 30, 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our total revenue increased by 150.9%, from RMB124.5 million in 2023 to RMB312.4 million in 2024, in line with our overall business expansion and increase in the sales volume of both on-premise deployment and cloud-based deployment.

On-premise deployment

Our revenue derived from on-premise deployment increased by 134.4%, from RMB112.6 million in 2023 to RMB263.9 million in 2024. Since 2023, there were iterations of our models which resulted in improvements in their versatility, performance and sophistication. This enabled us to provide more complex large model services to our customers and to extend our large model services to customers in a broader range of industry sectors. In addition, as an industry leader with deep expertise in the AI sector, we enjoy broad industry recognition and a solid market share. As the market expanded and demand accelerated, we believe that the advantages of our leading position became even more prominent, enabling us to secure orders more effectively.

Cloud-based deployment

Our revenue derived from cloud-based deployment increased by 306.6%, from RMB11.9 million in 2023 to RMB48.5 million in 2024. Our cloud-based deployment has similarly benefited from model improvement and industry expansion, which resulted in an increase in the number of customers and application scenarios of our service offerings.

Cost of Revenue

Our cost of revenue increased by 209.9%, from RMB44.1 million in 2023 to RMB136.5 million in 2024. The increase was in line with our business expansion and revenue growth in 2024. Specifically, the increase was primarily due to (i) an increase in payroll cost of RMB58.9 million as we recruited more service personnel and incurred more share-based payment expenses, and (ii) an increase in computing service fees of RMB18.2 million, which was in line with our business expansion and revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by RMB95.4 million, or 118.5%, from RMB80.5 million in 2023 to RMB175.9 million in 2024. Our gross profit margin decreased from 64.6% in 2023 to 56.3% in 2024.

On-premise deployment

Our gross profit for on-premise deployment increased by 127.0% from RMB76.8 million in 2023 to RMB174.3 million in 2024. Our gross profit margin for on-premise deployment remained relatively stable at 68.2% in 2023 and 66.0% in 2024.

Cloud-based deployment

Our gross profit for cloud-based deployment decreased by 55.9% from RMB3.7 million in 2023 to RMB1.6 million in 2024. Our gross profit margin for cloud-based deployment decreased from 31.0% to 3.4%, as we continued to lower service prices strategically and in line with the market trend.

Other Income

Our other income increased from RMB10.0 million in 2023 to RMB19.3 million in 2024, primarily due the net gain on disposal of property and equipment and intangible assets.

Research and Development Expenses

Research and development expenses increased by 315.1%, from RMB528.9 million in 2023 to RMB2,195.4 million in 2024. The increase was primarily due to (i) an increase in payroll cost of RMB186.9 million, as we expanded our R&D team and incurred more share-based payment expenses; (ii) an increase in computing service fees of RMB1,241.1 million, paid to third party computing power providers as we devote significant efforts to iterate our foundation models, and investing in more advanced model training infrastructure; and (iii) an increase in depreciation and amortization of RMB209.8 million primarily due to an increase in the quantity of our electronic equipment, such as computing hardware, and right-of-use assets which were used for research and development purpose.

Selling and Marketing Expenses

Selling and marketing expenses increased by 282.9%, from RMB101.2 million in 2023 to RMB387.5 million in 2024. The increase was primarily due to (i) an increase in payroll cost of RMB63.4 million as we expanded our sales and marketing team and incurred more share-based payment expenses, (ii) an increase in advertising and marketing expenses of RMB182.6 million, as we strategically made more advertising investment in order to swiftly take advantage of emerging market opportunities, and (iii) an increase in technical service and consultation fees of RMB18.2 million, in line with our business expansion.

General and Administrative Expenses

General and administrative expenses increased by 101.5%, from RMB66.3 million in 2023 to RMB133.6 million in 2024. The increase was primarily due to an increase in payroll cost of RMB44.4 million as we recruited more general and administrative personnel and incurred more share-based payment expenses.

Impairment Losses on Financial Assets

Impairment loss on financial assets decreased by 14.0%, from RMB19.8 million in 2023 to RMB17.0 million in 2024, due to an one-time write-off of other receivables in 2023.

Finance Costs

Our finance costs increased from RMB26.3 million in 2023 to RMB38.3 million in 2024, primarily due to a significant increase in interest on lease liabilities of RMB23.4 million, partially offset by an increase in foreign currency exchange gain of RMB16.8 million.

Share of Profits Less Losses of Associates

We recorded share of profits less losses of associates of RMB0.5 million in 2023, and share of profits less losses of associates of RMB21.3 million in 2024, primarily due to the operations and financial performance of our associates in each year.

Changes in Fair Value of Financial Instruments Measured at FVPL

Changes in fair value of financial instruments measured at FVPL significantly increased from RMB26.0 million in 2023 to RMB66.3 million in 2024, primarily due to the increase in the fair value of some investee companies and our procurement of wealth management products.

Changes in the Carrying Amount of Financial Instruments Issued to Investors

Changes in the carrying amount of financial instruments issued to investors increased by 190.4% from RMB161.5 million in 2023 to RMB468.9 million in 2024, mainly driven by the completion of additional equity financing.

Loss for the Year

As a result of the above factors, our loss for the year increased by 275.4%, from RMB788.0 million in 2023 to RMB2,958.0 million in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our total revenue increased by 116.9%, from RMB57.4 million in 2022 to RMB124.5 million in 2023, in line with our overall business expansion and increase in the sales volume of both on-premise deployment and cloud-based deployment of our large models.

On-premise deployment

Our revenue derived from on-premise deployment increased by 105.4%, from RMB54.8 million in 2022 to RMB112.6 million in 2023. Since 2023, there were iterations of our models which resulted in improvements in their versatility, performance and sophistication. This enabled us to provide more complex large model services to our customers and to extend our large model services to customers in a broader range of industry sectors. In addition, as the market expanded and demand accelerated, we believe that the advantages of our leading position became even more prominent, enabling us to secure orders more effectively.

Cloud-based deployment

Our revenue derived from cloud-based deployment increased by 359.7% from RMB2.6 million in 2022 to RMB11.9 million in 2023, primarily due to model improvement and industry expansion.

Cost of Revenue

Our cost of revenue increased by 69.1%, from RMB26.0 million in 2022 to RMB44.1 million in 2023. The increase in cost of revenue was in line with business expansion and revenue growth in 2023. Specifically, the increase was primarily due to an increase in computing service fees of RMB12.0 million, as we processed more requests from a broader customer base and addressed more demands.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 156.6%, from RMB31.4 million in 2022 to RMB80.5 million in 2023. Our gross profit margin increased from 54.6% in 2022 to 64.6% in 2023.

On-premise deployment

Our gross profit for on-premise deployment increased by 161.3% from RMB29.4 million in 2022 to RMB76.8 million in 2023. Our gross profit margin for on-premise deployment increased from 53.6% in 2022 to 68.2% in 2023. The increase in our gross profit margin of on-premise deployment was primarily due to the enhanced sophistication and complexity of our services driven by the improved diversification and performance of our models.

Cloud-based deployment

Our gross profit for cloud-based deployment increased by 87.5% from RMB2.0 million in 2022 to RMB3.7 million in 2023. Our gross profit margin for cloud-based deployment decreased from 76.1% in 2022 to 31.0% in 2023. A growing number of users had been accessing our models via API interfaces. According to Frost & Sullivan, this approach had been increasingly adopted by users in recent years. However, due to the intense market competition, the prices of such services had decreased. We had also made strategic reductions to our service prices to expand our market share and attract additional customers. As a result, both the gross profit and gross profit margin of our cloud-based deployment services decreased significantly.

Other Income

Our other income increased from RMB1.8 million in 2022 to RMB10.0 million in 2023, primarily due to the increase in interest income of RMB9.8 million as our cash and cash equivalent balance increased.

Research and Development Expenses

Research and development expenses increased by 526.8%, from RMB84.4 million in 2022 to RMB528.9 million in 2023. The increase was primarily due to (i) an increase in computing service fees of RMB297.1 million, paid to third party computing power providers as we devote significant efforts to iterate our foundation models, and investing in more advanced model training infrastructure; and (ii) an increase in payroll cost of RMB95.3 million, as we expanded our R&D team and incurred more share-based payment expenses.

Selling and Marketing Expenses

Selling and marketing expenses increased by 568.5%, from RMB15.1 million in 2022 to RMB101.2 million in 2023. The increase was primarily due to (i) an increase in payroll cost of RMB19.0 million as we expanded our sales and marketing team and incurred more share-based payment expenses, and (ii) an increase in advertising and marketing expenses of RMB53.7 million, as we expanded our sales and promotion channels. we strategically made more advertising investment in order to swiftly take advantage of emerging market opportunities.

General and Administrative Expenses

General administrative expenses increased by 105.2%, from RMB32.3 million in 2022 to RMB66.3 million in 2023. The increase was primarily due to an increase in payroll cost of RMB13.0 million as we recruited additional general and administrative personnel and incurred more share-based payment expenses.

Impairment Losses on Financial Assets

Impairment loss on financial assets significantly increased from RMB0.03 million in 2022 to RMB19.8 million in 2023 due to an one-time write-off of other receivables in 2023.

Finance Costs

Our finance costs increased from RMB5.7 million in 2022 to RMB26.3 million in 2023 primarily due to (i) an increase in interest on lease liabilities of RMB6.7 million as we rented additional office premises; and (ii) an increase in transaction costs in relation to the financial instruments issued to investors of RMB11.6 million due to the related financial advisor's fees in relation to financing activities.

Share of Profits Less Losses of Associates

Share of losses of associates increased from nil in 2022 to losses of RMB0.5 million in 2023, primarily due to the operations and financial performance of our associates in each year.

Changes in Fair Value of Financial Instruments Measured at FVPL

Fair value change of financial instruments measured at FVPL increased by 335.7%, from RMB6.0 million in 2022 to RMB26.0 million in 2023, primarily due the increase in the fair value of investee companies and procurement of wealth management products.

Changes in the Carrying Amount of Financial Instruments Issued to Investors

Changes in the carrying amount of financial instruments issued to investors increased by 257.2% from RMB45.2 million to RMB161.5 million, mainly driven by the completion of the additional equity financing.

Loss for the Year

As a result of the above factors, our loss for the year increased by 448.5%, from RMB143.7 million in 2022 to RMB788.0 million in 2023.

DISCUSSION OF SELECTED ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a summary of our consolidated statement of financial position as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
ASSETS				
Non-current assets				
Property and equipment	41,418	787,537	866,363	772,619
Intangible assets	21,027	54,573	50,359	55,399
Goodwill	—	39,379	39,379	39,379
Interests in associates	—	13,047	201,198	290,345
Other non-current assets	—	46	97,260	202,614
Time deposits	—	102,093	105,343	—
Total non-current assets	62,445	996,675	1,359,902	1,360,356

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Current assets				
Short-term investments measured at FVPL	31,777	158,904	42,621	549,364
Inventories and contract costs	10,342	28,782	32,465	67,866
Trade and other receivables	27,886	416,441	666,841	453,387
Contract assets	403	9,960	4,718	6,654
Time deposits	10,092	—	—	106,968
Cash at bank and on hand	219,031	1,249,391	2,269,222	2,556,116
Total current assets	299,531	1,863,478	3,015,867	3,740,355
Total assets	361,976	2,860,153	4,375,769	5,100,711
LIABILITIES				
Current liabilities				
Trade and other payables	25,834	288,197	603,488	838,417
Contract liabilities	35,230	74,062	75,059	75,367
Bank loans	—	—	137,246	137,214
Lease liabilities	12,832	66,765	213,161	213,458
Financial instruments issued to investors	457,959	3,179,864	6,676,943	9,564,760
Convertible bonds	—	—	132,158	—
Total current liabilities	531,855	3,608,888	7,838,055	10,829,216
Net current liabilities	(232,324)	(1,745,410)	(4,822,188)	(7,088,861)
Total assets less current liabilities	(169,879)	(748,735)	(3,462,286)	(5,728,505)
Non-current liabilities				
Lease liabilities	—	204,117	458,107	386,132
Deferred income	10,309	29,741	34,752	36,204
Total non-current liabilities	10,309	233,858	492,859	422,336
NET LIABILITIES	(180,188)	(982,593)	(3,955,145)	(6,150,841)

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	(RMB in thousands)				*(Unaudited)*
Current assets					
Short-term investments measured at FVPL	31,777	158,904	42,621	549,364	228,516
Inventories and contract costs	10,342	28,782	32,465	67,866	94,958
Trade and other receivables	27,886	416,441	666,841	453,387	521,688
Contract assets	403	9,960	4,718	6,654	2,972
Time deposits	10,092	—	—	106,968	—
Cash at bank and on hand	219,031	1,249,391	2,269,222	2,556,116	2,584,011
Total current assets	**299,531**	**1,863,478**	**3,015,867**	**3,740,355**	**3,432,145**

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
			(RMB in thousands)		*(Unaudited)*
Current liabilities					
Trade and other payables	25,834	288,197	603,488	838,417	1,209,354
Contract liabilities	35,230	74,062	75,059	75,367	117,451
Bank loans	—	—	137,246	137,214	268,367
Lease liabilities	12,832	66,765	213,161	213,458	216,879
Financial instruments issued to investors	457,959	3,179,864	6,676,943	9,564,760	9,904,392
Convertible bonds	—	—	132,158	—	—
Total current liabilities	**531,855**	**3,608,888**	**7,838,055**	**10,829,216**	**11,716,443**
Net current liabilities	**(232,324)**	**(1,745,410)**	**(4,822,188)**	**(7,088,861)**	**(8,284,298)**

Our net current liabilities increased slightly from RMB7,088.9 million as of June 30, 2025 to RMB8,284.3 million as of October 31, 2025, primarily due to (i) an increase in trade and other payables of RMB370.9 million, and (ii) a decrease in short-term investments measured at FVPL of RMB320.8 million. To improve our net current liabilities position as of October 31, 2025, we have secured substantial banking facilities that provide us with a strong liquidity cushion, which allows us to optimize our debt structure and prudently refinance certain short-term borrowings into longer-tenor facilities. In addition, we implement disciplined working-capital management, including close monitoring of trade receivables collection and careful management of procurement and payment schedules, which together enable a more efficient cash-flow cycle, reduce working-capital requirements and strengthen operating cash flows. Through these combined financing and operational measures, we expect to further enhance our liquidity and improve our net current liabilities position.

Our net current liabilities increased by 47.0% from RMB4,822.2 million as of December 31, 2024 to RMB7,088.9 million as of June 30, 2025, primarily due to an increase in financial instruments issued to investors of RMB2,887.8 million.

Our net current liabilities increased by 176.3% from RMB1,745.4 million as of December 31, 2023 to RMB4,822.2 million as of December 31, 2024, primarily attributed to an increase of RMB3,497.1 million in financial instruments issued to investors, partially offset by an increase of RMB1,019.8 million in cash and cash equivalents.

Our net current liabilities increased by 651.3% from RMB232.3 million as of December 31, 2022 to RMB1,745.4 million as of December 31, 2023, primarily attributed to an increase of RMB2,721.9 million in financial instruments issued to investors, partially offset by an increase of RMB1,030.4 million in cash and cash equivalents.

Property and Equipment

During the Track Record Period, our property and equipment consisted of (i) right-of-use assets, (ii) electronic equipment and others and (iii) leasehold improvement. The following table sets forth the breakdown of our property and equipment as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Property and equipment				
Right-of-use assets	11,971	257,582	623,825	555,302
Electronic equipment and others	29,447	511,348	228,130	202,690
Leasehold improvements	—	18,607	14,408	14,627
Total	41,418	787,537	866,363	772,619

Our property and equipment significantly increased by 1,801.4% from RMB41.4 million as of December 31, 2022 to RMB787.5 million as of December 31, 2023, primarily due to an increase in electronic equipment of RMB481.9 million, mainly resulted from the procurement of large quantity of electronic equipment, mainly comprising computing hardware that provide us with additional computing power and an increase in right-of-use assets of RMB245.6 million mainly consisted of increase in the leased office premise and electronic equipment such as computing hardware in line with our business expansion.

Our property and equipment increased by 10.0% from RMB787.5 million as of December 31, 2023 to RMB866.4 million as of December 31, 2024, primarily due to an increase of right-of-use asset of RMB366.2 million mainly resulted from additional leases of office premise and electronic equipment, such as computing hardware, in line with our business expansion, partially offset by a decrease in electronic equipment of RMB283.2 million due to the disposal of some electronic equipment, including computing hardware. This is because we partially shifted from owning to leasing electronic equipment for operational efficiency.

Our property and equipment decreased by 10.8% from RMB866.4 million as of December 31, 2024 to RMB772.6 million as of June 30, 2025, primarily due to depreciation in property and equipment.

Intangible Assets

During the Track Record Period, our intangible assets mainly reflected our software and patents. Our intangible assets increased by 159.5% from RMB21.0 million as of December 31, 2022 to RMB54.6 million as of December 31, 2023, primarily due to an increase in patent rights of RMB31.8 million primarily resulted from the acquisition of one subsidiary in 2023, pursuant to which its patent rights were integrated into our Group. Our intangible assets remained relatively stable at RMB54.6 million as of December 31, 2023 and RMB50.4 million as of December 31, 2024, respectively. Our intangible assets increased from RMB50.4 million as of December 31, 2024 to RMB55.4 million as of June 30, 2025, primarily due to the acquisition of domain name.

Goodwill

Goodwill arising from the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired. During the Track Record Period, goodwill arose from our acquisition of Beijing Lingxin Intelligent in 2023. It amounted to nil, RMB39.4 million, RMB39.4 million and RMB39.4 million as of December 31, 2022, 2023 and 2024, and June 30, 2025, respectively.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Determining whether goodwill is impaired requires us to estimate the recoverable amounts of the cash generating unit ("CGU") to which we have allocated goodwill, which is the higher of fair value less costs of disposal and value in use. This recoverable amounts calculation requires us to estimate the future cash flows expected to arise from the CGU and a suitable discount rate to calculate the present value. Where the book value of the CGU exceeds its recoverable amounts, an impairment loss may arise.

The goodwill has been allocated to the CGU of Beijing Lingxin Intelligent. The recoverable amount of CGU of Beijing Lingxin Intelligent is determined based on value in use calculation, determined by discounting the future cash flows to be generated from the continuing operation of the CGU of Beijing Lingxin Intelligent with reference to valuation reports issued by an independent valuer. These calculations use cash flow projections based on financial budgets approved by management covering an eight-year period. We adopted a forecast period of longer than five years in view that the business is still under significant growth and will require additional time for the underlying technology to reach stable status. The key assumptions used in the estimation of the recoverable amounts are as follows:

	As of December 31,		As of June 30,
	2023	2024	2025
Annual revenue growth rate[(i)]	15%-35%	8%-35%	12%-35%
Annual gross profit margin[(i)]	54%-58%	54%-58%	55%-58%
Growth rate beyond the forecast period[(ii)]	2%	2%	2%
Pre-tax discount rate[(iii)]	19%	18%	17%

Notes:

(1) The annual revenue growth rates and gross profit margins are based on the current operational status and expectations of future changes in the industry and adjusted for other factors that are specific to the CGU.

(2) The growth rate beyond the forecast period is based on relevant industry growth forecasts and does not exceed the average growth rate of the relevant industry.

(3) The pre-tax discount rate reflects specific risks relating to the CGU of Beijing Lingxin Intelligent.

The headroom of CGU of Beijing Lingxin Intelligent as of December 31, 2023 and 2024 and June 30, 2025 amounted to RMB16.0 million, RMB23.0 million and RMB18.0 million, respectively. We have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical change to pre-tax discount rate that would have removed the remaining headroom:

	As of December 31,		As of June 30,
	2023	2024	2025
Pre-tax discount rate	2%	3%	2%

As a result of the impairment tests, we believe that there was no impairment of goodwill as of December 31, 2023 and 2024 and June 30, 2025. Reasonable possible changes in key assumptions would not lead to impairment of the goodwill as of December 31, 2023 and 2024 and June 30, 2025. No impairment of goodwill was recorded during the Track Record Period. For more details, see Note 13 of the Accountants' Report set forth in Appendix I to this document.

Interests in Associates

During the Track Record Period, the interests in associates primarily represented our limited partnership interest in Beijing XingLian DingSen Equity Investment Fund Partnership (Limited Partnership) ("Xinglian"), which is a limited partnership in which we were one of the limited partners. During the Track

Record Period, our interests in associates amounted to nil, RMB13.0 million, RMB201.2 million and RMB290.3 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. The increase was due to our injection of our capital contribution into Xinglian. For more information, see Note 15 of the Accountants' Report set forth in Appendix I to this document.

Other Non-current Assets

During the Track Record Period, our other non-current assets consisted of (i) input VAT to be deducted; (ii) prepayment of computing service fees; and (iii) contract assets representing revenue recognized while the payment milestones have yet to be met. The following table sets forth the breakdown of our non-current assets as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Input VAT to be deducted	—	—	49,979	130,925
Prepayment of computing service fees	—	—	39,522	61,123
Contract assets	—	46	7,759	10,566
Total	—	46	97,260	202,614

We recorded other non-current assets of RMB97.3 million as of December 31, 2024 as we substantially expanded our business with significant increase in related procurements that entail huge amount of input VAT to be deducted. We had prepayment of computing service fees in 2024 as we substantially increase our procurement of computing power. In addition, for some on-premise deployment solutions, as commercially agreed with our customers, certain portion of the service fee was withheld by such customers until the completion of the warranty period or other conditions. Our non-current assets increased from RMB97.3 million as of December 31, 2024 to RMB202.6 million as of June 30, 2025 primarily due to a significant increase in input VAT to be deducted of RMB80.9 million, which is associated with the increased procurement as a result of our continuous business expansion.

Inventories and Contract Costs

During the Track Record Period, our inventories and contract costs primarily consisted of (i) contract fulfillment cost, representing costs incurred to fulfill ongoing contracts. Contract fulfillment cost will be recognized as cost of revenue in the period in which revenue from the related service is recognized; and (ii) purchased hardware and components.

The table below sets forth, our balance of our inventories and contract costs as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(*RMB in thousands*)			
Contract fulfillment cost	10,939	30,082	32,979	70,046
Purchased hardware and components	—	—	1,218	—
Less: write-down of inventories	(597)	(1,300)	(1,732)	(2,180)
Total	**10,342**	**28,782**	**32,465**	**67,866**

Our inventories and contract costs mainly include the contract costs incurred in fulfilling our on-premises deployment service contracts. In measuring impairment loss on contract costs, we determined the recoverable amount of these contract costs by comparing the remaining expected amount of consideration to be received in exchange for the goods or services to which the asset relates and the costs that relate directly to providing those goods or services and that have not been recognized as expenses in accordance with IFRS 15. In measuring impairment losses of inventories, we determine the carrying amount of inventories at the lower amount of cost and net realizable value. The cost of our purchased hardware and components is determined at the transaction price. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The impairment provision for inventories and contract costs has been assessed accordingly, specifically: (i) for inventories and contract costs related to signed contracts, the estimated selling price was determined based on binding agreements; and (ii) the estimated costs to complete and selling costs were projected with reference to the historical execution of similar projects and approved budgets submitted during the project initiation phase, which were reviewed and authorized by our management. Based on the aforementioned impairment assessment, we recognized write-down of inventories and contract costs of RMB0.6 million, RMB1.3 million, RMB1.7 million and RMB2.2 million as of December 31, 2022, 2023 and 2024 and June 30, 2025 , respectively. Our Directors are of the view that impairment for inventories and contract costs was assessed appropriately and that sufficient provision was made based on the impairment assessment mentioned above.

Our inventories and contract costs increased by 178.3% from RMB10.3 million as of December 31, 2022 to RMB28.8 million as of December 31, 2023, primarily attributed to an increase in on-premise deployment services in progress. Our inventories and contract costs increased by 12.8% from RMB28.8 million as of December 31, 2023 to RMB32.5 million as of December 31, 2024, primarily affected by our expanded operations and an increase in the number of on-premise deployment services in progress, especially those requiring on-premise deployment of equipment, software and models. Our inventories and contract costs increased by 109.0% from RMB32.5 million as of December 31, 2024 to RMB67.9 million as of June 30, 2025, primarily due to an increase in contract fulfillment cost of RMB37.1 million primarily due to the completion and acceptance of certain ongoing on-premise services.

The table below sets forth our average inventory and contract costs turnover days as of the dates indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2022	2023	2024	2025
Average inventory and contract costs turnover days[(1)]	124	162	82	95

Note:

(1) Average turnover day of inventory and contract costs is calculated based on the average balance of inventory and contract costs divided by cost of revenue for the relevant year/period and multiplied by 365 days for a given year and 180 days for a six-month period. Average balance of inventory and contract costs is calculated by dividing the sum of inventory and contract costs at the beginning and the end of the year/period by two.

Our average inventory and contract costs turnover days increased from 124 days in 2022 to 162 days in 2023, primarily due to the complexity and diversification of our services, and decreased to 82 days in 2024, primarily due to the enhanced delivery efficiency of our services and the increased volume of cloud-based deployment with relatively quick service delivery. Our average inventory and contract costs turnover days remained relatively stable at 95 days for the six months ended June 30, 2025.

As of October 31 2025, we had subsequently sold RMB10.8 million, or 15.9%, of our outstanding inventories and contract costs as of June 30, 2025.

Trade and Other Receivables

During the Track Record Period, our trade and other receivables included (i) trade receivables primarily representing the amounts due from customers for our services provided in the ordinary course of business; (ii) other receivables primarily in relation to facilitating the purchase of hardware for certain of our customers; (iii) deposits paid to or withheld by our suppliers and landlords; (iv) receivables from disposal of investments in equity securities measure at FVPL; and (v) receivables of capital contribution from equity holders.

The table below sets forth our trade and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade receivables	6,643	8,883	100,170	171,657
Less: credit loss allowance	(29)	(988)	(9,035)	(25,880)
	6,614	7,895	91,135	145,777
Other receivables	1,833	117,591	263,805	95,381
Deposits	3,640	16,584	67,912	70,257
Receivables from disposal of investments in equity securities measured at FVPL	—	—	45,216	7,098
Receivables of capital contribution from equity holders	—	120,328	—	—
	5,473	254,503	376,933	172,736
Less: loss allowance	(3)	(18,779)	(27,327)	(21,172)
	5,470	235,724	349,606	151,564
Input VAT deductible	4,169	84,527	98,729	83,139
Prepayments for computing service fees	11,633	88,295	127,371	72,907
	15,802	172,822	226,100	156,046
Total	27,886	416,441	666,841	453,387

Our total trade and other receivables significantly increased by 1,393.4%, from RMB27.9 million as of December 31, 2022 to RMB416.4 million as of December 31, 2023, primarily due to (i) an increase in other receivables of RMB115.8 million as we helped facilitate purchase of hardware for certain of our customers; Our other receivables increased as we made advance payments to our suppliers for the procurement of hardware; and (ii) receivables of capital contribution from equity holders of RMB120.3 million representing investment amount from Pre-**[REDACTED]** Investors.

Our total trade and other receivables increased by 60.1%, from RMB416.4 million as of December 31, 2023 to RMB666.8 million as of December 31, 2024, primarily due to (i) an increase in other receivables of RMB146.2 million. We facilitated one of our customers in technology industry for the procurement of certain hardware. Our on-premise deployment services typically do not include sales of computing hardware, which customers are generally required to procure independently. Given our expertise with the relevant hardware and our industry resources, at the customer's request, we procured specified hardware items and provided them together with our on-premise deployment service, charging the customer based on the quantity and model of the hardware. Under this transaction, we acted as solely an agent in the delivery

of the hardware. As a result, the receivables due from the customer were recorded as other receivables. As of October 31, 2025, RMB192.8 million, or 100% of other receivables in such nature were settled. There were no recoverability issue regarding payment collection for such transaction; (ii) an increase in trade receivables of RMB91.3 million, resulted from our business expansion and increase in the sales volume of our services, (iii) a significant increase in deposits, due to the increase in our procurement for business activities and additional leases; and (iv) an increase in receivables from disposal of investments in equity securities measured at FVPL of RMB45.2 million as we transferred equity interests in certain of our investee companies to Xinglian.

Our total trade and other receivables decreased by 32.0%, from RMB666.8 million as of December 31, 2024 to RMB453.4 million as of June 30, 2025, primarily due to a decrease in other receivables of RMB168.4 million as such receivables were subsequently settled in majority as of June 30, 2025, partially offset by an increase in trade receivables of RMB71.5 million in line with our business expansion.

We typically set forth the trading terms with our customers in the relevant service agreements. During the Track Record Period, for our on-premise deployment, we generally received milestone payments from our customers based on milestones as specified in the commercial agreements with such customers.

The table below sets forth an aging analysis of our trade receivables, net of loss allowance as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 3 months	6,498	5,379	74,191	76,694
3 months to 6 months	—	1,425	13,804	28,891
6 months to 1 year	116	82	1,444	38,504
1 year to 2 years	—	1,009	1,302	1,358
More than 2 years	—	—	394	330
Total	6,614	7,895	91,135	145,777

When estimating the expected credit loss for trade receivables, we took into account all reasonable and supportable information available, including information about past events, current conditions and forecasts of future economic conditions in accordance with IFRS 9. Based on our assessment, we had recognized loss allowance of trade receivables of RMB0.03 million, RMB1.0 million, RMB9.0 million and RMB25.9 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. Our Directors are of the view that impairment for trade receivables was assessed appropriately and that sufficient expected credit loss was recognized.

The table below sets forth our average trade receivables turnover days as of the dates indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2022	2023	2024	2025
Average trade receivables turnover days[(1)]	23	21	58	112

Note:

(1) Average turnover days of trade and other receivables is calculated based on the average balance of trade receivables divided by revenue for the relevant year/period and multiplied by 365 days for a given year and 180 days for a six-month period. Average balance of trade receivables is calculated by dividing the sum of trade receivables at the beginning and the end of the year/period by two.

Our average trade receivables turnover days remained relatively stable at 23 days in 2022 and 21 days in 2023. In 2023, we experienced significant growth in our customer base and sales volume. For our new customers, their payment practices varied widely. We also broadened our service portfolio, particularly through on-premise deployment that follow a milestone-based payment structure. Under these arrangements, customers make payments when specific contractual milestones are completed, generally resulting in longer payment periods than before. Consequently, our trade receivables turnover days increased notably to 58 days in 2024 and further increased to 112 days for the six months ended June 30, 2025.

We do not foresee any material recoverability issue with our trade receivables based on our evaluation of the historical credit standing and the credit records of our customers, which are generally private or state-owned enterprises with strong economic performance and credit history. We will continue to strengthen our management in trade receivables and improve the collection rate in the future, and our Directors are of the view that sufficient provision has been made to trade receivables during the Track Record Period. See "—Disclosure About Financial Risks—Credit Risks" in this section.

As of October 31, 2025, RMB86.5 million, or 50.4%, of our trade receivables as of June 30, 2025 had been settled by our customers.

Short-term Investment Measured at FVPL

During the Track Record Period, our short-term investments measured at FVPL represented (i) our equity investments in certain unlisted companies; and (ii) various wealth management products that we purchased from commercial banks in China. The wealth management products we purchased were primarily structured deposits. The interest rate of wealth management products during the Track Record Period ranged from 1.55% to 3.86% per annum.

Our short-term investments measured at FVPL significantly increased by 400.1% from RMB31.8 million as of December 31, 2022 to RMB158.9 million as of December 31, 2023, primarily due to (i) an increase in investments in equity securities of RMB47.1 million primarily because we made additional equity investments in 2023; and (ii) an increase in wealth management products of RMB80.0 million as we purchased additional structured deposits. Our short-term investments measured at FVPL significantly decreased from RMB158.9 million as of December 31, 2023 to RMB42.6 million as of December 31, 2024 due to the maturity of our wealth management products. Our short-term investments measured at FVPL increased from RMB42.6 million as of December 31, 2024 to RMB549.4 million as of June 30, 2025 due to the procurement of additional structured deposits.

We purchase wealth management products as an supplemental mean to improve utilization of our cash on hand on a short-term basis. We believe that making such investments is in the best interest of the Company, and we can make better use of our cash by utilizing principal-guaranteed structured deposits, to enhance our income without interfering with our business operations or capital expenditures. The purchases of wealth management products are subject to the approval of our Board and the purchases are carefully reviewed and assessed by the staff in our finance department with financial management or accounting background. Additionally, we have established a set of risk management and capital preservation investment policy, and have implemented a series of internal control measures regarding our investment in wealth management products. These policies and measures include:

- our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, such as the duration of the investment and the expected returns;
- we only purchase low-risk wealth management products issued by qualified financial institutions, and in any given period, we invest in products provided by multiple issuers to mitigate concentration risks;

- Our financial department is responsible for the overall execution of our short-term investments, including risk assessment; and
- after making an investment, we closely monitor its performance and fair value on a regular basis.

In the future, we may continue to purchase low-risk wealth management products with a short maturity period based on surplus cash situation to maximize our capital utilization efficiency. Our investments in wealth management products will be subject to the compliance with the requirements under Chapter 14 of the Listing Rules

Trade and Other Payables

During the Track Record Period, our trade and other payables included (i) trade payables mainly representing the amount payable for computing hardware, computing service, advertisements in the ordinary course of business; (ii) computing service fees payable; (iii) marketing and promotion payable; (iv) payroll of staff costs; (v) other payables and accruals; (vi) advances from equity holders to be injected as capital; (vii) other taxes payables; and (viii) provision of warranties.

The table below sets forth our trade and other payables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade payables due to third parties	663	6,754	58,293	69,403
Computing service fees payables	1,509	104,536	269,467	495,348
Marketing and promotion payables	—	4,357	89,052	28,981
Payables of staff costs	15,386	45,226	104,229	105,846
Other payables and accruals	1,987	12,309	43,767	109,173
Subtotal	19,545	173,182	564,808	808,751
Advances from equity holders to be injected as capital	—	97,750	—	—
Other taxes payables	3,401	11,038	22,304	8,348
Provisions for warranties	2,888	6,227	16,376	21,318
Total	**25,834**	**288,197**	**603,488**	**838,417**

Our trade and other payables increased from RMB25.8 million as of December 31, 2022 to RMB288.2 million as of December 31, 2023 primarily due to (i) an increase in computing service fees payable to third party suppliers of RMB103.0 million in relation to our operating and R&D activities; and (ii) the occurrence of advance from equity holders of RMB97.8 million in 2023 because we received proceeds of equity financing from certain Pre-**[REDACTED]** Investors in 2023 in advance prior to the completion of the transaction.

Our trade and other payables increased from RMB288.2 million as of December 31, 2023 to RMB603.5 million as of December 31, 2024, primarily due to (i) an increase in computing service fees payable of RMB164.9 million in relation to our operating and R&D activities; (ii) an increase in trade payables of RMB51.5 million in line with our business expansion; and (iii) an increase in marketing and promotion payables of RMB84.7 million due to our increased advertising activities.

Our trade and other payables increased from RMB603.5 million as of December 31, 2024 to RMB838.4 million as of June 30, 2025, primarily due to a significant increase in computing service fees payables of RMB225.9 million in relation to our operating and R&D activities.

The following table sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 3 months	663	5,333	57,676	59,596
3 months to 6 months	—	865	57	5,848
6 months to 1 year	—	526	257	3,680
More than 1 year	—	30	303	279
Total	**663**	**6,754**	**58,293**	**69,403**

The table below sets forth the average trade payables turnover days for the years/period indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2022	2023	2024	2025
Average trade payables turnover days[(1)]	7	31	87	120

Note:

(1) Average turnover days of trade and other payables is calculated based on the average balance of trade payables divided by cost of revenue for the relevant year/period and multiplied by 365 days for a given year and 180 days for a six-month period. Average balance of trade payables is calculated by dividing the sum of trade and other payables at the beginning and the end of the year/period by two.

Our average trade payables turnover days increased from 7 days in 2022 to 31 days in 2023, and further increased to 87 days in 2024, primarily attributable to enhanced supply chain management. Our average trade payables turnover days increased to 120 days for the six months ended June 30, 2025 primarily due to enhanced supply chain management and bargaining power.

As of October 31, 2025, we had settled RMB359.2 million, or 63.6%, of our outstanding trade payables as of June 30, 2025.

Contract Liabilities

During the Track Record Period, our contract liabilities represented advance payments made by customers for provision of services. Our contract liabilities increased by 110.2% from RMB35.2 million as of December 31, 2022 to RMB74.1 million as of December 31, 2023, generally in line with the business expansion and the increase in the sales volume of our services, and remained relatively stable at RMB75.1 million as of December 31, 2024, primarily because the delivery and revenue recognition progress of our sales contracts varied, which resulted in fluctuations in our contract liabilities as of the end of the relevant years. Our contract liabilities remained relatively stable at RMB75.1 million as of December 31, 2024 and RMB75.4 million as of June 30, 2025, respectively. As of October 31, 2025, RMB22.5 million or 29.8% of our contract liabilities as of June 30, 2025 had been subsequently recognized as revenue.

Deferred Income

Deferred income during the Track Record Period represents government grants, which were non-recurring financial support or subsidies from government primarily as incentives for research and

development projects in relation to AI and related technology. Some governmental grants were conditioned upon the completion of the related research and development projects. Government grants are recognized as a reduction of the expenses related to the grants in profit or loss on a systematic basis in the same periods in which such expenses are incurred. We recorded deferred income of RMB10.3 million, RMB29.7 million, RMB34.8 million and RMB36.2 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. Such fluctuations were primarily due to the joint impact of new grants received and the amount released to profit or loss during the relevant years. During the Track Record Period, RMB2.9 million, RMB11.2 million, RMB36.3 million and RMB5.7 million were charged to profit or loss.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

Our Directors are of the opinion that, taking into account of the financial resources available to us, including (i) cash and cash equivalents; (ii) short-term investments measured at FVPL; (iii) available committed bank facilities; and (iv) the estimated **[REDACTED]** from the **[REDACTED]**, we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) net cash used in the purchases of property and equipment, (iii) net cash used in/generated from the purchases/ disposal of wealth management products and (iv) lease payments. We consider these items to be key indicators reflecting our operational condition and efficiency, which can significantly impact our cash flow. To be specific, a major portion of our expenditure on equipment purchases and leasing is related to computing power equipment, which is essential in our day-to-day operations and research and development activities and representing significant cash outflows. In addition, we procured wealth management products as an supplemental mean to improve utilization of our cash on hand on a short-term basis, which also significantly affects our cash flow. Our historical cash burn rate was RMB3.0 million, RMB105.9 million, RMB194.5 million and RMB327.3 million for each of the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, respectively, mainly representing our investment in R&D activities and business operations. During the Track Record Period, we recorded expenditure in purchase of property and equipment primarily due to our procurement and lease of computing hardware and offices, for the operation activities and R&D activities in line with our business expansion.

We had cash and cash equivalents, short-term investment measured at FVPL, and available committed bank facilities of RMB8,943.1 million in aggregate as of October 31, 2025. We estimate that we will receive **[REDACTED]** of **[REDACTED]** (**[REDACTED]**) after deducting the **[REDACTED]** and other estimated **[REDACTED]** payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of **[REDACTED]** per **[REDACTED]**, being the low-end of the indicative **[REDACTED]** range in this document.

Assuming that the average cash burn rate going forward will be **[REDACTED]**, similar to the cash burn rate level for the six months ended June 30, 2025 based on the underlying assumptions that (i) the number of our employees will not increase significantly, particularly in the R&D department; (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, short term investment measured at FVPL, and available committed bank facilities as of October 31, 2025 will be able to maintain our financial viability for **[REDACTED]** or, if we take into account 10% of the estimated **[REDACTED]** from the **[REDACTED]** (namely, the portion allocated for our working capital and other general corporate purposes), **[REDACTED]** or, if we also take into account the estimated **[REDACTED]** from the **[REDACTED]**, **[REDACTED]**. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings. In addition, we plan to reinforce our receivable collection efforts to reduce the accounts receivable collection cycles. We plan to (i) further

strengthen our client management practices, including rigorous review of payment terms at the contract stage, performing periodic review, monitoring payment behavior and implementing credit assessment procedures to ensure their financial creditworthiness and (ii) enhance collection of accounts receivable by promptly issuing invoices, regularly checking with our clients to ensure collection and implementing remedial measures when customers do not make timely payment.

Cash Flows

The table below sets forth, for the years/periods indicated, a summary of our consolidated statements of cash flows.

	Year Ended December 31,			Six Months Ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	(RMB in thousands)			*(Unaudited)*	
Net cash used in operating activities	(68,246)	(648,017)	(2,244,919)	(994,678)	(1,327,150)
Net cash generated from/(used in) investing activities	32,921	(784,965)	(48,559)	(138,775)	(556,373)
Net cash generated from financing activities	191,196	2,463,043	3,312,073	816,341	2,165,110
Net increase/(decrease) in cash and cash equivalents	155,871	1,030,061	1,018,595	(317,112)	281,587
Cash and cash equivalents at the beginning of the year/period	63,057	218,928	1,249,175	1,249,175	2,268,164
Effect of exchange rate changes	—	186	394	3	2,219
Cash and cash equivalents at the end of the year/period	218,928	1,249,175	2,268,164	932,066	2,551,970

Net Cash Used in Operating Activities

During the Track Record Period, our cash generated from operating activities is primarily derived from the sales of our services. Our cash outflow from operating activities comprises mainly operating expenses.

For the six months ended June 30, 2025, our net cash used in operating activities amounted to RMB1,327.2 million, primarily attributable to the loss before tax of RMB2,357.9 million, mainly offset by (i) changes in the carrying amounts of financial instruments issued to investors of RMB429.3 million and (ii) an increase in trade and other payables of RMB238.3 million.

For the year ended December 31, 2024, our net cash used in operating activities amounted to RMB2,244.9 million, primarily attributable to the loss before tax of RMB2,958.0 million, adjusted mainly by (i) increase in trade and other receivables of RMB415.0 million and (ii) changes in fair value of financial instruments measured at FVPL of RMB66.3 million. The foregoing was partially offset by (i) changes in carrying amount of financial instruments issued to investors of RMB468.9 million, (ii) depreciation on property and equipment of RMB270.3 million, and (iii) increase in trade and other payables of RMB416.0 million.

For the year ended December 31, 2023, our net cash used in operating activities amounted to RMB648.0 million, primarily attributable to the loss before tax of RMB788.0 million, adjusted mainly by increase in trade and other receivables of RMB269.5 million. The foregoing was partially offset by

(i) increase in trade and other payables of RMB143.2 million, (ii) changes in carrying amount of financial instruments issued to investors of RMB161.5 million, and (iii) depreciation on property and equipment of RMB63.8 million.

For the year ended December 31, 2022, our net cash used in operating activities amounted to RMB68.2 million, primarily attributable to the loss before tax of RMB143.7 million, adjusted mainly by increase in trade and other receivables of RMB19.6 million. The foregoing was partially offset by (i) changes in carrying amount of financial instruments issued to investors of RMB45.2 million, (ii) increase in trade and other payables of RMB12.9 million, (iii) depreciation on property and equipment of RMB16.6 million, and (iv) increase in contract liabilities of RMB13.1 million.

Net Cash Generated From / (Used In) Investing Activities

Our cash generated from investing activities primarily consisted of proceeds from disposal of property and equipment and proceeds generated from the maturity of short-term investments measured at FVPL. During the Track Record Period, our cash used in investing activities primarily consisted of payment for the purchase of property and equipment, and purchase of short-term investments measured at FVPL.

For the six months ended June 30, 2025, our net cash used in investing activities amounted to RMB556.4 million, mainly attributable to: (i) payments for the purchases of wealth management products of RMB500.0 million and (ii) payments for capital injections to associates of RMB75.0 million. The foregoing was partially offset by proceeds from disposal of investment in equity securities measured at FVTPL of RMB42.5 million.

For the year ended December 31, 2024, our net cash used in investing activities amounted to RMB48.6 million, mainly attributable to: (i) proceeds from disposal of property and equipment of RMB114.6 million, (ii) proceeds generated from the disposal of wealth management product of RMB200.5 million, and (iii) proceeds from disposal of investments in equity securities measured at FVPL of RMB160.8 million. The foregoing was partially offset by (i) payments for capital injections to associates of RMB170.0 million, (ii) payment for the purchase of property and equipment of RMB126.0 million, (iii) purchase of investments in equity securities measured at FVPL of RMB118.7 million, and (iv) purchase of wealth management products of RMB100.0 million.

For the year ended December 31, 2023, our net cash used in investing activities amounted to RMB785.0 million, mainly attributable to: (i) purchase of wealth management product of RMB1,100.0 million and (ii) payment for the purchase of property and equipment of RMB506.8 million. The foregoing was partially offset by proceeds generated from the maturity of wealth management products of RMB1,023.6 million.

For the year ended December 31, 2022, our net cash generated from investing activities amounted to RMB32.9 million, mainly attributable to the maturity of short-term investments measured at FVPL of RMB1,117.2 million. The foregoing was partially offset by purchase of wealth management products of RMB1,042.0 million.

Net Cash Generated From Financing Activities

Our cash generated from financing activities primarily consisted of proceeds from the issuance of financial instruments to investors. During the Track Record Period, our cash used in investing activities primarily consisted of capital element of lease rentals paid.

For the six months ended June 30, 2025, our net cash generated from financing activities amounted to RMB2,165.1 million, mainly attributable to (i) proceeds from the issuance of financial instruments to investors of RMB1,625.0 million and (ii) proceeds from the issuance of convertible bonds of RMB700.0 million.

For the year ended December 31, 2024, our net cash generated from financing activities amounted to RMB3,312.1 million, mainly attributable to proceeds from the issuance of financial instruments to investors of RMB3,019.6 million.

For the year ended December 31, 2023, our net cash generated from financing activities amounted to RMB2,463.0 million, mainly attributable to proceeds from the issuance of financial instruments to investors of RMB2,419.0 million.

For the year ended December 31, 2022, our net cash generated from financing activities amounted to RMB191.2 million, mainly attributable to proceeds from the issuance of financial instruments to investors of RMB208.0 million.

Cash Operating Cost

The following table sets forth key information relating to our cash operating costs for the years/periods indicated:

	Year Ended December 31,			Six Months Ended June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Research and development costs[(1)]	25,894	247,811	1,425,605	927,001
Workforce employment[(2)]	84,825	181,943	490,639	339,125
Direct production costs, including materials[(3)]	5,545	16,001	20,068	66,770
Product marketing[(4)]	2,056	59,182	198,161	192,684
Non-income taxes, royalties and other governmental charges[(5)]	1	205	2,490	1,790
Total	118,321	505,142	2,136,963	1,527,370

Notes:

(1) Research and development costs under cash operating costs represent research and development expenses (excluding payroll cost and non-cash items under research and development expenses) adjusted by changes in working capital relating to research and development activities as of the previous and current year end.

(2) Cash operating costs relating to workforce employment represent the sum of payroll cost under research and development expenses, administrative expenses, costs of sales and selling and marketing expenses (excluding share-based payments expenses which are non-cash in nature) adjusted by changes in working capital relating to payroll cost as of previous and current year end under the above operating expenses.

(3) Cash operating costs relating to direct production costs, including materials, represent the cost of revenue (excluding payroll cost and non-cash items under contract fulfillment costs) adjusted by changes in working capital relating to service as of the previous and current year end.

(4) Cash operating costs relating to product marketing represent the selling and marketing expenses (excluding payroll cost and non-cash items under selling and marketing expenses) adjusted by changes in working capital relating to sales and distribution activities as of the previous and current year end.

(5) Cash operating costs relating to non-income taxes, royalties and other governmental charges mainly represent payment of VAT, stamp duty, taxes and surcharges.

INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consisted of bank loans and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of October 31,
	2022	2023	2024	2025	2025
	(RMB in thousands)				*(unaudited)*
Current portion:					
Lease liabilities	12,832	66,765	213,161	213,458	216,879
Bank loans	—	—	137,246	137,214	268,367
Financial instruments issued to investors	457,959	3,179,864	6,676,943	9,564,760	9,904,392
Advances received from equity shareholders to be injected as capital	—	97,750	—	—	—
Convertible bonds	—	—	132,158	—	—
Non-current portion:					
Lease liabilities	—	204,117	458,107	386,132	348,528
Total	470,791	3,548,496	7,617,615	10,301,564	10,738,166

Lease Liabilities

Our lease liabilities were primarily related to our office leases and computing hardware. Our lease liabilities were RMB12.8 million, RMB270.9 million, RMB671.3 million, RMB599.6 million and RMB565.4 million as of December 31, 2022, 2023 and 2024, June 30, 2025 and October 31, 2025, respectively. Our lease liabilities increased by 2,011.0% from RMB12.8 million as of December 31, 2022 to RMB270.9 million as of December 31, 2023 as we rented new premises as offices and additional computing hardware, in line with our business expansion. Our lease liabilities increased by 147.8% from RMB270.9 million as of December 31, 2023 to RMB671.3 million as of December 31, 2024, as we rented additional premises. Our lease liabilities then decreased by 10.7% to RMB599.6 million, primarily due to our payment of outstanding leases. The lease liabilities remained relatively stable at RMB565.4 million as of October 31, 2025.

As of December 31, 2022, 2023 and 2024, June 30, 2025 and October 31, 2025, other than as disclosed above, we did not have any other borrowings, charges, mortgages, debentures or debt securities issued or outstanding, or authorized or otherwise created but unissued, or other similar indebtedness, hire purchase and finance lease commitments, liabilities under acceptance, acceptance credits, any material guarantees or other material contingent liabilities.

Bank Loans

We had one bank loan in 2024, with effective interest rate of 2.65%. Such bank loan was not secured or guaranteed, and was subsequently repaid in full in July 2025. From July 2025 to October 2025, we added ten bank loans with aggregated amount of RMB268.2 million, with effective interest rate of 2.20% and 2.11%, respectively. Such bank loans were not secured or guaranteed. As of December 31, 2024, June 30, 2025 and October 31, 2025, the outstanding balance of the bank loan (with accrued interest) amounted to RMB137.2 million, RMB137.2 million and RMB268.4 million, respectively.

Our bank loans contain standard terms, conditions and covenants that are customary for commercial bank loans in China. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As of October 31, 2025, we had committed unutilized bank facilities of RMB6,130.5 million.

Financial instruments issued to investors

Our financial instruments issued to investors represent preferred rights that we granted, allowing certain investors, who have acquired equity either by purchasing existing shares or through capital investment, to require us to redeem their invested capital if agreed conditions are not met. As of 31 December 2022, 2023 and 2024, June 30, 2025 and October 31, 2025, our financial instruments issued to investors amounted to RMB458.0 million, RMB3,179.9 million, RMB6,676.9 million, RMB9,564.8 million and RMB9,904.4 million, respectively. This continued growth was primarily driven by new investments. See "History, Reorganization and Corporate Structure—Pre-**[REDACTED]** Investments" for details.

Convertible Bonds

Our convertible bonds ("Convertible Bond") represented Convertible Bond we issued to certain investors in 2024 and 2025, with an aggregate principal amount of RMB130.0 million and RMB700.0 million respectively. The Convertible Bond bears interest up to 8% per annum. In May 2025, the bond holders converted all outstanding Convertible Bonds into our financial instruments issued to investors. For more information, see Note 27 of the Accountants' Report set forth in Appendix I to this document and "History, Reorganization and Corporate Structure—Pre-**[REDACTED]** Investments" in the document.

Since October 31, 2025 and up to the date of the document, as our lease liabilities, bank loans, financial instruments issued to investors and convertible bonds remained relatively stable, the Directors confirm that, there had not been any material change in our indebtedness and contingent liabilities.

Contingent Liabilities

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we did not have any material contingent liabilities.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure primarily consisted of R&D expenses adjusted by intangible assets related to R&D software acquired from third parties and capitalized and amortization expenses of capitalized intangible assets included in R&D expenditure. The table below sets forth our total R&D expenditure for the years/periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
Annual R&D expenditure					
Research and development expenses	84,377	528,884	2,195,436	859,217	1,594,661
Add: Intangible assets related to R&D software acquired from third parties and capitalized	—	38,655	6,125	6,125	427
Less: Amortization expenses of capitalized intangible assets included in R&D expenditure	(3,393)	(4,874)	(9,497)	(4,621)	(5,001)
	80,984	**562,665**	**2,192,064**	**860,721**	**1,590,087**
Total R&D expenditure			**2,835,713**		**4,425,800**

The table below sets forth our annual and total operating expenditure for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
Annual total operating expenditure					
Research and development expenses	84,377	528,884	2,195,436	859,217	1,594,661
Selling and marketing expenses	15,139	101,198	387,475	144,194	208,570
General administrative expenses	32,316	66,302	133,603	51,452	185,165
Adjustments:					
Add: Intangible assets related to R&D software acquired from third parties and capitalized	—	38,655	6,125	6,125	427
Less: Amortization expenses of capitalized intangible assets included in R&D expenditure	(3,393)	(4,874)	(9,497)	(4,621)	(5,001)
	128,439	**730,165**	**2,713,142**	**1,056,367**	**1,983,822**
Total operating expenditure			**3,571,746**		**5,555,568**

The table below sets forth our annual R&D expenditure ratio and the total R&D expenditure ratio for the periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2022	2023	2024	2024	2025
Annual R&D expenditure ratio[(1)]	63.1%	77.1%	80.8%	81.5%	80.2%
Total R&D expenditure ratio			79.4%[(2)]		79.7%[(3)]

Notes:

(1) Calculated by dividing annual R&D expenditure by annual total operating expenditure.

(2) Calculated by dividing total R&D expenditure for the three financial years prior to **[REDACTED]** by total operating expenditure for the three financial years prior to **[REDACTED]**.

(3) Calculated by dividing total R&D expenditure over the Track Record Period by total operating expenditure over the Track Record Period.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditure

During the Track Record Period, our capital expenditure primarily consisted of purchases of property and equipment and intangible assets in relation to office equipment and leasehold improvements in relation to renovation.

The table below sets forth, for the periods indicated, our capital expenditures.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
Payment for the purchase of property and equipment	31,651	506,760	125,958	98,388	12,740
Payment for the purchase of intangible assets	—	1,809	6,802	6,150	11,168
Total	**31,651**	**508,569**	**132,760**	**104,538**	**23,908**

We expect that our capital expenditures in 2025 will primarily consist of purchases of property and equipment and intangible assets. We intend to fund our future capital expenditures with our existing cash balance, cash generated from our operating activities and financing activities and **[REDACTED]** from the **[REDACTED]**. See "Future Plans and Use of **[REDACTED]**" in this document.

Capital Commitments

We did not have any material capital commitments as of December 31, 2022, 2023 and 2024, and June 30, 2025.

KEY FINANCIAL RATIOS

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

	As of/For the Year Ended December 31,			As of/For the Six Months Ended June 30,
	2022	2023	2024	2025
Revenue growth ratio	/	1.2	1.5	3.3
Current Ratio[(1)]	0.6	0.5	0.4	0.3
Quick Ratio[(2)]	0.5	0.5	0.4	0.3
Gearing ratio[(3)]	7.1%	27.6%	20.4%	12.0%

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.

(2) Quick ratio is calculated by dividing current assets less inventories by current liabilities as of the date indicated.

(3) Gearing ratio is calculated by dividing bank loans and lease liabilities divided by total equity as of the end of the period multiplied by 100%.

DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to various types of risks, including interest rate risk, foreign currency risk, credit risk, liquidity risk.

Credit Risk

Our credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade and other receivables and contract assets. Our exposure to credit risk arising from cash at bank is limited because the counterparties are banks and financial institutions with high credit standing, for which we consider to have low credit risk.

We do not provide any guarantees which would expose us to credit risk.

We have established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. We generally requires customers of on-premise deployment to settle progress billings, and cloud-based deployment customers to pay in advance under usage-based contracts and periodic billings under subscription-based contracts.

Significant concentrations of credit risk primarily arise when we have significant exposure to individual customers. As of December 31, 2022, 2023 and 2024 and June 30, 2025, 74.9%, 75.3%, 50.9% and 39.0% of the total trade receivables were due from our five largest trade debtors, respectively.

We measure loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As our historical credit loss experience does not indicate significantly different loss patterns for different customer segments and geographic regions, the loss allowance based on past due status is not further distinguished between our different customer bases. For more details, see Note 31(a) of the Accountants' Report set forth in Appendix I to this document.

Liquidity Risk

We regularly monitor current and expected liquidity requirements, to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. For more details, see Note 31(b) of the Accountants' Report set forth in Appendix I to this document.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not enter into any off-balance sheet transactions or arrangements.

DIVIDEND POLICY

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we did not have any distributable reserves.

RELATED-PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we entered into a number of related party transactions. For more information, see Note 33 to the Accountants' Report in Appendix I to this document. Our Directors are of the view that each of our transactions with related parties during the Track Record Period were 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 results of operations or cause our historical results to become non-reflective of our future performance.

[REDACTED]

[REDACTED] represent professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and **[REDACTED]**. We recorded **[REDACTED]** of **[REDACTED]** in 2022, 2023, 2024 and for the six months ended June 30, 2025, respectively. Our **[REDACTED]** are

estimated to be approximately **[REDACTED]** (**[REDACTED]**) (including **[REDACTED]**) accounted for **[REDACTED]**% of the gross **[REDACTED]** of the **[REDACTED]**, assuming that an **[REDACTED]** of **[REDACTED]** (being the mid-point of the **[REDACTED]** stated in this document) and no exercise of the **[REDACTED]**), among which approximately **[REDACTED]** (**[REDACTED]**) is directly attributable to the issuance of Shares and will be charged to equity upon completion of the **[REDACTED]**, and approximately **[REDACTED]** (**[REDACTED]**) will be charged to our consolidated statements of profit or loss. The **[REDACTED]** we expect to incur would consist of approximately **[REDACTED]** (**[REDACTED]**) **[REDACTED]** and fees, approximately **[REDACTED]** (**[REDACTED]**) non-**[REDACTED]** and fees, which consist of fees and expenses of legal advisors and reporting accountants of approximately **[REDACTED]** (**[REDACTED]**) and other fees and expenses of approximately **[REDACTED]** (**[REDACTED]**).

The **[REDACTED]** above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since June 30, 2025, and there is no event since June 30, 2025 which would materially affect the information shown in the Accountants' Report in Appendix I to this document.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the **[REDACTED]** on the consolidated net tangible liabilities of the Group attributable to the equity shareholders of the Company as of June 30, 2025 as if the **[REDACTED]** had taken place on June 30, 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the **[REDACTED]** been completed as of June 30, 2025 or at any future date.

	Consolidated net tangible liabilities of the Group attributable to equity shareholders of the Company as of June 30, 2025[1]	**Estimated [REDACTED] from the [REDACTED]**[2]	**Estimated impact upon the termination of financial instruments issued to investors**[3]	**Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB*[4]	*HK$*[5]
Based on an **[REDACTED]** of [**[REDACTED]**] per H Share	[(6,240,424)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** of [**[REDACTED]**] per H Share	[(6,240,424)]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The consolidated net tangible liabilities of the Group attributable to the equity shareholders of the Company as of June 30, 2025 is arrived at after (i) deducting intangible assets of RMB55,399,000 and (ii) deducting goodwill of RMB39,379,000 from the total deficit attributable to equity shareholders of the Company of RMB6,145,646,000 which is extracted from the Accountants' Report set out in Appendix I to this document.

(2) The estimated **[REDACTED]** from the **[REDACTED]** are based on the **[REDACTED]** H shares expected to be issued pursuant to the **[REDACTED]** and the indicative **[REDACTED]** of **[REDACTED]** per H Share (being the minimum **[REDACTED]**) and **[REDACTED]** per H Share (being the maximum **[REDACTED]**), after deduction of the estimated **[REDACTED]** fees and other expenses relating to the **[REDACTED]** paid or payable by the Group (excluding the **[REDACTED]** that have been charged to profit or loss during the Track Record Period), and does not take into account of any shares which may be issued upon the exercise of the **[REDACTED]** or the share incentive plans.

The estimated **[REDACTED]** of the **[REDACTED]** have been converted to Renminbi at an exchange rate of HK$1 to RMB0.9078. No representation is made that Hong Kong dollars amount have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at any other rate.

(3) As at 30 June 2025, the carrying amount of financial instruments issued to investors of the Company was RMB9,564,760,000 (as set out in Note 26 of Appendix I). Upon the **[REDACTED]**, the redemption rights of the financial instruments will be automatically terminated, and the financial instruments issued to investors will be reclassified from liabilities to equity accordingly.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per H Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that **[REDACTED]** shares were in issue (being 402,810,690 shares in issue and outstanding as of June 30, 2025 taking into account the Share Subdivision and **[REDACTED]** H Shares to be issued pursuant to **[REDACTED]**) and does not take into account of any shares which may be issued upon the exercise of the **[REDACTED]** or the share incentive plans.

(5) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per H Share amounts in RMB are converted to Hong Kong dollar with an exchange rate of RMB1 to HK$1.1016 No representation is made that Renminbi amount have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rate.

(6) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2025.

FUTURE PLANS

For a detailed description of our future plans, see "Business—Our Strategies."

USE OF [REDACTED]

Assuming that the **[REDACTED]** is not exercised, after deducting the **[REDACTED]** and other estimated **[REDACTED]** payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$[**[REDACTED]**] per Share (being the mid-point of the indicative **[REDACTED]** range of HK$[**[REDACTED]**] to HK$[**[REDACTED]**]), we estimate that we will receive **[REDACTED]** of approximately **[REDACTED]** from the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

(i) Approximately [70.0]% (or **[REDACTED]**) will be used to continuously strengthen our research and development capabilities in general-purpose large AI models, of which approximately [34.5]% (or **[REDACTED]**), [26.0]% (or **[REDACTED]**) and [9.5]% (or **[REDACTED]**) is expected to be used in 2026, 2027 and 2028, respectively:

(a) approximately [60.0]% (or **[REDACTED]**) will be allocated to enhance our large model capabilities and optimize our training infrastructure. We are committed to consolidating our technological leadership by investing in the iterative development of our foundation models, key algorithms and large-scale training and inference infrastructures. Specifically,

- approximately [20.0]% (or **[REDACTED]**) will be used for the ongoing research and development of pre-trained large models, with a focus on maintaining our technological leadership and enhancing the core general capabilities of such models, which will enable our models to develop foundational capabilities and accelerate downstream learning efficiency. We plan to further invest in enhancing our computing power, attracting and retaining top-tier research and development professionals and acquiring high-quality structured data;

- approximately [20.0]% (or **[REDACTED]**) will be used for the ongoing research and development of deep reasoning models, with the aim of improving their self-learning capabilities through training. We will continue to invest in building versatile, powerful large models, focusing on designing new model architecture, and optimizing training infrastructure to reduce training costs and boost performance. This would include new attention and memory mechanisms, infinity context, test-time and online learning, deep reasoning algorithms, self-refinement and self-evolution paradigms. By these means, our models will be able to autonomously explore, reflect and operate in both online and real-world environments, enabling them to tackle complex tasks and continuously improve their performance through self-learning and reflection;

- approximately [10.0]% (or **[REDACTED]**) will be used for the ongoing research and development of AI agents, with an emphasis of enhancing the self-learning capabilities of these models through training. We plan to further upgrade our agent workspace that enables users to easily and seamlessly integrate diverse model applications and tools. This will facilitate the efficient deployment of AI agent solutions deeply tailored to specific industries, regions and scenarios, and drive advancements in intelligent automation; and

- approximately [10.0]% (or **[REDACTED]**) will be used to explore cutting-edge and emerging technologies, with the aim of maintaining our technological leadership in the development of advanced AI in China.

(b) approximately [10.0]% (or **[REDACTED]**) will be allocated to strengthen our GLM framework, optimize our data processing platforms, and build high-quality corpora. Specifically,

- approximately [5.0]% (or **[REDACTED]**) will be used to strengthen our GLM framework. In particular, we plan to continue investing in the research and development of our technology infrastructure to improve model performance, increase the efficiency of underlying computing resources and ensure that computing resources provided by our computing resource partners are optimally suited to our models and sufficient for our scalable training and model deployment across diverse platforms and hardware; and

- approximately [5.0]% (or **[REDACTED]**) will be used to optimize our data processing platform and build high-quality corpora. We plan to upgrade our data processing platforms to support high-quality storage and analysis of datasets, providing a solid foundation for further expanding the frontiers of large model capabilities.

(ii) Approximately [10.0]% (or **[REDACTED]**) will be used to continuously optimize our MaaS platform by offering the latest foundation models and training/inference tools and infrastructures, of which approximately [6.0]% (or HK$**[REDACTED]**), [3.0]% (or HK$**[REDACTED]**) and [1.0]% (or HK$**[REDACTED]**) is expected to be used in 2026, 2027 and 2028, respectively:

(a) approximately [5.0]% (or **[REDACTED]**) will be allocated to the continuous deployment of large models with varying parameter scales, designed to be compatible with a wide range of computing resources and end devices. We plan to provide more offerings over our MaaS platform by strategically expanding our model portfolio across a spectrum of parameter scales, ensuring optimal performance on various computing resources and devices. By engineering models that adapt to differing computational capabilities, we reduce hardware barriers and democratize access to advanced AI technologies. Specifically,

- approximately [2.5]% (or **[REDACTED]**) will be used to strengthen the deployment of our platform portfolio by optimizing our large models and ensuring their compatibility with a wide range of computing resources and end devices, which enables our models to better match end devices' computational capacity and reduce hardware limitations. We also plan to diversify our MaaS platform service offerings, reach more end users through more IoT devices empowered by our AI models, further empowering a broad range of industries with our large model capabilities; and

- approximately [2.5]% (or **[REDACTED]**) will be used for the research and development of large model products that run on consumer-grade hardware, including our applications and hardware products such as consumer electronics. We remain focused on delivering convenient, user-friendly experiences that make large model technology more accessible, enabling companies and organizations of all sizes, as well as individual users, to unlock large models' potential.

(b) approximately [5.0]% (or **[REDACTED]**) will be allocated to strengthen our sales and marketing teams and conduct additional marketing activities to further enhance our brand name, increase our market penetration and maintain strong connections in targeted markets to serve our clients. By working closely with our client support team, our sales and marketing teams can deliver tailored solutions that address specific customer needs and maximize the value of our services. By strengthening our sales and marketing teams, we will be able to gain deeper insights into evolving market trends, which in turn supports the continuous optimization of our MaaS platform.

(iii) Approximately [10.0]% (or **[REDACTED]**) will be used for the development of our business partner network, as well as for strategic investments, of which approximately [4.0]% (or **[REDACTED]**), [4.0]% (or **[REDACTED]**) and [2.0]% (or **[REDACTED]**) is expected to be used in 2026, 2027 and 2028, respectively. Specifically, we plan to invite more

computing infrastructure partners to join our upstream value chain, further enhancing the versatility and adaptability of our models. In addition, we plan to focus on investments in and acquisitions of high-quality upstream and downstream assets within the large model industry, and on establishing industry networks and strategic alliances.

Our selection criteria for potential target companies include but are not limited to those (i) whose business is closely related to AI technologies and applications, including but not limited to large models, intelligent algorithms, AI platforms and AI-enabled applications. We will also consider companies that provide sector-specific AI solutions; (ii) have a solid user/customer base and at least two years of stable operations; (iii) possess mature products or technology platforms with continuous R&D and technological iteration capabilities; (iv) led by senior management with substantial industry experience and supported by professional R&D personnel; and (v) demonstrate solid growth potential in their respective AI fields. By investing in these types of companies, we expect to strengthen our capabilities across the AI value chain. Strategic acquisitions in targeted AI sectors are intended to accelerate our model training efficiency, and enhance our multimodal capabilities. These improvements support our overall competitiveness, enabling us to deliver more advanced, efficient and diversified AI solutions to our customers. We intend to make aforementioned investments and acquisitions mainly through equity, both controlling and non-controlling, evaluated on the case-by-case basis.

According to Frost & Sullivan, as of June 30, 2025, there were over 3,000 potential targets in the market that met our criteria. As such, our Directors are of the opinion that there is a sufficient number of suitable target companies available in the market for our investment and acquisition plans. The criteria are subject to adjustment based on changes in the market conditions and our strategic needs. However, there is no guarantee that we will be able to invest in or acquire the targets that we desire. As of the Latest Practicable Date, we had not identified any potential acquisition or investment targets and had not entered into any letters of intent or definitive agreement for the acquisition of any company.

(iv) Approximately [10.0]% (or **[REDACTED]**) will be used for working capital and other general corporate purposes.

In the event that the **[REDACTED]** is set at the maximum **[REDACTED]** or the minimum **[REDACTED]** of the indicative **[REDACTED]**, the **[REDACTED]** of the **[REDACTED]** will increase or decrease by approximately **[REDACTED]**.

The additional **[REDACTED]** that we would receive if the **[REDACTED]** were exercised in full would be: (i) **[REDACTED]** (assuming an **[REDACTED]** of **[REDACTED]** per Share, being the maximum **[REDACTED]** of the indicative **[REDACTED]**); (ii) **[REDACTED]** (assuming an **[REDACTED]** of **[REDACTED]** per Share, being the mid-point of the indicative **[REDACTED]**); and (iii) **[REDACTED]** (assuming an **[REDACTED]** of **[REDACTED]** per Share, being the minimum **[REDACTED]** of the indicative **[REDACTED]**).

To the extent that the **[REDACTED]** from the **[REDACTED]** are either more or less than expected, we will adjust our allocation of the **[REDACTED]** for the above purposes on a pro rata basis.

To the extent that the **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes, 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 applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. We will issue an appropriate announcement if there is any material change to the above proposed use of **[REDACTED]** in accordance with the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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The following is the text of a report set out on pages I-1 to I–85, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF KNOWLEDGE ATLAS TECHNOLOGY JOINT STOCK COMPANY LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Knowledge Atlas Technology Joint Stock Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I–3 to I–85, which comprises 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 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, for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I–3 to I–85 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "document") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' 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 and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's and the Company's financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding 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 Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I–3 have been made.

Dividends

We refer to Note 30(g) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

[●]
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
[●]

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

Consolidated statements of profit or loss and other comprehensive income
(Expressed in Renminbi ("RMB"))

		Years ended 31 December			*Six months ended 30 June*	
	Note	*2022* RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Revenue	4	57,409	124,538	312,414	44,909	190,877
Cost of revenue		(26,049)	(44,056)	(136,525)	(22,950)	(95,453)
Gross profit	4(b)	31,360	80,482	175,889	21,959	95,424
Other income	5	1,784	9,965	19,281	4,174	4,614
Selling and marketing expenses		(15,139)	(101,198)	(387,475)	(144,194)	(208,570)
General and administration expenses		(32,316)	(66,302)	(133,603)	(51,452)	(185,165)
Research and development expenses		(84,377)	(528,884)	(2,195,436)	(859,217)	(1,594,661)
Impairment losses on financial assets	31(a)	(31)	(19,786)	(17,008)	(763)	(10,867)
Loss from operations		(98,719)	(625,723)	(2,538,352)	(1,029,493)	(1,899,225)
Finance costs	6(a)	(5,694)	(26,332)	(38,321)	(12,212)	(53,270)
Share of profits less losses of associates	15	-	(453)	21,254	324	14,147
Changes in fair value of financial instruments measured at fair value through profit or loss ("FVPL")		5,972	26,022	66,271	7,004	9,791
Changes in the carrying amounts of financial instruments issued to investors	26	(45,209)	(161,471)	(468,859)	(201,174)	(429,295)
Loss before taxation	6	(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)
Income tax	7	-	-	-	-	-
Loss for the year/period		(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)

The accompanying notes form part of this Historical Financial Information.

Consolidated statements of profit or loss and other comprehensive income (continued)
(Expressed in RMB)

	Note	*Years ended 31 December*			*Six months ended 30 June*	
		2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Loss for the year/ period		(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)
Other comprehensive income for the year/period (after tax):						
Items that may be reclassified to profit or loss:						
– Exchange differences on translation of financial statements into presentation currency		-	-	(79)	17	414
Total comprehensive income for the year/period		(143,650)	(787,957)	(2,958,086)	(1,235,534)	(2,357,438)
Loss attributable to:						
Equity shareholders of the Company		(143,374)	(787,960)	(2,956,491)	(1,235,551)	(2,351,173)
Non-controlling interests		(276)	3	(1,516)	-	(6,679)
		(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)
Total comprehensive income attributable to:						
Equity shareholders of the Company		(143,374)	(787,960)	(2,956,570)	(1,235,534)	(2,350,759)
Non-controlling interests		(276)	3	(1,516)	-	(6,679)
		(143,650)	(787,957)	(2,958,086)	(1,235,534)	(2,357,438)
Loss per share						
Basic and diluted (RMB)	10	(7.80)	(29.46)	(87.20)	(36.67)	(62.27)

The accompanying notes form part of this Historical Financial Information.

Consolidated statements of financial position
(Expressed in RMB)

		As at 31 December			As at 30 June
	Note	*2022* RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Non-current assets					
Property and equipment	11(a)	41,418	787,537	866,363	772,619
Intangible assets	12(a)	21,027	54,573	50,359	55,399
Goodwill	13	-	39,379	39,379	39,379
Interests in associates	15	-	13,047	201,198	290,345
Other non-current assets	17(a)	-	46	97,260	202,614
Time deposits	21(b)	-	102,093	105,343	-
		62,445	996,675	1,359,902	1,360,356
Current assets					
Short-term investments measured at FVPL	16	31,777	158,904	42,621	549,364
Inventories and contract costs	18(a)	10,342	28,782	32,465	67,866
Trade and other receivables	19(a)	27,886	416,441	666,841	453,387
Contract assets	20	403	9,960	4,718	6,654
Time deposits	21(b)	10,092	-	-	106,968
Cash at bank and on hand	21(a)	219,031	1,249,391	2,269,222	2,556,116
		299,531	1,863,478	3,015,867	3,740,355
Current liabilities					
Trade and other payables	22(a)	25,834	288,197	603,488	838,417
Contract liabilities	23(a)	35,230	74,062	75,059	75,367
Bank loans	24	-	-	137,246	137,214
Lease liabilities	25(a)	12,832	66,765	213,161	213,458
Financial instruments issued to investors	26	457,959	3,179,864	6,676,943	9,564,760
Convertible bonds	27	-	-	132,158	-
		531,855	3,608,888	7,838,055	10,829,216
Net current liabilities		(232,324)	(1,745,410)	(4,822,188)	(7,088,861)
Total assets less current liabilities		(169,879)	(748,735)	(3,462,286)	(5,728,505)
Non-current liabilities					
Lease liabilities	25(a)	-	204,117	458,107	386,132
Deferred income		10,309	29,741	34,752	36,204
		10,309	233,858	492,859	422,336
NET LIABILITIES		(180,188)	(982,593)	(3,955,145)	(6,150,841)

The accompanying notes form part of this Historical Financial Information.

Consolidated statements of financial position (continued)
(Expressed in RMB)

	Note	As at 31 December			As at 30 June
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
CAPITAL AND RESERVES	30				
Paid-in capital/share capital		14,807	28,478	36,224	40,281
Reserves		(196,160)	(1,011,071)	(3,992,853)	(6,185,927)
Total equity - deficit attributable to equity shareholders of the Company		(181,353)	(982,593)	(3,956,629)	(6,145,646)
Non-controlling interests		1,165	-	1,484	(5,195)
TOTAL EQUITY - DEFICIT		(180,188)	(982,593)	(3,955,145)	(6,150,841)

The accompanying notes form part of this Historical Financial Information.

Statements of financial position of the Company
(Expressed in RMB)

		As at 31 December			*As at 30 June*
	Note	*2022* RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Non-current assets					
Property and equipment	11(b)	41,040	786,127	844,023	742,140
Intangible assets	12(b)	19,033	17,710	18,726	17,483
Investments in subsidiaries	14	46,440	94,328	709,950	1,194,062
Interests in associates	15	-	13,047	201,198	290,345
Other non-current assets	17(b)	-	46	92,920	202,614
Time deposits	21(b)	-	102,093	105,343	-
		106,513	1,013,351	1,972,160	2,446,644
Current assets					
Short-term investments measured at FVPL	16	31,777	158,904	42,621	549,364
Inventories and contract costs	18(b)	10,277	28,692	31,172	64,389
Trade and other receivables	19(b)	27,893	419,444	824,474	750,090
Contract assets	20	403	9,960	4,718	6,654
Time deposits	21(b)	10,092	-	-	106,968
Cash at bank and on hand	21(a)	184,742	1,237,835	1,608,972	1,469,365
		265,184	1,854,835	2,511,957	2,946,830
Current liabilities					
Trade and other payables	22(b)	27,045	292,219	658,985	918,558
Contract liabilities	23(b)	34,200	74,012	68,761	62,546
Bank loans	24	-	-	137,246	137,214
Lease liabilities	25(b)	12,832	66,421	208,021	206,195
Financial instruments issued to investors	26	457,959	3,179,864	6,676,943	9,564,760
Convertible bonds	27	-	-	132,158	-
		532,036	3,612,516	7,882,114	10,889,273
Net current liabilities		(266,852)	(1,757,681)	(5,370,157)	(7,942,443)
Total assets less current liabilities		(160,339)	(744,330)	(3,397,997)	(5,495,799)
Non-current liabilities					
Lease liabilities	25(b)	-	203,696	447,856	372,274
Deferred income		10,309	26,741	24,431	25,883
		10,309	230,437	472,287	398,157
NET LIABILITIES		(170,648)	(974,767)	(3,870,284)	(5,893,956)
CAPITAL AND RESERVES	30				
Paid-in capital/share capital		14,807	28,478	36,224	40,281
Reserves		(185,455)	(1,003,245)	(3,906,508)	(5,934,237)
TOTAL EQUITY - DEFICIT		(170,648)	(974,767)	(3,870,284)	(5,893,956)

The accompanying notes form part of this Historical Financial Information.

THIS DOCUMENT IS IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS INCOMPLETE AND IS SUBJECT TO CHANGE. THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

Consolidated statements of changes in equity
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	*Paid-in capital* RMB'000 (Note 30(b))	*Capital reserve* RMB'000 (Note 30(c))	*Other reserve* RMB'000 (Note 30(d))	*Share-based payments reserve* RMB'000 (Note 30(e))	*Exchange reserve* RMB'000 (Note 30(f))	*Accumulated losses* RMB'000	*Total* RMB'000	*Non-controlling interests* RMB'000	*Total equity - deficit* RMB'000
Balance at 1 January 2022		12,812	58,776	(2,286)	300	-	(66,505)	3,097	1,441	4,538
Changes in equity for the year ended 31 December 2022:										
Total comprehensive income for the year		-	-	-	-	-	(143,374)	(143,374)	(276)	(143,650)
Capital contributions from equity shareholders	30(b)	1,461	-	(43,561)	-	-	-	(42,100)	-	(42,100)
Increase in paid-in capital through transfer from capital reserve	30(b)	534	(534)	-	-	-	-	-	-	-
Equity settled share-based transactions	29	-	-	-	1,024	-	-	1,024	-	1,024
Balance at 31 December 2022		14,807	58,242	(45,847)	1,324	-	(209,879)	(181,353)	1,165	(180,188)

The accompanying notes form part of this Historical Financial Information.

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Consolidated statements of changes in equity (continued)
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	*Paid-in capital* RMB'000 (Note 30(b))	*Capital reserve* RMB'000 (Note 30(c))	*Other reserve* RMB'000 (Note 30(d))	*Share-based payments reserve* RMB'000 (Note 30(e))	*Exchange reserve* RMB'000 (Note 30(f))	*Accumulated losses* RMB'000	*Total* RMB'000	*Non-controlling interests* RMB'000	*Total equity - deficit* RMB'000
Balance at 1 January 2023		14,807	58,242	(45,847)	1,324	-	(209,879)	(181,353)	1,165	(180,188)
Changes in equity for the year ended 31 December 2023:										
Total comprehensive income for the year		-	-	-	-	-	(787,960)	(787,960)	3	(787,957)
Capital contributions from equity shareholders	30(b)	9,838	-	(28,620)	-	-	-	(18,782)	-	(18,782)
Increase in paid-in capital through transfer from capital reserve	30(b)	3,833	(3,833)	-	-	-	-	-	-	-
Distributions to non-controlling equity shareholders on liquidation of a subsidiary		-	-	-	-	-	-	-	(1,168)	(1,168)
Equity settled share-based transactions	29	-	-	-	5,502	-	-	5,502	-	5,502
Balance at 31 December 2023		28,478	54,409	(74,467)	6,826	-	(997,839)	(982,593)	-	(982,593)

The accompanying notes form part of this Historical Financial Information.

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Consolidated statements of changes in equity (continued)
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	*Paid-in capital* RMB'000 (Note 30(b))	*Capital reserve* RMB'000 (Note 30(c))	*Other reserve* RMB'000 (Note 30(d))	*Share-based payments reserve* RMB'000 (Note 30(e))	*Exchange reserve* RMB'000 (Note 30(f))	*Accumulated losses* RMB'000	*Total* RMB'000	*Non-controlling interests* RMB'000	*Total equity - deficit* RMB'000
Balance at 1 January 2024		28,478	54,409	(74,467)	6,826	-	(997,839)	(982,593)	-	(982,593)
Changes in equity for the year ended 31 December 2024:										
Loss for the year		-	-	-	-	-	(2,956,491)	(2,956,491)	(1,516)	(2,958,007)
Other comprehensive income for the year		-	-	-	-	(79)	-	(79)	-	(79)
Total comprehensive income for the year		-	-	-	-	(79)	(2,956,491)	(2,956,570)	(1,516)	(2,958,086)
Capital contributions from equity shareholders	30(b)	5,764	-	(46,809)	-	-	-	(41,045)	-	(41,045)
Increase in paid-in capital through transfer from capital reserve	30(b)	1,982	(1,982)	-	-	-	-	-	-	-
Capital contribution from non-controlling interests		-	-	-	-	-	-	-	3,000	3,000
Equity settled share-based transactions	29	-	-	-	23,579	-	-	23,579	-	23,579
		7,746	(1,982)	(46,809)	23,579	-	-	(17,466)	3,000	(14,466)
Balance at 31 December 2024		36,224	52,427	(121,276)	30,405	(79)	(3,954,330)	(3,956,629)	1,484	(3,955,145)

The accompanying notes form part of this Historical Financial Information.

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Consolidated statements of changes in equity (continued)
(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	*Paid-in capital /share capital* RMB'000 (Note 30(b))	*Capital reserve* RMB'000 (Note 30(c))	*Other reserve* RMB'000 (Note 30(d))	*Share-based payments reserve* RMB'000 (Note 30(e))	*Exchange reserve* RMB'000 (Note 30(f))	*Accumulated losses* RMB'000	*Total* RMB'000	*Non-controlling interests* RMB'000	*Total equity - deficit* RMB'000
Balance at 1 January 2025		36,224	52,427	(121,276)	30,405	(79)	(3,954,330)	(3,956,629)	1,484	(3,955,145)
Changes in equity for the six months ended 30 June 2025:										
Loss for the period		-	-	-	-	-	(2,351,173)	(2,351,173)	(6,679)	(2,357,852)
Other comprehensive income for the period		-	-	-	-	414	-	414	-	414
Total comprehensive income for the period		-	-	-	-	414	(2,351,173)	(2,350,759)	(6,679)	(2,357,438)
Capital contributions from equity shareholders	30(b)	4,057	-	(4,057)	-	-	-	-	-	-
Conversion into a joint stock limited liability company	30(b)	-	(4,243,292)	-	-	-	4,243,292	-	-	-
Equity settled share-based transactions	29	-	-	-	161,742	-	-	161,742	-	161,742
		4,057	(4,243,292)	(4,057)	161,742	-	4,243,292	161,742	-	161,742
Balance at 30 June 2025		40,281	(4,190,865)	(125,333)	192,147	335	(2,062,211)	(6,145,646)	(5,195)	(6,150,841)

The accompanying notes form part of this Historical Financial Information.

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Consolidated statements of changes in equity (continued)

(Expressed in RMB)

		Attributable to equity shareholders of the Company								
	Note	*Paid-in capital* RMB'000 (Note 30(b))	*Capital reserve* RMB'000 (Note 30(c))	*Other reserve* RMB'000 (Note 30(d))	*Share-based payments reserve* RMB'000 (Note 30(e))	*Exchange reserve* RMB'000 (Note 30(f))	*Accumulated losses* RMB'000	*Total* RMB'000	*Non- controlling interests* RMB'000	*Total equity - deficit* RMB'000
Balance at 1 January 2024		28,478	54,409	(74,467)	6,826	-	(997,839)	(982,593)	-	(982,593)
Changes in equity for the six months ended 30 June 2024:										
Loss for the period (unaudited)		-	-	-	-	-	(1,235,551)	(1,235,551)	-	(1,235,551)
Other comprehensive income for the period (unaudited)		-	-	-	-	17	-	17	-	17
Total comprehensive income for the period (unaudited)		-	-	-	-	17	(1,235,551)	(1,235,534)	-	(1,235,534)
Capital contributions from equity shareholders (unaudited)	30(b)	2,092	-	(36,077)	-	-	-	(33,985)	-	(33,985)
Equity settled share-based transactions (unaudited)	29	-	-	-	4,217	-	-	4,217	-	4,217
		2,092	-	(36,077)	4,217	-	-	(29,768)	-	(29,768)
Balance at 30 June 2024 (unaudited)		30,570	54,409	(110,544)	11,043	17	(2,233,390)	(2,247,895)	-	(2,247,895)

The accompanying notes form part of this Historical Financial Information.

Consolidated statements of cash flows
(Expressed in RMB)

		Years ended 31 December			*Six months ended 30 June*	
	Note	*2022* RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Operating activities						
Loss before taxation		(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)
Adjustments for:						
Depreciation on property and equipment	6(c)	16,567	63,822	270,252	131,105	132,908
Amortisation of intangible assets	6(c)	3,451	5,109	9,685	4,510	6,128
Net loss/(gain) on disposal of property and equipment and intangible assets	5	-	1,539	(6,807)	-	15
Equity settled share-based transactions	6(b)	1,024	5,502	23,579	4,217	158,852
Changes in fair value of financial instruments measured at FVPL		(5,972)	(26,022)	(66,271)	(7,004)	(9,791)
Changes in the carrying amounts of financial instruments issued to investors	26	45,209	161,471	468,859	201,174	429,295
Interest income from time deposits		(462)	(2,176)	(3,250)	(1,625)	(1,625)
Finance costs	6(a)	5,694	26,332	38,321	12,212	53,270
Share of profits less losses of associates	15	-	453	(21,254)	(324)	(14,147)
Changes in working capital:						
Increase in inventories and contract costs		(2,918)	(18,369)	(3,683)	(24,905)	(29,200)
(Increase)/decrease in trade and other receivables		(19,601)	(269,462)	(415,011)	(279,763)	72,790
(Increase)/decrease in contract assets		(403)	(9,603)	(2,471)	8,730	(4,743)
Increase in restricted cash		(103)	(113)	(842)	-	(3,088)
Increase in trade and other payables		12,893	143,193	415,973	179,911	238,278
Increase in contract liabilities		13,137	38,832	997	14,073	308
Increase/(decrease) in deferred income		6,888	19,432	5,011	(1,438)	1,452
Cash used in operations		(68,246)	(648,017)	(2,244,919)	(994,678)	(1,327,150)
Income tax paid		-	-	-	-	-
Net cash used in operating activities		(68,246)	(648,017)	(2,244,919)	(994,678)	(1,327,150)

The accompanying notes form part of this Historical Financial Information.

Consolidated statements of cash flows (continued)
(Expressed in RMB)

	Note	Years ended 31 December			Six months ended 30 June	
		2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Investing activities						
Payments for the purchases of property and equipment		(31,651)	(506,760)	(125,958)	(98,388)	(12,740)
Payments for the purchases of intangible assets		-	(1,809)	(6,802)	(6,150)	(11,168)
Proceeds from disposal of property and equipment and intangible assets		7	-	114,603	-	5
Payments for the purchases of wealth management product		(1,041,999)	(1,100,000)	(100,000)	(100,000)	(500,000)
Proceeds from disposal of wealth management products		1,117,232	1,023,594	200,534	180,412	-
Placement of time deposits		-	(110,000)	-	-	-
Proceeds from maturity of time deposits		370	20,175	-	-	-
Payments for the purchases of investments in equity securities measured at FVPL		(11,038)	(35,579)	(118,747)	(111,649)	-
Proceeds from disposal of investments in equity securities measured at FVPL		-	-	160,811	-	42,530
Payments for capital injections to associates		-	(13,500)	(170,000)	-	(75,000)
Payment for the acquisition of a subsidiary, net of cash acquired	32	-	(61,086)	(3,000)	(3,000)	-
Net cash generated from/(used in) investing activities		32,921	(784,965)	(48,559)	(138,775)	(556,373)

The accompanying notes form part of this Historical Financial Information.

Consolidated statements of cash flows (continued)
(Expressed in RMB)

	Note	*Years ended 31 December*			*Six months ended 30 June*	
		2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Financing activities						
Proceeds from the issuance of financial instruments to investors	21(c)	208,000	2,419,038	3,019,587	893,190	1,625,000
Payments of transaction costs for the issuance of financial instruments to investors	21(c)	(4,906)	(13,250)	(8,406)	(3,238)	(33,926)
Advanced capital injections received from equity shareholders	21(c)	-	97,750	-	-	-
Proceeds from the issuance of convertible bonds	21(c)	-	-	130,000	-	700,000
Proceeds from bank loans	21(c)	-	-	137,166	-	-
Capital element of lease rentals paid	21(c)	(11,110)	(31,829)	(147,387)	(61,771)	(106,075)
Interest element of lease rentals paid	21(c)	(788)	(7,498)	(30,931)	(11,840)	(17,983)
Capital contribution from non-controlling interests		-	-	3,000	-	-
Distribution to non-controlling equity holders on liquidation of a subsidiary		-	(1,168)	-	-	-
Proceeds from financing of property and equipment		-	-	210,680	-	-
Payments of interests on bank loans	21(c)	-	-	(1,636)	-	(1,839)
Payment of costs in connection with the proposed listing of the Company's shares		-	-	-	-	(67)
Net cash generated from financing activities		191,196	2,463,043	3,312,073	816,341	2,165,110
Net increase/(decrease) in cash and cash equivalents		155,871	1,030,061	1,018,595	(317,112)	281,587
Cash and cash equivalents at the beginning of the year/ period	21(a)(i)	63,057	218,928	1,249,175	1,249,175	2,268,164
Effect of foreign exchange rate changes		-	186	394	3	2,219
Cash and cash equivalents at the end of the year/period	21(a)(i)	218,928	1,249,175	2,268,164	932,066	2,551,970

The accompanying notes form part of this Historical Financial Information.

Notes to the Historical Financial Information
(Expressed in RMB unless otherwise indicated)

1 Basis of preparation and presentation of the Historical Financial Information

Knowledge Atlas Technology Joint Stock Company Limited (the "Company", formerly known as Beijing Zhipu Huazhang Technology Limited) was established in the People's Republic of China (the "PRC") on 11 June 2019 as a limited liability company. The Company was converted from a limited liability company into a joint stock limited liability company on 26 March 2025.

The Company and its subsidiaries (together, the "Group") are principally engaged in the provision of large model-related services in the PRC.

As at 30 June 2025, the Company's subsidiaries are as follows:

			Effective percentage of equity interests				
Name of Company	*Place and date of establishment/ incorporation*	*Particulars of issued/ registered and paid-up capital*	*Held by the Group*	*Held by the Company*	*Held by a subsidiary*	*Principal activities*	*Auditors*
Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司) (formerly known as Nanjing Zhihu Information Technology Co., Ltd. (南京知乎信息科技有限公司)) (i)	The PRC 19 April 2013	RMB1,100,000	100%	100%	-	Provision of large model-related services	2022: RSM ChinaCPA LLP (容誠會計師事務所 (特殊普通合夥)) (i) 2023-2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳 智譜華章科技有限公司) (formerly known as Shenzhen Knowledge Future Co., Ltd. 深圳智譜未來科技有限公司)) (i)	The PRC 21 July 2021	RMB5,000,000	100%	100%	-	Provision of large model-related services	2022: RSM ChinaCPA LLP (容誠會計師事務所 (特殊普通合夥)) (i) 2023-2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司) ("Beijing Lingxin Intelligent") (See Note 32) (i)	The PRC 19 November 2021	RMB5,052,631	100%	100%	-	Provision of large model-related services	2023-2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Jincheng Yaoda Technology Limited (ii)	The British Virgin Islands 6 January 2022	USD100	100%	100%	-	Investment holding	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司) (i)	The PRC 20 September 2023	RMB10,000,000	100%	100%	-	Provision of large model-related services	2023-2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Hong Kong Xiangtai Ruifeng Technology Limited (ii)	Hong Kong 21 September 2023	100,000 shares	100%	-	100%	Investment holding	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所 (普通合夥)) (i)

Name of Company	*Place and date of establishment/ incorporation*	*Particulars of issued/ registered and paid-up capital*	*Effective percentage of equity interests*			*Principal activities*	*Auditors*
			Held by the Group	*Held by the Company*	*Held by a subsidiary*		
JINGSHENG HENGXING TECHNOLOGY PTE. LTD. (formerly known as ZHIPU HENGYAO TECHNOLOGY PTE. LTD.) (ii)	Singapore 23 November 2023	SGP10,000	100%	-	100%	Investment holding	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所 (普通合夥)) (i)
Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司) (i)	The PRC 5 December 2023	RMB10,000,000	100%	100%	-	Provision of large model-related services	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司) (i)	The PRC 15 March 2024	RMB10,000,000/ RMB5,000,000	100%	100%	-	Provision of large model-related services	Not applicable
Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司) (i)	The PRC 14 May 2024	RMB10,000,000	100%	100%	-	Provision of large model-related services	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所 (普通合夥)) (i)
Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司) (i)	The PRC 22 May 2024	RMB30,000,000	100%	100%	-	Provision of large model-related services	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司) (i)	The PRC 24 September 2024	RMB300,000,000	100%	100%	-	Provision of large model-related services	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司) (i)	The PRC 25 October 2024	RMB950,000,000/ RMB250,000,000	100%	100%	-	Provision of large model-related services	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司) (i)	The PRC 29 October 2024	RMB10,000,000	70%	-	70%	Provision of large model-related services	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限 公司) (i)	The PRC 6 November 2024	RMB5,000,000/nil	100%	-	100%	Provision of large model-related services	Not applicable
ZYNIX LIMITED (ii)	The United Kingdom 20 November 2024	GBP1	100%	-	100%	Provision of large model-related services	Not applicable
Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司) (i)	The PRC 16 December 2024	RMB100,000,000	100%	100%	-	Provision of large model-related services	Not applicable

Name of Company	*Place and date of establishment/ incorporation*	*Particulars of issued/ registered and paid-up capital*	*Effective percentage of equity interests*			*Principal activities*	*Auditors*
			Held by the Group	*Held by the Company*	*Held by a subsidiary*		
Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司) (i)	The PRC 18 December 2024	RMB15,000,000	100%	100%	-	Provision of large model-related services	Not applicable
Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司) (i)	The PRC 27 December 2024	RMB300,000,000/ RMB150,000,000	100%	100%	-	Provision of large model-related services	2024: Beijing Chengju Certified Public Accountants (北京誠炬會計師事務所(普通合夥)) (i)
Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司) (i)	The PRC 24 February 2025	RMB450,000,000/ RMB200,000,000	100%	100%	-	Provision of large model-related services	Not applicable
Beijing Knowledge Qingying Technology Culture Media Co., Ltd. (北京智譜清影科技文化傳媒有限公司) (i)	The PRC 13 March 2025	RMB5,000,000/ nil	100%	100%	-	Provision of large model-related services	Not applicable
Corethinks Technology SDN. BHD. (ii)	Malaysia 30 June 2025	MYR1	100%	-	100%	Provision of large model-related services	Not applicable

Notes:

(i) These companies are limited liability companies established in the Chinese Mainland. The English translations of the names are for reference only. The official names of these entities are in Chinese.

(ii) These companies are limited liability companies established outside of the Chinese Mainland.

All companies comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB"). Further details of the material accounting policy information adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. The Group has not adopted any new and revised accounting standards and interpretations issued but not yet effective for the Track Record Period which are set out in Note 35.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on as The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

For the six months ended 30 June 2025, the Group incurred net loss of RMB2,357,852,000 and as at 30 June 2025, the Group recorded net liabilities of RMB6,150,841,000 and net current liabilities of RMB7,088,861,000, which included financial instruments issued to investors amounted to RMB9,564,760,000. The directors of the Company are of the opinion that no payment is expected for the settlement of the liabilities arising from financial instruments issued to investors within twelve months from the date of this report and the related redemption options would be terminated and the financial instruments issued to investors would be converted into equity upon the **[REDACTED]** of the Company's shares on the Stock

Exchange. Taking the above into consideration, together with cashflow forecast for the twelve months ending 30 June 2026 prepared by management of the Group and available unutilised banking facilities of RMB2,362,835,000 as at 30 June 2025, which can be utilised by the Group to fulfil its liquidity requirements when necessary, the directors of the Company consider that the Group will have sufficient financial resources to continue as a going concern for the next twelve months. Therefore, the directors of the Company are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in RMB and all values are rounded to the nearest thousand (RMB'000) unless when otherwise stated.

2 Material accounting policy information

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis, except for investments and convertible bonds which are measured at their fair values as explained in Note 2(f) and Note 2(r).

(b) Use of estimates and judgements

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the Historical Financial Information of consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the Historical Financial Information of profit or loss and other comprehensive income as an allocation of the total profit or loss and comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless it is classified as held for sale.

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An investment in an associate is accounted for using the equity method, unless it is classified as held for sale. They are initially recognised at cost, which includes transaction costs. Subsequently, the Historical Financial Information includes the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(j)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate is accounted for using the equity method, unless it is classified as held for sale.

(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(j)(ii)).

(f) Other investment in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs,

except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 31(c). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are mainly wealth management products and are measured at FVPL. Changes in the fair value of the investments (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at fair value through OCI ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in OCI instead of recognised in profit or loss as in the case of those investments classified as FVPL. Such election is made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(v)).

(g) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

- Electronic equipment and others	3 - 5 years
- Leasehold improvements	Over the shorter of the lease term and estimated useful lives

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including patents, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(j)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

- Patents	5 to 8 years
- Software	1 to 8 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)). Depreciation is calculated using the straight-line method over the lease term.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets.

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

- financial assets measured at amortised cost (including cash at bank and on hand, trade and other receivables, and time deposits); and
- contract assets (see Note 2(l)).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls of trade and other receivables and contract assets are discounted using the effective interest rate determined at initial recognition or an approximation thereof if the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analyses, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling).

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories and contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of purchased inventory is determined at the transaction price. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(ii) Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventories (See Note 2(k)(i)).

Incremental costs of obtaining a contract are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(v)(i)).

(l) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(v)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also be recognised (see Note 2(m)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(j)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(j)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Borrowing costs are expensed in the period in which they are incurred.

(q) Financial instruments issued to investors

A contract that contains an obligation for the Company or the Group to purchase its own equity instruments for cash or another financial asset gives rise to a financial liability even if the Company's or the Group's obligation to purchase is conditional on the counterparty exercising its right to redeem.

The financial instruments issued to investors are initially recognised and subsequently measured at the present value of the redemption amount, which represents the settlement that would be triggered by the event with the highest settlement outcome. Changes in the carrying amounts of the financial liabilities are recognised in profit or loss as "changes in carrying amounts of financial instruments issued to investors".

The carrying amounts of the financial instruments issued to investors are reclassified to share premium upon the termination of the counterparty's redemption right.

(r) Convertible bonds

The Group designated the convertible bonds as financial liabilities measured at fair value through profit or loss on initial recognition. Subsequent to initial recognition, the convertible bonds are carried at fair value with changes in fair value recognised in profit or loss as "changes in fair value of financial instruments measured at FVPL".

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the equity awards. The amount recognised as an expense is adjusted to reflect the equity awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the equity awards that meet the related service conditions at the vesting date. The equity amount is recognised in the share-based payments reserve until either the equity award is exercised (when it is included in the amount recognised in paid-in capital) or the equity award expires (when it is released directly to retained profits).

Where the terms of an equity-settled share-based payments are modified, an expense is first recognised as if the terms had not been modified. 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 the modification.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

(i) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the product or service before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the product or service.

The Group principally engages in the provision of large model-related services, which offers on-premise deployment and cloud-based deployment.

(a) On-premise deployment

The Group's on-premise deployment consists primarily of localised deployment of large models and all necessary on-site services to facilitate such deployment. Revenue is recognised at the point of time when the large models and related services are delivered to the customer's designated location and accepted by the customer.

The Group also provides other related services such as model training and fine-tuning. Revenue from these services is recognised upon the transfer of control, either over time or at a point in time, depending on the nature of the arrangements.

(b) Cloud-based deployment

The Group's cloud-based deployment is provided through cloud infrastructure. Revenue is recognised over the contract term. For subscription-based contract, revenue is generally recognised ratably over the contract term. For usage-based contract, revenue is recognised based on the customer's utilisation of the resources when the services are rendered to the customers.

(ii) Revenue from other sources and other income

(a) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(b) Interest income

Interest income is recognised using the effective interest method. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Government grants

Government grants that compensate the Group for expenses incurred are recognised in the statement of financial position as deferred income and are recognised as a reduction of the expenses related to the grants in profit or loss on a systematic basis in the same periods in which such expenses are incurred.

(w) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into RMB, the Group's presentation currency, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group.

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 Accounting judgements and estimates

Notes 13, 27, 29 and 31(c) contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of convertible bonds, share-based payments and financial instruments. Other significant sources of estimation uncertainty are as follows:

Impairment of non-current non-financial assets

If circumstances indicate that the carrying amount of a non-current non-financial asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets as described in Note 2(j)(ii). These assets are tested for impairment periodically or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

4 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are the provision of large model-related services in the PRC.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service types and timing of revenue recognition are as follows:

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Revenue from contracts with customers within the scope of IFRS 15					
Disaggregated by major service types:					
- On-premise deployment	54,815	112,614	263,930	26,806	161,777
- Cloud-based deployment	2,594	11,924	48,484	18,103	29,100
	57,409	124,538	312,414	44,909	190,877

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Timing of revenue recognition					
At a point in time	53,423	88,937	250,521	13,397	155,636
Over time	3,986	35,601	61,893	31,512	35,241
	57,409	124,538	312,414	44,909	190,877

During the Track Record Period, the Group's customers with whom transactions have exceeded 10% of the Group's revenue in the respective years/periods are as follows:

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Customer A	-	-	59,465	-	-
Customer B	*	18,244	-	-	-
Customer C	-	17,536	-	-	-
Customer D	*	16,810	-	-	-
Customer E	-	14,875	-	-	-
Customer F	8,850	-	-	-	-
Customer G	7,925	-	-	-	-
Customer H	6,545	*	-	-	-
Customer I	-	-	-	-	20,977
Customer J	-	*	*	13,409	-

* *Less than 10% of the Group's revenue for the respective years*

Details of concentrations of credit risk are set out in Note 31(a).

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group applies the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of the Group's contracts are one year or less.

(b) Segment reporting

The Group manages its businesses by service types. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- On-premise deployment: this segment develops and provides customised large model-related services according to the customers' specific instructions and needs at the customers' infrastructure.

- Cloud-based deployment: this segment develops and provides cloud-based large model-related services to customers through cloud infrastructure.

(i) Segment results

For the purposes of assessing segment performance and allocating resources, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and direct expenses incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred during the Track Record Period. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income, selling and marketing expenses, general and administrative expenses, research and development expenses, impairment losses on financial assets, finance costs, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance during the Track Record Period is set out below.

	Year ended 31 December 2022		
	On-premise deployment RMB'000	*Cloud-based deployment* RMB'000	*Total* RMB'000
Segment revenue derived from external customers	54,815	2,594	57,409
Segment gross profit	29,386	1,974	31,360

	Year ended 31 December 2023		
	On-premise deployment RMB'000	*Cloud-based deployment* RMB'000	*Total* RMB'000
Segment revenue derived from external customers	112,614	11,924	124,538
Segment gross profit	76,781	3,701	80,482

	Year ended 31 December 2024		
	On-premise deployment RMB'000	*Cloud-based deployment* RMB'000	*Total* RMB'000
Segment revenue derived from external customers	263,930	48,484	312,414
Segment gross profit	174,256	1,633	175,889

	Six months ended 30 June 2025		
	On-premise deployment RMB'000	*Cloud-based deployment* RMB'000	*Total* RMB'000
Segment revenue derived from external customers	161,777	29,100	190,877
Segment gross profit/(loss)	95,540	(116)	95,424

	Six months ended 30 June 2024 (unaudited)		
	On-premise deployment RMB'000	*Cloud-based deployment* RMB'000	*Total* RMB'000
Segment revenue derived from external customers	26,806	18,103	44,909
Segment gross profit	16,776	5,183	21,959

(ii) Reconciliations of reportable segment profit or loss

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Reportable segment gross profit	31,360	80,482	175,889	21,959	95,424
Other income	1,784	9,965	19,281	4,174	4,614
Selling and marketing expenses	(15,139)	(101,198)	(387,475)	(144,194)	(208,570)
General and administration expenses	(32,316)	(66,302)	(133,603)	(51,452)	(185,165)
Research and development expenses	(84,377)	(528,884)	(2,195,436)	(859,217)	(1,594,661)
Impairment losses on financial assets	(31)	(19,786)	(17,008)	(763)	(10,867)
Finance costs	(5,694)	(26,332)	(38,321)	(12,212)	(53,270)
Share of profits less losses of associates	-	(453)	21,254	324	14,147
Changes in fair value of financial instruments measured at FVPL	5,972	26,022	66,271	7,004	9,791
Changes in the carrying amounts of financial instruments issued to investors	(45,209)	(161,471)	(468,859)	(201,174)	(429,295)
Consolidated loss before taxation	(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)

(iii) Geographic information

The Group's revenue is substantially derived from customers located in the PRC, and all of the Group's non-current assets are located or allocated to operations located in the PRC. Accordingly, no segment analysis based on geographical locations is provided.

5 Other income

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Interest income	1,426	11,236	13,406	4,163	4,607
Net (loss)/gain on disposal of property and equipment and intangible assets	-	(1,539)	6,807	-	(15)
Others	358	268	(932)	11	22
	1,784	9,965	19,281	4,174	4,614

6 Loss before taxation

(a) Finance costs

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Interest on lease liabilities (Note 11(c))	788	7,498	30,931	11,840	17,983
Interest on bank loans	-	-	1,716	-	1,807
Transaction costs on issuance of financial instruments to investors	4,906	16,488	20,119	5,185	31,975
Foreign currency exchange loss/ (gain), net	-	2,346	(14,445)	(4,813)	1,505
	5,694	26,332	38,321	12,212	53,270

(b) Staff costs

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Salaries, wages and other benefits	82,198	195,117	512,176	171,663	318,624
Contributions to defined contribution retirement benefit schemes (i)	7,499	16,666	37,466	16,474	22,118
Equity-settled share-based compensation expenses (excluding expenses of nil, nil, nil, nil and RMB2,890,000 capitalised as inventories respectively)(Note 29)	1,024	5,502	23,579	4,217	158,852
	90,721	217,285	573,221	192,354	499,594

Note:

(i) The employees of the Company and its subsidiaries established in the Chinese Mainland participate in defined contribution retirement benefit schemes managed by the respective local governments, whereby the Company and these subsidiaries are required to contribute to the schemes at specified percentages of the employees' average salaries during the Track Record Period. Employees of the Company and these subsidiaries are entitled to receive retirement benefits, calculated based on a percentage of the average salaries level in the Chinese Mainland, from the above-mentioned retirement schemes at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant salaries, subject to a cap of monthly relevant salaries of HK$30,000. Contributions to the MPF Scheme vest immediately.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Note	*Years ended 31 December*			*Six months ended 30 June*	
		2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Depreciation on property and equipment (excluding expenses of nil, nil, nil, nil and RMB3,311,000 capitalised as inventories respectively)	11(a)	16,567	63,822	270,252	131,105	132,908
Amortisation of intangible assets	12(a)	3,451	5,109	9,685	4,510	6,128
[REDACTED]		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

7 Income tax in the consolidated statements of profit or loss and other comprehensive income

Reconciliations between income tax expenses and accounting losses at applicable tax rates:

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Loss before taxation	(143,650)	(787,957)	(2,958,007)	(1,235,551)	(2,357,852)
Tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (i)	(35,912)	(196,989)	(739,502)	(308,888)	(589,463)
Tax rates differentials (ii)	13,507	79,736	290,253	122,511	221,902
Tax effect of additional deduction on research and development expenses (iii)	(8,406)	(41,757)	(305,408)	(119,645)	(239,946)
Tax effect of non-deductible expenses (iv)	7,200	31,978	83,782	34,123	96,960
Tax effect of unrecognised unused tax losses and deductible temporary differences	23,611	127,032	670,875	271,899	510,547
	-	-	-	-	-

Notes:

(i) Entities of the Group established in the Chinese Mainland were subject to the PRC Corporate Income Tax rate of 25% during the Track Record Period.

Taxation for subsidiaries incorporated in other jurisdictions is calculated at the applicable income tax rates in the relevant jurisdictions.

(ii) Certain subsidiaries of the Group obtained the certificates of "High and New Technology Enterprise" ("HNTE") from the tax authorities and were subject to a preferential tax rate of 15% during the Track Record Period.

(iii) An additional 75% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Corporate Income Tax laws and regulations before 1 October 2022. An additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Corporate Income Tax laws and regulations after 1 October 2022.

(iv) Tax effect of non-deductible expenses mainly represented the changes in the carrying amounts of financial instruments issued to investors and share-based payments expenses, which are not deductible in accordance with the relevant tax regulations in the PRC.

8 Directors' and supervisors' emoluments

Directors' and supervisors' emoluments during the Track Record Period are as follows:

	Year ended 31 December 2022						
	Directors' fee RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Sub-total* RMB'000	*Share-based payments* RMB'000 (Note (i))	*Total* RMB'000
Directors							
Dr. Liu Debing	-	662	1,259	58	1,979	426	2,405
Dr. Zhang Peng	-	895	257	56	1,208	353	1,561
Dr. Li Juanzi	-	94	-	-	94	-	94
Dr. Tang Jie	-	-	-	-	-	-	-
Mr. Wang Shaolan	-	574	334	58	966	-	966
Mr. Li Jiaqing (appointed on 21 January 2022)	-	-	-	-	-	-	-
Mr. Xiang Xiaobo	-	-	-	-	-	-	-
Dr. Xu Bin (redesignated in on 15 February 2022)	-	-	-	-	-	-	-
Mr. Mi Lei	-	-	-	-	-	-	-
Mr. Zhou Zhifeng (appointed on 15 February 2022)	-	-	-	-	-	-	-
Mr. Wu Xi	-	-	-	-	-	-	-
Supervisor							
Dr. Xu Bin (redesignated out on 15 February 2022)	-	-	-	-	-	-	-
	-	2,225	1,850	172	4,247	779	5,026

	Year ended 31 December 2023						
	Directors' fee RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Sub-total* RMB'000	*Share-based payments* RMB'000 (Note (i))	*Total* RMB'000
Directors							
Dr. Liu Debing	-	694	545	63	1,302	1,261	2,563
Dr. Zhang Peng	-	891	220	63	1,174	388	1,562
Dr. Li Juanzi	-	10	-	-	10	-	10
Dr. Tang Jie	-	-	-	-	-	-	-
Mr. Wang Shaolan	-	579	161	63	803	-	803
Mr. Li Jiaqing	-	-	-	-	-	-	-
Mr. Xiang Xiaobo	-	-	-	-	-	-	-
Mr. Xu Bin (resigned on 8 March 2023)	-	1	-	-	1	-	1
Mr. Mi Lei	-	-	-	-	-	-	-
Mr. Zhou Zhifeng (resigned on 8 March 2023)	-	-	-	-	-	-	-
Mr. Wu Xi (resigned on 8 March 2023)	-	-	-	-	-	-	-
Mr. Zhang Haifeng (appointed on 8 March 2023)	-	-	-	-	-	-	-
Mr. Wang Meng (appointed on 4 August 2023)	-	-	-	-	-	-	-
Supervisor							
Mr. Yan Xingyu (appointed on 8 March 2023)	-	749	248	63	1,060	-	1,060
	-	2,924	1,174	252	4,350	1,649	5,999

	Year ended 31 December 2024						
	Directors' fee RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Sub-total* RMB'000	*Share-based payments* RMB'000 (Note (i))	*Total* RMB'000
Directors							
Dr. Liu Debing	-	998	1,154	66	2,218	1,094	3,312
Dr. Zhang Peng	-	1,774	625	66	2,465	609	3,074
Dr. Li Juanzi	-	6	-	-	6	-	6
Dr. Tang Jie	-	-	-	-	-	-	-
Mr. Wang Shaolan	-	596	1,036	66	1,698	2,347	4,045
Mr. Li Jiaqing	-	-	-	-	-	-	-
Mr. Xiang Xiaobo	-	-	-	-	-	-	-
Mr. Zhang Haifeng	-	-	-	-	-	-	-
Mr. Wang Meng	-	-	-	-	-	-	-
Supervisor							
Mr. Yan Xingyu	-	753	254	66	1,073	-	1,073
	-	4,127	3,069	264	7,460	4,050	11,510

	Six months ended 30 June 2025						
	Directors' fee RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Sub-total* RMB'000	*Share-based payments* RMB'000 (Note (i))	*Total* RMB'000
Directors							
Dr. Liu Debing	-	530	213	34	777	27,339	28,116
Dr. Zhang Peng	-	1,091	348	34	1,473	9,155	10,628
Dr. Li Juanzi (resigned on 26 March 2025 and re-appointed on 28 June 2025)	-	-	-	-	-	-	-
Dr. Tang Jie (resigned on 28 June 2025)	-	-	-	-	-	-	-
Mr. Wang Shaolan (resigned on 26 March 2025)	-	177	370	17	564	2,724	3,288
Ms. Zhang Xiaohan (appointed on 26 March 2025)	-	271	80	10	361	610	971
Mr. Li Jiaqing	-	-	-	-	-	-	-
Mr. Xiang Xiaobo (resigned on 26 March 2025)	-	-	-	-	-	-	-
Mr. Zhang Haifeng (resigned on 26 March 2025)	-	-	-	-	-	-	-
Mr. Wang Meng	-	-	-	-	-	-	-
Supervisors							
Mr. Pei Bo (appointed on 26 March 2025)	-	65	18	8	91	-	91
Mr. Yan Xingyu (resigned on 26 March 2025)	-	189	55	17	261	50	311
	-	2,323	1,084	120	3,527	39,878	43,405

	Six months ended 30 June 2024 (unaudited)						
	Directors' fee RMB'000	*Salaries, allowances and other benefits* RMB'000	*Discretionary bonuses* RMB'000	*Retirement scheme contributions* RMB'000	*Sub-total* RMB'000	*Share-based payments* RMB'000 (Note (i))	*Total* RMB'000
Directors							
Dr. Liu Debing	-	466	480	33	979	577	1,556
Dr. Zhang Peng	-	706	313	33	1,052	194	1,246
Dr. Li Juanzi	-	6	-	-	6	-	6
Dr. Tang Jie	-	-	-	-	-	-	-
Mr. Wang Shaolan	-	290	480	33	803	-	803
Mr. Li Jiaqing	-	-	-	-	-	-	-
Mr. Xiang Xiaobo	-	-	-	-	-	-	-
Mr. Zhang Haifeng	-	-	-	-	-	-	-
Mr. Wang Meng	-	-	-	-	-	-	-
Supervisor							
Mr. Yan Xingyu	-	376	84	33	493	90	583
	-	1,844	1,357	132	3,333	861	4,194

Note:

(i) These represent the estimated value of equity awards granted to the directors under the Group's equity award schemes. The value of these equity awards is measured according to the Group's accounting policies for share-based payment transactions.

The details of these benefits in kind, including the principal terms and equity awards granted, are disclosed in Note 29.

9 Individuals with highest emoluments

The number of directors and non-directors included in the five highest paid individuals during the Track Record Period are set out below:

	Years ended 31 December			*Six months ended 30 June*	
	2022 Number of individuals	*2023 Number of individuals*	*2024 Number of individuals*	*2024 Number of individuals* (unaudited)	*2025 Number of individuals*
Directors	3	1	-	-	2
Non-directors	2	4	5	5	3
	5	5	5	5	5

The emoluments of the directors are disclosed in Note 8. The emoluments of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are set out below:

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Salaries, wages and other benefits	1,259	7,858	12,958	6,844	2,745
Discretionary bonuses	616	2,445	9,236	2,147	1,286
Contributions to defined contribution retirement plans	115	96	159	98	34
Equity-settled share-based compensation expenses	10	2,050	8,414	1,159	51,464
	2,000	12,449	30,767	10,248	55,529

The number of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following bands:

	Years ended 31 December			*Six months ended 30 June*	
	2022 Number of individuals	*2023 Number of individuals*	*2024 Number of individuals*	*2024 Number of individuals* (unaudited)	*2025 Number of individuals*
Hong Kong Dollars ("HK$")					
1,000,001 - HK$1,500,000	2	-	-	-	-
HK$1,500,001 - HK$2,000,000	-	-	-	2	-
HK$2,000,001 - HK$2,500,000	-	-	-	2	-
HK$2,500,001 - HK$3,000,000	-	2	-	-	-
HK$3,000,001 - HK$3,500,000	-	-	-	1	-
HK$3,500,001 - HK$4,000,000	-	1	-	-	-
HK$4,000,001 - HK$4,500,000	-	1	-	-	-
HK$4,500,001 - HK$5,000,000	-	-	1	-	-
HK$5,000,001 - HK$5,500,000	-	-	2	-	-
HK$8,500,001 - HK$9,000,000	-	-	1	-	-
HK$9,500,001 - HK$10,000,000	-	-	1	-	-
HK$12,500,001 - HK$13,000,000	-	-	-	-	1
HK$14,000,001 - HK$14,500,000	-	-	-	-	1
HK$33,500,001 - HK$34,000,000	-	-	-	-	1

10 Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue or deemed to be in issue during the Track Record Period.

As described in Note 30(b), the Company was converted into a joint stock company with limited liability on 26 March 2025. The Company's paid-in capital of RMB36,224,375 was converted into 36,224,375 shares of RMB1.00 each accordingly. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company

had occurred since 1 January 2022, at the exchange ratio established in the conversion in March 2025 and does not take into account the effect of the share subdivision plan detailed in Note 30(b).

	Years ended 31 December			*Six months ended 30 June*	
	2022	*2023*	*2024*	*2024* (unaudited)	*2025*
Loss for the year/period attributable to ordinary equity shareholders of the Company (RMB'000) (Note 10(a))	(103,891)	(444,900)	(1,394,042)	(587,576)	(993,276)
Weighted average number of ordinary shares deemed to be in issue (Note 10(b))	13,320,289	15,100,831	15,987,523	16,023,142	15,952,222
Basic loss per share (RMB)	(7.80)	(29.46)	(87.20)	(36.67)	(62.27)

(a) Loss for the year/period attributable to ordinary equity shareholders of the Company

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Loss for the year/period attributable to all equity shareholders of the Company	(143,374)	(787,960)	(2,956,491)	(1,235,551)	(2,351,173)
Allocation of loss for the year/period attributable to financial instruments issued to investors	39,483	343,060	1,562,449	647,975	1,357,897
Loss for the year/period attributable to ordinary equity shareholders of the Company	(103,891)	(444,900)	(1,394,042)	(587,576)	(993,276)

(b) Weighted average number of ordinary shares deemed to be in issue

	Years ended 31 December			*Six months ended 30 June*	
	2022	*2023*	*2024*	*2024* (unaudited)	*2025*
Ordinary shares deemed to be in issue at 1 January	12,812,030	14,806,885	28,477,938	28,477,938	36,224,375
Effect of ordinary shares deemed to be in issue	1,313,032	4,113,709	2,112,110	1,045,804	1,535,971
Effect of increase in paid-in capital through transfer from capital reserve (Note 30)	3,224,361	4,721,233	1,982,905	1,982,905	-
Effect of the financial instruments issued to investors (Note 26)	(4,029,134)	(8,540,996)	(16,585,430)	(15,483,505)	(21,808,124)
Weighted average number of ordinary shares deemed to be in issue	13,320,289	15,100,831	15,987,523	16,023,142	15,952,222

(c) Diluted loss per share

During the Track Record Period, financial instruments issued to investors (Note 26) and convertible bonds (Note 27) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 are the same as basic loss per share for the respective years/periods.

11 Property and equipment

(a) The Group

	Electronic equipment and others	*Leasehold improvements*	*Right-of-use assets*	*Total*
	RMB'000	RMB'000	RMB'000 (Note 11(c))	RMB'000
Cost:				
At 1 January 2022	3,459	-	-	3,459
Additions	31,651	-	23,942	55,593
Disposals	(21)	-	-	(21)
At 31 December 2022	35,089	-	23,942	59,031
Accumulated depreciation:				
At 1 January 2022	(1,060)	-	-	(1,060)
Charge for the year	(4,596)	-	(11,971)	(16,567)
Written back on disposals	14	-	-	14
At 31 December 2022	(5,642)	-	(11,971)	(17,613)
Carrying amount:				
At 31 December 2022	29,447	-	11,971	41,418

	Electronic equipment and others	*Leasehold improvements*	*Right-of-use assets*	*Total*
	RMB'000	RMB'000	RMB'000 (Note 11(c))	RMB'000
Cost:				
At 1 January 2023	35,089	-	23,942	59,031
Additions	500,462	19,116	294,699	814,277
Acquisitions through business combinations (Note 32)	184	-	-	184
Disposals	-	-	(23,942)	(23,942)
At 31 December 2023	535,735	19,116	294,699	849,550
Accumulated depreciation:				
At 1 January 2023	(5,642)	-	(11,971)	(17,613)
Charge for the year	(18,745)	(509)	(44,568)	(63,822)
Written back on disposals	-	-	19,422	19,422
At 31 December 2023	(24,387)	(509)	(37,117)	(62,013)
Carrying amount:				
At 31 December 2023	511,348	18,607	257,582	787,537
Cost:				
At 1 January 2024	535,735	19,116	294,699	849,550
Additions	117,601	852	337,092	455,545
Transfer (Note)	(224,637)	-	205,403	(19,234)
Disposals	(133,617)	-	-	(133,617)
At 31 December 2024	295,082	19,968	837,194	1,152,244
Accumulated depreciation:				
At 1 January 2024	(24,387)	(509)	(37,117)	(62,013)
Charge for the year	(88,949)	(5,051)	(176,252)	(270,252)
Transfer (Note)	19,234	-	-	19,234
Written back on disposals	27,150	-	-	27,150
At 31 December 2024	(66,952)	(5,560)	(213,369)	(285,881)
Carrying amount:				
At 31 December 2024	228,130	14,408	623,825	866,363
Cost:				
At 1 January 2025	295,082	19,968	837,194	1,152,244
Additions	5,285	2,813	34,397	42,495
Disposals	(32)	-	-	(32)
At 30 June 2025	300,335	22,781	871,591	1,194,707
Accumulated depreciation:				
At 1 January 2025	(66,952)	(5,560)	(213,369)	(285,881)
Charge for the period	(30,705)	(2,594)	(102,920)	(136,219)
Written back on disposals	12	-	-	12
At 30 June 2025	(97,645)	(8,154)	(316,289)	(422,088)
Carrying amount:				
At 30 June 2025	202,690	14,627	555,302	772,619

Note: The Group entered into a financing arrangement with a third party, under which the Group transferred the legal ownership of the electronic equipment to this third party while continue to use these equipment under lease for a term of four years.

(b) The Company

	Electronic equipment and others RMB'000	*Leasehold improvements* RMB'000	*Right-of-use assets* RMB'000	*Total* RMB'000
Cost:				
At 1 January 2022	3,323	-	-	3,323
Additions	31,286	-	23,942	55,228
Disposals	(21)	-	-	(21)
At 31 December 2022	34,588	-	23,942	58,530
Accumulated depreciation:				
At 1 January 2022	(1,056)	-	-	(1,056)
Charge for the year	(4,477)	-	(11,971)	(16,448)
Written back on disposals	14	-	-	14
At 31 December 2022	(5,519)	-	(11,971)	(17,490)
Carrying amount:				
At 31 December 2022	29,069	-	11,971	41,040
Cost:				
At 1 January 2023	34,588	-	23,942	58,530
Additions	500,623	19,116	293,526	813,265
Disposals	-	-	(23,942)	(23,942)
At 31 December 2023	535,211	19,116	293,526	847,853
Accumulated depreciation:				
At 1 January 2023	(5,519)	-	(11,971)	(17,490)
Charge for the year	(18,636)	(509)	(44,513)	(63,658)
Written back on disposals	-	-	19,422	19,422
At 31 December 2023	(24,155)	(509)	(37,062)	(61,726)
Carrying amount:				
At 31 December 2023	511,056	18,607	256,464	786,127
Cost:				
At 1 January 2024	535,211	19,116	293,526	847,853
Additions	109,980	381	320,526	430,887
Transfer (Note)	(224,637)	-	205,403	(19,234)
Disposals	(133,617)	-	-	(133,617)
At 31 December 2024	286,937	19,497	819,455	1,125,889
Accumulated depreciation:				
At 1 January 2024	(24,155)	(509)	(37,062)	(61,726)
Charge for the year	(88,781)	(4,776)	(172,967)	(266,524)
Transfer (Note)	19,234	-	-	19,234
Written back on disposals	27,150	-	-	27,150
At 31 December 2024	(66,552)	(5,285)	(210,029)	(281,866)
Carrying amount:				
At 31 December 2024	220,385	14,212	609,426	844,023

	Electronic equipment and others RMB'000	*Leasehold improvements* RMB'000	*Right-of-use assets* RMB'000	*Total* RMB'000
Cost:				
At 1 January 2025	286,937	19,497	819,455	1,125,889
Additions	4,332	385	24,908	29,625
Disposals	(32)	-	-	(32)
At 30 June 2025	291,237	19,882	844,363	1,155,482
Accumulated depreciation:				
At 1 January 2025	(66,552)	(5,285)	(210,029)	(281,866)
Charge for the period	(29,867)	(2,236)	(99,385)	(131,488)
Written back on disposals	12	-	-	12
At 30 June 2025	(96,407)	(7,521)	(309,414)	(413,342)
Carrying amount:				
At 30 June 2025	194,830	12,361	534,949	742,140

Note: The Group entered into a financing arrangement with a third party, under which the Group transferred the legal ownership of the electronic equipment to this third party while continue to use these equipment under lease for a term of four years.

(c) Right-of-use assets

The Group

The analyses of the carrying amounts of right-of-use assets by class of underlying assets are as follows:

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Assets leased for own use, carried at depreciated cost:				
- Office premises	11,971	172,967	140,088	151,536
- Electronic equipment	-	84,615	483,737	403,766
	11,971	257,582	623,825	555,302

The analyses of expense items in relation to leases recognised in the Group's consolidated statements of profit or loss are as follows:

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Depreciation on right-of-use assets has been charged to the consolidated statements of profit or loss as follows:					
- Office premises	11,971	41,026	42,808	21,238	19,868
- Electronic equipment	-	3,542	133,444	53,032	79,970
Depreciation charge of right-of-use assets (Note 11(a))	11,971	44,568	176,252	74,270	99,838
Interest on lease liabilities (Note 6(a))	788	7,498	30,931	11,840	17,983
Expenses relating to short-term leases	2,383	5,537	9,070	4,211	5,909

The Group leases office premises and electronic equipment under leases expiring from 1 to 5 years. Some leases include an option to renew when all terms are renegotiated. None of the leases includes variable lease payments.

The total cash outflow for leases and the maturity analyses of lease liabilities are set out in Note 21(d) and Note 25, respectively.

In accordance with IAS 36, the Group performed impairment tests at the end of each reporting period on non-current assets, primarily including property, plant and equipment, right-of-use assets, intangible assets and other non-current assets at the CGU level. The recoverable amounts of these assets exceeded their respective carrying amounts at the end of each reporting period, therefore, no impairment loss was recognized during the Track Record Period.

12 Intangible assets

(a) The Group

	Patents RMB'000	*Software* RMB'000	*Total* RMB'000
Cost:			
At 1 January 2022 and 31 December 2022	27,139	269	27,408
Accumulated amortisation:			
At 1 January 2022	(2,884)	(46)	(2,930)
Charge for the year	(3,392)	(59)	(3,451)
At 31 December 2022	(6,276)	(105)	(6,381)
Carrying amount:			
At 31 December 2022	20,863	164	21,027

	Patents RMB'000	*Software* RMB'000	*Total* RMB'000
Cost:			
At 1 January 2023	27,139	269	27,408
Additions	-	1,809	1,809
Acquisitions through business combinations (Note 32)	36,846	-	36,846
At 31 December 2023	63,985	2,078	66,063
Accumulated amortisation:			
At 1 January 2023	(6,276)	(105)	(6,381)
Charge for the year	(5,023)	(86)	(5,109)
At 31 December 2023	(11,299)	(191)	(11,490)
Carrying amount:			
At 31 December 2023	52,686	1,887	54,573
Cost:			
At 1 January 2024	63,985	2,078	66,063
Additions	-	6,802	6,802
Disposals	-	(1,699)	(1,699)
At 31 December 2024	63,985	7,181	71,166
Accumulated amortisation:			
At 1 January 2024	(11,299)	(191)	(11,490)
Charge for the year	(8,275)	(1,410)	(9,685)
Written back on disposals	-	368	368
At 31 December 2024	(19,574)	(1,233)	(20,807)
Carrying amount:			
At 31 December 2024	44,411	5,948	50,359
Cost:			
At 1 January 2025	63,985	7,181	71,166
Additions	10,049	1,119	11,168
At 30 June 2025	74,034	8,300	82,334
Accumulated amortisation:			
At 1 January 2025	(19,574)	(1,233)	(20,807)
Charge for the period	(5,296)	(832)	(6,128)
At 30 June 2025	(24,870)	(2,065)	(26,935)
Carrying amount:			
At 30 June 2025	49,164	6,235	55,399

(b) The Company

	Patents RMB'000	*Software* RMB'000	*Total* RMB'000
Cost:			
At 1 January 2022 and 31 December 2022	24,365	269	24,634
Accumulated amortisation:			
At 1 January 2022	(2,451)	(46)	(2,497)
Charge for the year	(3,046)	(58)	(3,104)
At 31 December 2022	(5,497)	(104)	(5,601)
Carrying amount:			
At 31 December 2022	18,868	165	19,033
Cost:			
At 1 January 2023	24,365	269	24,634
Additions	-	1,809	1,809
At 31 December 2023	24,365	2,078	26,443
Accumulated amortisation:			
At 1 January 2023	(5,497)	(104)	(5,601)
Charge for the year	(3,046)	(86)	(3,132)
At 31 December 2023	(8,543)	(190)	(8,733)
Carrying amount:			
At 31 December 2023	15,822	1,888	17,710
Cost:			
At 1 January 2024	24,365	2,078	26,443
Additions	-	6,802	6,802
Disposal	-	(1,699)	(1,699)
At 31 December 2024	24,365	7,181	31,546
Accumulated amortisation:			
At 1 January 2024	(8,543)	(190)	(8,733)
Charge for the year	(3,046)	(1,409)	(4,455)
Written back on disposals	-	368	368
At 31 December 2024	(11,589)	(1,231)	(12,820)
Carrying amount:			
At 31 December 2024	12,776	5,950	18,726

	Patents RMB'000	*Software* RMB'000	*Total* RMB'000
Cost:			
At 1 January 2025	24,365	7,181	31,546
Additions	-	1,119	1,119
At 30 June 2025	24,365	8,300	32,665
Accumulated amortisation:			
At 1 January 2025	(11,589)	(1,231)	(12,820)
Charge for the period	(1,528)	(834)	(2,362)
At 30 June 2025	(13,117)	(2,065)	(15,182)
Carrying amount:			
At 30 June 2025	11,248	6,235	17,483

13 Goodwill

	Years ended 31 December			*Six months ended 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
At 1 January	-	-	39,379	39,379
Acquisitions through business combinations (Note 32)	-	39,379	-	-
At 31 December	-	39,379	39,379	39,379

Goodwill arose from the Group's acquisition of Beijing Lingxin Intelligent in 2023 (see Note 32). The goodwill has been allocated to the Beijing Lingxin Intelligent CGU.

The recoverable amount of the Beijing Lingxin Intelligent CGU has been determined based on value in use calculation, determined by discounting the future cash flows to be generated from the continuing operation of the Beijing Lingxin Intelligent CGU with reference to valuation reports issued by an independent valuer. These calculations use cash flow projections based on financial budgets approved by management covering an eight-year period. Management adopted a forecast period of longer than five years in view that the business is still under significant growth and will require additional time for the underlying technology to reach stable status.

The key assumptions used in the estimation of the recoverable amounts are as follows:

	As at 31 December		*As at 30 June*
	2023	*2024*	*2025*
Annual revenue growth rate (i)	15% - 35%	8% - 35%	12% - 35%
Annual gross profit margin (i)	54% - 58%	54% - 58%	55% - 58%
Growth rate beyond the forecast period (ii)	2%	2%	2%
Pre-tax discount rate (iii)	19%	18%	17%

Notes:

(i) The annual revenue growth rates and gross profit margins are based on the current operational status and expectations of future changes in the industry and adjusted for other factors that are specific to the CGU.

(ii) The growth rate beyond the forecast period is based on relevant industry growth forecasts and does not exceed the average growth rate of the relevant industry.

(iii) The pre-tax discount rate reflects specific risks relating to the Beijing Lingxin Intelligent CGU.

The headroom of the Beijing Lingxin Intelligent CGU as at 31 December 2023 and 2024 and 30 June 2025 amounted to RMB16,021,000, RMB22,973,000 and RMB18,011,000, respectively. Management have undertaken sensitivity analysis on the impairment test of goodwill. The following tables set out the hypothetical change to pre-tax discount rate that would have removed the remaining headroom:

	As at 31 December		*As at 30 June*
	2023	*2024*	*2025*
Pre-tax discount rate	2%	3%	2%

As a result of the impairment tests, the Group is of the view that there was no impairment of goodwill as at 31 December 2023 and 2024 and 30 June 2025. Reasonable possible changes in key assumptions would not lead to impairment of the goodwill as at 31 December 2023 and 2024 and 30 June 2025. No impairment of goodwill was recorded during the Track Record Period.

14 Investments in subsidiaries

The Company

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	46,440	94,328	709,950	1,194,062

Details of the Group's subsidiaries are set out in Note 1.

The Group does not have any subsidiary with material NCI during the Track Record Period.

15 Interests in associates

The Group and the Company

	Years ended 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	-	-	13,047	201,198
Additions	-	13,500	170,000	75,000
Share of profits less losses of associates	-	(453)	21,254	14,147
Disposal of an associate	-	-	(3,103)	-
At the end of the year/period	-	13,047	201,198	290,345

The following list contains the particulars of the Group's material associates, all of which are unlisted entities:

			The Group's effective interest				
Name of associate	*Place of establishment*	*Particulars of registered and paid-up capital*	*31 December 2022*	*31 December 2023*	*31 December 2024*	*30 June 2025*	*Principal activity*
Beijing Shudao Intelligent Computing Technology Co., Ltd. (北京數道智算科技有限公司) ("Beijing Shudao")(i)(ii)	The PRC	RMB136,842,105/ RMB130,000,000	-	7.31%	7.31%	7.31%	Provision of computing service
Beijing Xinglian Dingsen Equity Investment Fund Partnership (Limited Partnership) (北京星連鼎森股權投資基金合夥企業(有限合夥)) ("Beijing Xinglian")(i)	The PRC	RMB560,610,000/ RMB407,427,000	-	-	35.68%	35.68%	Equity investment
Beijing Doushen Zhichuang Technology Co., Ltd. (北京豆神智創科技有限公司)(i)	The PRC	RMB500,000,000/ RMB120,000,000	-	-	25.00%	25.00%	Provision of technical service
Guangdong Juzhen Zhituo Technology Co., Ltd. (廣東矩陣智拓科技有限公司)(i)	The PRC	RMB50,000,000/ RMB45,500,000	-	-	-	30.00%	Provision of technical service

Notes:

(i) These entities' official names are in Chinese. The English translations of these entities' names are for identification only.

(ii) Although the Group's effective interest in Beijing Shudao is less than 20%, the Group is able to exercise significant influence over Beijing Shudao through representation on its board of directors and participation in its policy-making processes. Therefore, the Company has classified Beijing Shudao as an associate.

Summarised financial information of Beijing Xinglian, which is a material associate of the Group established in 2024 and adjusted for any differences in accounting policies, are disclosed below:

	As at 31 December 2024	*As at 30 June 2025*
	RMB'000	RMB'000
Gross amounts of Beijing Xinglian:		
Current assets	455,239	679,344
Current liabilities	(160)	-
Equity	455,079	679,344
The Group's effective interest	35.68%	35.68%
Carrying amount in the consolidated statements of financial position	162,352	242,390

	Year ended 31 December 2024	*Six months ended 30 June 2025*
	RMB'000	RMB'000
Revenue	68,094	60,905
Net profit	62,653	56,170

Aggregate information of associates that are not individually material:

	Years ended 31 December			*Six months ended 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Aggregate carrying amount of individually immaterial associates in the Historical Financial Information	-	13,047	38,846	47,955
Aggregate amounts of the Group's share of those associates' net loss	-	(453)	(1,098)	(5,892)

The associates of the Group have been accounted for using the equity method based on the financial information of the associates prepared under the accounting policies consistent with the Group.

16 Investments measured at fair value through profit or loss

The Group and the Company

	As at 31 December			*Six months ended 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Investments in equity securities (i)	11,740	58,830	42,621	49,343
Wealth management products (ii)	20,037	100,074	-	500,021
	31,777	158,904	42,621	549,364

Notes:

(i) During the Track Record Period, the Company has made investments in unlisted companies specialised in the AI related industries. The directors of the Company consider that the Group has neither significant influence nor control over these investments and designated the investments as equity securities measured at FVPL.

(ii) The Group's wealth management products are issued by financial institutions in the PRC with expected rates of return ranging from 1.55% to 3.86%.

(iii) For information about the methods and assumptions used in determining the fair value of (i) and (ii) above, see Note 31(c).

17 Other non-current assets

(a) The Group

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Input VAT deductible	4,169	84,527	148,708	214,064
Prepayments for computing service fee and others	11,633	88,295	166,893	134,030
Contract assets	403	10,006	12,477	17,220
	16,205	182,828	328,078	365,314
Less: current portion				
- Input VAT deductible (Note 19(a))	4,169	84,527	98,729	83,139
- Prepayments for computing service fee and others (Note 19(a))	11,633	88,295	127,371	72,907
- Contract assets (Note 20)	403	9,960	4,718	6,654
	16,205	182,782	230,818	162,700
	-	46	97,260	202,614

The prepayments for computing service fees represented payments made to suppliers to secure these suppliers' computing services for a certain period, and will be deducted by subsequent utilisation of the computing services from these suppliers.

(b) The Company

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Input VAT deductible	4,169	84,527	140,147	199,023
Prepayments for computing service fee and others	11,633	88,295	161,421	133,765
Contract assets	403	10,006	12,477	17,220
	16,205	182,828	314,045	350,008
Less: current portion				
- Input VAT deductible (Note 19(b))	4,169	84,527	90,168	68,098
- Prepayments for computing service fee and others (Note 19(b))	11,633	88,295	126,239	72,642
- Contract assets (Note 20)	403	9,960	4,718	6,654
	16,205	182,782	221,125	147,394
	-	46	92,920	202,614

18 Inventories and contract costs

(a) The Group

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Purchased hardware and components	-	-	1,218	-
Contract fulfilment costs	10,939	30,082	32,979	70,046
	10,939	30,082	34,197	70,046
Less: write-down of inventories	(597)	(1,300)	(1,732)	(2,180)
	10,342	28,782	32,465	67,866

(b) The Company

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Purchased hardware and components	-	-	1,218	-
Contract fulfilment costs	10,874	29,992	31,601	66,478
	10,874	29,992	32,819	66,478
Less: write-down of inventories	(597)	(1,300)	(1,647)	(2,089)
	10,277	28,692	31,172	64,389

19 Trade and other receivables

(a) The Group

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Trade receivables	6,643	8,883	100,170	171,657
Less: loss allowance (Note 31(a))	(29)	(988)	(9,035)	(25,880)
	6,614	7,895	91,135	145,777

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Deposits	3,640	16,584	67,912	70,257
Receivables from disposal of investments in equity securities measured at FVPL (i)	-	-	45,216	7,098
Receivables of capital contributions from equity shareholders (ii)	-	120,328	-	-
Other receivables	1,833	117,591	263,805	95,381
	5,473	254,503	376,933	172,736
Less: loss allowance (Note 31(a))	(3)	(18,779)	(27,327)	(21,172)
	5,470	235,724	349,606	151,564
Financial assets measured at amortised cost	12,084	243,619	440,741	297,341
Input VAT deductible (Note 17(a))	4,169	84,527	98,729	83,139
Prepayments for computing service fees and others (Note 17(a))	11,633	88,295	127,371	72,907
	15,802	172,822	226,100	156,046
	27,886	416,441	666,841	453,387

Notes:

(i) In November 2024, the Group entered into a series of equity transfer agreements with Beijing Xinglian, an associate of the Group, pursuant to which, the Group divested certain unlisted equity investments measured at FVPL to Beijing Xinglian at a total consideration of RMB202,528,000. The consideration was determined based on arm's length negotiation and was with reference to the most recent transaction price of the equity interests in those unlisted entities.

(ii) Receivables of capital contributions from equity shareholders had been received by the Group in 2024.

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

At the end of each reporting period, the ageing analyses of trade receivable (net of loss allowance), based on the invoice date, is as follows:

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Within 3 months	6,498	5,379	74,191	76,694
3 months to 6 months	-	1,425	13,804	28,891
6 months to 1 year	116	82	1,444	38,504
1 year to 2 years	-	1,009	1,302	1,358
2 years to 3 years	-	-	394	330
	6,614	7,895	91,135	145,777

Further details on the Group's credit policy and credit risk are set out in Note 31(a).

(b) The Company

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Trade receivables due from:				
- third parties	6,643	8,883	98,159	145,198
- subsidiaries	-	-	11,412	38,964
	6,643	8,883	109,571	184,162
Less: loss allowance	(29)	(988)	(8,911)	(23,681)
	6,614	7,895	100,660	160,481
Deposits	3,640	16,471	66,721	67,201
Receivables from disposal of investments in equity securities measured at FVPL	-	-	38,118	-
Receivables of capital contributions from equity holders	-	120,328	-	-
Other receivables due from:				
- third parties	1,833	117,591	263,805	59,715
- subsidiaries	7	3,116	166,090	341,961
	5,480	257,506	534,734	468,877
Less: loss allowance	(3)	(18,779)	(27,327)	(20,008)
	5,477	238,727	507,407	448,869
Financial assets measured at amortised cost	12,091	246,622	608,067	609,350
Input VAT deductible (Note 17(b))	4,169	84,527	90,168	68,098
Prepayments for computing service fees and others (Note 17(b))	11,633	88,295	126,239	72,642
	15,802	172,822	216,407	140,740
	27,893	419,444	824,474	750,090

20 Contract assets

The Group and the Company

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Contract assets arising from performance under on-premise deployment contracts	405	10,059	12,943	17,863
Less: loss allowance (Note 31(a))	(2)	(53)	(466)	(643)
	403	10,006	12,477	17,220

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Represented by:				
- current portion (Notes 17(a) and 17(b))	403	9,960	4,718	6,654
- non-current portion	-	46	7,759	10,566
	403	10,006	12,477	17,220

Contract assets are revenue recognised by the Group while the payment milestones have yet to be met.

The current portion of contract assets is expected to be recovered within one year.

21 Cash at bank and on hand and other cash flow information

(a) Cash at bank and on hand:

(i) The Group

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand in the consolidated statements of financial position	219,031	1,249,391	2,269,222	2,556,116
Less: restricted cash (Note)	(103)	(216)	(1,058)	(4,146)
Cash and cash equivalents in the consolidated statements of cash flows	218,928	1,249,175	2,268,164	2,551,970

Note:

As at 31 December 2022, 2023 and 2024 and 30 June 2025, restricted cash mainly represented deposits for bidding and performance guarantee.

Remittance of funds out of the PRC is subject to relevant rules and regulations of foreign exchange control.

(ii) The Company

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	184,742	1,237,619	1,607,914	1,465,519
Restricted cash	-	216	1,058	3,846
Cash at bank and on hand	184,742	1,237,835	1,608,972	1,469,365

(b) Time deposits

The Group and the Company

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Time deposits	10,092	102,093	105,343	106,968
Represented by:				
- current portion	10,092	-	-	106,968
- non-current portion	-	102,093	105,343	-
	10,092	102,093	105,343	106,968

Time deposits represented deposits placed at financial institutions in the PRC with original maturity dates over one year, and they bear interest ranged from 3.00% to 3.70% during the Track Record Period.

(c) Reconciliations of liabilities arising from financing activities

The tables below detail changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Note	*Bank loans* RMB'000 (Note 24)	*Financial instruments issued to investors* RMB'000 (Note 26)	*Other receivables* RMB'000 (Note 19)	*Other payables* RMB'000 (Note 22)	*Convertible bonds* RMB'000 (Note 27)	*Lease liabilities* RMB'000 (Note 25)	*Total* RMB'000
At 1 January 2022		-	162,650	-	-	-	-	162,650
Changes from financing cash flows:								
Proceeds from the issuance of financial instruments to investors		-	208,000	-	-	-	-	208,000
Payments of transaction costs for the issuance of financial instruments to investors		-	-	-	(4,906)	-	-	(4,906)
Capital element of lease rentals paid		-	-	-	-	-	(11,110)	(11,110)
Interest element of lease rentals paid		-	-	-	-	-	(788)	(788)
Total changes from financing cash flows		-	208,000	-	(4,906)	-	(11,898)	191,196

	Note	*Bank loans* RMB'000 (Note 24)	*Financial instruments issued to investors* RMB'000 (Note 26)	*Other receivables* RMB'000 (Note 19)	*Other payables* RMB'000 (Note 22)	*Convertible bonds* RMB'000 (Note 27)	*Lease liabilities* RMB'000 (Note 25)	*Total* RMB'000
Other changes:								
Net increase in lease liabilities		-	-	-	-	-	23,942	23,942
Finance costs	6(a)	-	-	-	4,906	-	788	5,694
Issuance of financial instruments to investors included in other reserve		-	42,100	-	-	-	-	42,100
Changes in the carrying amounts of financial instruments issued to investors	26	-	45,209	-	-	-	-	45,209
Total other changes		-	87,309	-	4,906	-	24,730	116,945
At 31 December 2022 and 1 January 2023		-	457,959	-	-	-	12,832	470,791
Changes from financing cash flows:								
Proceeds from the issuance of financial instruments to investors		-	2,419,038	-	-	-	-	2,419,038
Payments of transaction costs for the issuance of financial instruments to investors		-	-	-	(13,250)	-	-	(13,250)
Advances received from equity shareholders to be injected as capital		-	-	-	97,750	-	-	97,750
Capital element of lease rentals paid		-	-	-	-	-	(31,829)	(31,829)
Interest element of lease rentals paid		-	-	-	-	-	(7,498)	(7,498)
Total changes from financing cash flows		-	2,419,038	-	84,500	-	(39,327)	2,464,211
Other changes:								
Net increase in lease liabilities		-	-	-	-	-	289,879	289,879
Finance costs	6(a)	-	-	-	16,488	-	7,498	23,986
Issuance of financial instruments to investors included in other reserve		-	18,782	-	-	-	-	18,782
Issuance of financial instruments to investors included in other receivables		-	120,328	(120,328)	-	-	-	-

	Note	*Bank loans* RMB'000 (Note 24)	*Financial instruments issued to investors* RMB'000 (Note 26)	*Other receivables* RMB'000 (Note 19)	*Other payables* RMB'000 (Note 22)	*Convertible bonds* RMB'000 (Note 27)	*Lease liabilities* RMB'000 (Note 25)	*Total* RMB'000
Changes in the carrying amounts of financial instruments issued to investors	26	-	161,471	-	-	-	-	161,471
Exchange adjustments		-	2,286	-	-	-	-	2,286
Total other changes		-	302,867	(120,328)	16,488	-	297,377	496,404
At 31 December 2023 and 1 January 2024		-	3,179,864	(120,328)	100,988	-	270,882	3,431,406
Changes from financing cash flows:								
Proceeds from the issuance of financial instruments to investors		-	3,019,587	-	-	-	-	3,019,587
Payments of transaction costs for the issuance of financial instruments to investors		-	-	-	(8,406)	-	-	(8,406)
Proceeds from the issuance of convertible bonds		-	-	-	-	130,000	-	130,000
Proceeds from bank loans		137,166	-	-	-	-	-	137,166
Capital element of lease rentals paid		-	-	-	-	-	(147,387)	(147,387)
Interest element of lease rentals paid		-	-	-	-	-	(30,931)	(30,931)
Interest paid		(1,636)	-	-	-	-	-	(1,636)
Total changes from financing cash flows		135,530	3,019,587	-	(8,406)	130,000	(178,318)	3,098,393
Other changes:								
Net increase in lease liabilities		-	-	-	-	-	547,773	547,773
Finance costs	6(a)	1,716	-	-	20,119	-	30,931	52,766
Issuance of financial instruments to investors included in other reserve	26	-	41,045	-	-	-	-	41,045
Reclassification from other payables to financial instruments issued to investors		-	97,750	-	(97,750)	-	-	-
Reclassification from other receivables to financial instruments issued to investors		-	(120,328)	120,328	-	-	-	-

	Note	*Bank loans* RMB'000 (Note 24)	*Financial instruments issued to investors* RMB'000 (Note 26)	*Other receivables* RMB'000 (Note 19)	*Other payables* RMB'000 (Note 22)	*Convertible bonds* RMB'000 (Note 27)	*Lease liabilities* RMB'000 (Note 25)	*Total* RMB'000
Changes in the carrying amounts of financial instruments issued to investors	26	-	468,859	-	-	-	-	468,859
Exchange adjustments		-	(9,834)	-	-	-	-	(9,834)
Changes in fair value of convertible bonds		-	-	-	-	2,158	-	2,158
Total other changes		1,716	477,492	120,328	(77,631)	2,158	578,704	1,102,767
At 31 December 2024 and 1 January 2025		137,246	6,676,943	-	14,951	132,158	671,268	7,632,566
Changes from financing cash flows:								
Proceeds from the issuance of financial instruments to investors		-	1,625,000	-	-	-	-	1,625,000
Payments of transaction costs for the issuance of financial instruments to investors		-	-	-	(33,926)	-	-	(33,926)
Proceeds from the issuance of convertible bonds		-	-	-	-	700,000	-	700,000
Capital element of lease rentals paid		-	-	-	-	-	(106,075)	(106,075)
Interest element of lease rentals paid		-	-	-	-	-	(17,983)	(17,983)
Interest paid		(1,839)	-	-	-	-	-	(1,839)
Total changes from financing cash flows		(1,839)	1,625,000	-	(33,926)	700,000	(124,058)	2,165,177
Other changes:								
Net increase in lease liabilities		-	-	-	-	-	34,397	34,397
Finance costs	6(a)	1,807	-	-	31,975	-	17,983	51,765
Changes in the carrying amounts of financial instruments issued to investors	26	-	429,295	-	-	-	-	429,295
Reclassification from the convertible bond to the financial instruments issued to investors		-	833,522	-	-	(833,522)	-	-

	Note	*Bank loans* RMB'000 (Note 24)	*Financial instruments issued to investors* RMB'000 (Note 26)	*Other receivables* RMB'000 (Note 19)	*Other payables* RMB'000 (Note 22)	*Convertible bonds* RMB'000 (Note 27)	*Lease liabilities* RMB'000 (Note 25)	*Total* RMB'000
Changes in fair value of convertible bonds		-	-	-	-	1,364	-	1,364
Total other changes		1,807	1,262,817	-	31,975	(832,158)	52,380	516,821
As at 30 June 2025		137,214	9,564,760	-	13,000	-	599,590	10,314,564
At 1 January 2024		-	3,179,864	(120,328)	100,988	-	270,882	3,431,406
Changes from financing cash flows:								
Proceeds from the issuance of financial instruments to investors (unaudited)		-	893,190	-	-	-	-	893,190
Payments of transaction costs for the issuance of financial instruments to investors (unaudited)		-	-	-	(3,238)	-	-	(3,238)
Capital element of lease rentals paid (unaudited)		-	-	-	-	-	(61,771)	(61,771)
Interest element of lease rentals paid (unaudited)		-	-	-	-	-	(11,840)	(11,840)
Total changes from financing cash flows (unaudited)		-	893,190	—	(3,238)	-	(73,611)	816,341
Other changes:								
Net increase in lease liabilities (unaudited)		-	-	-	-	-	318,306	318,306
Finance costs (unaudited)	6(a)	-	-	-	5,185	-	11,840	17,025
Issuance of financial instruments to investors included in other reserve (unaudited)	26	-	33,985	-	-	-	-	33,985
Reclassification from other payables to financial instruments issued to investors (unaudited)		-	97,750	-	(97,750)	-	-	-
Reclassification from other receivables to financial instruments issued to investors (unaudited)		-	(120,328)	120,328	-	-	-	-

	Note	*Bank loans* RMB'000 (Note 24)	*Financial instruments issued to investors* RMB'000 (Note 26)	*Other receivables* RMB'000 (Note 19)	*Other payables* RMB'000 (Note 22)	*Convertible bonds* RMB'000 (Note 27)	*Lease liabilities* RMB'000 (Note 25)	*Total* RMB'000
Changes in the carrying amounts of financial instruments issued to investors (unaudited)	26	-	201,174	-	-	-	-	201,174
Total other changes (unaudited)		-	212,581	120,328	(92,565)	-	330,146	570,490
As at 30 June 2024 (unaudited)		-	4,285,635	-	5,185	-	527,417	4,818,237

(d) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for lease rentals paid are as follows:

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Within operating cash flows	2,383	5,537	9,070	4,211	5,909
Within financing cash flows	11,898	39,327	178,318	73,611	124,058
	14,281	44,864	187,388	77,822	129,967

22 Trade and other payables

(a) The Group

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Trade payables due to third parties	663	6,754	58,293	69,403
Payables for computing service fees	1,509	104,536	269,467	495,348
Payables for marketing and promotion services	-	4,357	89,052	28,981
Payables of staff costs	15,386	45,226	104,229	105,846
Other payables and accruals	1,987	12,309	43,767	109,173
Financial liabilities measured at amortised cost	19,545	173,182	564,808	808,751
Advances from equity shareholders to be injected as capital	-	97,750	-	-
Other taxes payables	3,401	11,038	22,304	8,348
Provisions for warranties	2,888	6,227	16,376	21,318
	25,834	288,197	603,488	838,417

As at the end of each reporting period, the ageing analyses of trade payables, based on the invoice date, are as follows:

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	663	5,333	57,676	59,596
3 months to 6 months	-	865	57	5,848
6 months to 1 year	-	526	257	3,680
More than 1 year	-	30	303	279
	663	6,754	58,293	69,403

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

(b) The Company

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables due to third parties	411	6,621	32,891	52,529
Trade payable due to subsidiaries	2,034	6,010	167,432	163,326
	2,445	12,631	200,323	215,855
Payables for computing service fees	1,509	104,536	218,397	480,471
Payables for marketing and promotion services	-	4,313	89,052	28,981
Payables of staff costs	14,836	43,655	89,515	85,855
Other payables and accruals	1,979	12,301	24,707	80,569
Financial liabilities measured at amortised cost	20,769	177,446	621,994	891,731
Advances from equity shareholders to be injected as capital	-	97,750	-	-
Other taxes payables	3,388	10,796	20,615	5,609
Provisions for warranties	2,888	6,227	16,376	21,218
	27,045	292,219	658,985	918,558

23 Contract liabilities

(a) *The Group*

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Receipts in advance from customers	35,230	74,062	75,059	75,367

Movements in contract liabilities during the Track Record Periods are set out below:

	Years ended 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January	22,093	35,230	74,062	75,059
Increase in contract liabilities as a result of receipts in advance	23,598	48,973	46,930	20,895
Decrease in contract liabilities as a result of recognising revenue during the year/period	(10,461)	(10,141)	(45,933)	(20,587)
Balance at 31 December/30 June	35,230	74,062	75,059	75,367

The contract liabilities are expected to be recognised as revenue within one year.

(b) The Company

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Receipts in advance from customers	34,200	74,012	68,761	62,546

24 Bank loans

The Group and the Company

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Unguaranteed and unsecured bank loan repayable within one year	-	-	137,246	137,214

25 Lease liabilities

(a) The Group

At the end of each reporting period, the lease liabilities were repayable as follows:

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	12,832	66,765	213,161	213,458
After 1 year but within 2 years	-	47,367	205,437	174,836
After 2 years but within 5 years	-	156,750	252,670	211,296
	-	204,117	458,107	386,132
	12,832	270,882	671,268	599,590

(b) The Company

At the end of each reporting period, the lease liabilities were repayable as follows:

	As at 31 December			*As at 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	12,832	66,421	208,021	206,195
After 1 year but within 2 years	-	47,367	176,548	168,905
After 2 years but within 5 years	-	156,329	271,308	203,369
	-	203,696	447,856	372,274
	12,832	270,117	655,877	578,469

26 Financial instruments issued to investors

The Group and the Company

The movements of the financial instruments issued to investors during the Track Record Period are set out below:

	Years ended 31 December			*Six months ended 30 June*
	2022	*2023*	*2024*	*2025*
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January	162,650	457,959	3,179,864	6,676,943
Additions	250,100	2,560,434	3,028,220	2,458,522
Changes in the carrying amounts of financial instruments issued to investors	45,209	161,471	468,859	429,295
At 31 December/30 June	457,959	3,179,864	6,676,943	9,564,760

From 2019 onwards and during the Track Record Period, the Group, via the Company, has conducted several rounds of financing from various investors to support the development of the Group's business. The Company and these investors have entered into investment agreements pursuant to which these investors were to acquire both existing equity interests from existing equity shareholders and additional equity interests by injections of new capital. At the same time, the Company and these investors have also entered into equity holders' agreements pursuant to which the Company has granted rights for these investors to require the Company to redeem the invested amounts if certain triggering events cannot be met, including an initial public offering of the Company's shares by February 2028 (i.e. the redemption rights).

In accordance with the accounting policies adopted by the Group (see Note 2(q)), the Group recognised these financial liabilities as "financial instruments issued to investors" in the consolidated statements of financial position, where changes in the carrying amounts of these financial instruments were charged to the consolidated statements of profit or loss during the Track Record Period. The Group has assessed the highest possible outcome arising from the redemption rights would be the original principal investments plus accrued interests at 12% per annum. The redemption rights will be terminated upon the **[REDACTED]** of the Company's shares at any recognised stock exchanges.

In addition to the financial liabilities recognised, the Group has credited the Company's paid-in capital account with the nominal value of the additional equity interests acquired by the investors, and debited the other reserve account with the same amount plus the investment amounts related to the existing equity interests acquired by the investors. The amounts accumulated in other reserve will be transferred to the Company's share premium account upon the successful listing of the Company's shares at any recognised stock exchanges.

27 Convertible bonds

	RMB'000
At 1 January 2022, 31 December 2022, 31 December 2023 and 1 January 2024	-
Issuance of convertible bonds	130,000
Fair value change of convertible bonds	2,158
At 31 December 2024 and 1 January 2025	132,158
Issuance of convertible bonds	700,000
Fair value change of convertible bonds	1,364
Converted into financial instruments issued to investors	(833,522)
At 30 June 2025	-

In 2024 and 2025, the Group, via the Company, entered into a series of convertible bonds agreements with total aggregate principal amount of RMB830,000,000. The bonds may be converted at the option of the bond holder and bear interest rate ranging from 0%-8% per annum.

The Group had designated the convertible bonds to be measured at FVPL, and has engaged an independent valuer to determine the fair value. The equity allocation model was adopted to determine the fair value of the convertible bonds. Details of the assumptions used are as follows:

	As at 31 December 2024
Expected volatility	59.64%
Risk free rate	1.20%

In May 2025, the bond holders converted these convertible bonds into the Group's financial instruments issued to inventors with terms and conditions similar to those mentioned in Note 26.

28 Income tax in the consolidated statements of financial position

(a) Deferred tax assets/(liabilities) recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Right-of-use assets RMB'000	*Lease liabilities* RMB'000	*Fair value adjustments on financial instruments measured at FVPL* RMB'000	*Fair value adjustments arising from business combination* RMB'000	*Unused tax losses* RMB'000	*Total* RMB'000
Deferred tax arising from:						
At 1 January 2022	-	-	-	-	-	-
(Credited)/charged to the consolidated statement of profit or loss	(1,796)	1,889	(93)	-	-	-
At 31 December 2022 and 1 January 2023	(1,796)	1,889	(93)	-	-	-
Additions from business combination (Note 32)	-	-	-	(5,304)	5,304	-

	Right-of-use assets RMB'000	*Lease liabilities* RMB'000	*Fair value adjustments on financial instruments measured at FVPL* RMB'000	*Fair value adjustments arising from business combination* RMB'000	*Unused tax losses* RMB'000	*Total* RMB'000
(Credited)/charged to the consolidated statement of profit or loss	(36,953)	36,779	86	221	(133)	-
At 31 December 2023 and 1 January 2024	(38,749)	38,668	(7)	(5,083)	5,171	-
(Credited)/charged to the consolidated statement of profit or loss	(56,264)	56,462	(198)	663	(663)	-
At 31 December 2024 and 1 January 2025	(95,013)	95,130	(205)	(4,420)	4,508	-
Charged/(credited) to the consolidated statement of profit or loss	9,907	(7,095)	(2,812)	332	(332)	-
At 30 June 2025	(85,106)	88,035	(3,017)	(4,088)	4,176	-

Reconciliations to the consolidated statements of financial position:

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Net deferred tax assets in the consolidated statements of financial position	1,889	43,839	99,638	92,211
Net deferred tax liabilities in the consolidated statements of financial position	(1,889)	(43,839)	(99,638)	(92,211)
	-	-	-	-

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of cumulative tax losses and deductible temporary difference of RMB197,398,000, RMB988,829,000, RMB5,191,680,000 and RMB8,343,905,000 as at 31 December 2022, 2023 and 2024 and 30 June 2025 respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities. The unused tax losses are allowed to be carried forward for a five-year period and a ten-year period for HNTE entities.

29 Share-based payments

(a) Equity awards

Since 2021, the Group has granted equity awards to directors and employees of the Group and individuals who contribute directly to the overall business performance and sustainable development of the Group.

The equity awards are issued under both service and performance conditions.

As the Company converted into a joint stock limited liability company on 26 March 2025, the Company has arbitrarily set RMB1 per equity unit for the purposes of granting these equity awards before the Company converted into a joint stock limited liability company.

The number and weighted average exercise prices of equity awards are as follows:

	Years ended 31 December						Six months ended 30 June	
	2022		2023		2024		2025	
	Weighted average exercise price	*Number of equity awards*	*Weighted average exercise price*	*Number of equity awards*	*Weighted average exercise price*	*Number of equity awards*	*Weighted average exercise price*	*Number of equity awards*
	RMB	'000	RMB	'000	RMB	'000	RMB	'000
Outstanding at the beginning of the year/period	6.62	437	6.11	444	3.60	1,161	2.96	1,895
Granted during the year/period	1.20	43	2.04	739	1.97	1,005	1.92	250
Forfeited during the year/period	6.40	(36)	2.07	(22)	2.00	(271)	1.88	(129)
Replaced by restricted shares during the period	-	-	-	-	-	-	2.90	(2,016)
Outstanding at the end of the year/period	6.11	444	3.60	1,161	2.96	1,895	-	-

No equity awards were exercised during the Track Record Period.

Fair value of equity awards and assumptions

The estimate of the fair value of the equity awards granted is measured based on binomial model. Key assumptions used in determining the fair value of equity awards granted are as follows:

	Years ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
Fair value of each equity unit at measurement date	RMB28.12	RMB41.16 - RMB141.29	RMB144.58 - RMB252.01	RMB279.45 - RMB299.70
Exercise price	RMB1.00 - RMB2.00	RMB1.00 - RMB2.00	RMB1.00 - RMB2.00	RMB1.00 - RMB2.00
Expected volatility	51.92% - 61.83%	56.36% - 62.21%	50.08% - 57.45%	53.25% - 54.62%
Expected dividends	-	-	-	-
Risk-free interest rate	2.38% - 2.58%	1.93% - 2.62%	1.37% - 2.15%	1.42% - 1.62%

Expected volatility is estimated based on the historic volatility of comparable listed companies, adjusted for any expected changes to future volatility due to publicly available information.

Expected dividends are estimated based on historical dividends.

Risk-free interest rates are based on the benchmark interest rates for deposits placed at financial institutions set by the People's Bank of the PRC.

The binomial model has been used to estimate the fair value of the equity awards. The variables and assumptions used in computing the fair value of the equity awards are based on the Group's best estimate. The fair values of equity awards will vary if different variables and assumptions are adopted.

(b) Restricted shares

In June 2025, the Group replaced all equity awards with restricted shares for the purpose of providing incentives to eligible employees of the Group. This replacement represents a modification of the equity awards. Restricted shares also contain service and performance conditions.

The number of restricted shares is as follows:

	Six months ended 30 June 2025
	Number of restricted shares '000
Outstanding at the beginning of the period	-
Issuance of restricted shares in connection with the replacement of equity awards	2,016
Granted during the period	4,604
Outstanding at the end of the period	6,620

Fair value of restricted shares

The fair value of the restricted shares granted is estimated with reference to the fair value of the ordinary shares, which is determined using an equity allocation model. Key inputs used in determining the fair value of restricted shares granted are as follows:

	Six months ended 30 June 2025
Fair value of each ordinary share at measurement date	RMB302.73
Exercise price	RMB0.10 - RMB2.00

The variables and assumptions used in computing the fair value of the restricted shares are based on the Group's best estimate. The fair values of restricted shares will vary if different variables and assumptions are adopted.

30 Capital and reserves

(a) Movements in components of equity

The reconciliations between the opening and closing balances of each component of the Group's consolidated equity during the Track Record Period are set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

		Attributable to equity shareholders of the Company					
	Note	*Paid-in capital/share capital* RMB'000 (Note 30(b))	*Capital reserve* RMB'000 (Note 30(c))	*Other reserve* RMB'000 (Note 30(d))	*Share-based payments reserve* RMB'000 (Note 30(e))	*Accumulated losses* RMB'000	*Total equity - deficit* RMB'000
Balance at 1 January 2022		12,812	58,776	(2,286)	300	(64,710)	4,892
Changes in equity for the year ended 31 December 2022							
Total comprehensive income for the year		-	-	-	-	(134,464)	(134,464)
Capital contributions from equity shareholders	30(b)	1,461	-	(43,561)	-	-	(42,100)

		Attributable to equity shareholders of the Company					
	Note	*Paid-in capital/share capital* RMB'000 (Note 30(b))	*Capital reserve* RMB'000 (Note 30(c))	*Other reserve* RMB'000 (Note 30(d))	*Share-based payments reserve* RMB'000 (Note 30(e))	*Accumulated losses* RMB'000	*Total equity - deficit* RMB'000
Increase in paid-in capital through transfer from capital reserve	30(b)	534	(534)	-	-	-	-
Equity settled share-based transactions	29	-	-	-	1,024	-	1,024
Balance at 31 December 2022 and 1 January 2023		14,807	58,242	(45,847)	1,324	(199,174)	(170,648)
Change in equity for the year ended 31 December 2023:							
Total comprehensive income for the year		-	-	-	-	(790,839)	(790,839)
Capital contributions from equity shareholders	30(b)	9,838	-	(28,620)	-	-	(18,782)
Increase in paid-in capital through transfer from capital reserve	30(b)	3,833	(3,833)	-	-	-	-
Equity settled share-based transactions	29	-	-	-	5,502	-	5,502
Balance at 31 December 2023 and 1 January 2024		28,478	54,409	(74,467)	6,826	(990,013)	(974,767)
Change in equity for the year ended 31 December 2024:							
Total comprehensive income for the year		-	-	-	-	(2,878,051)	(2,878,051)
Capital contributions from equity shareholders	30(b)	5,764	-	(46,809)	-	-	(41,045)
Increase in paid-in capital through transfer from capital reserve	30(b)	1,982	(1,982)	-	-	-	-
Equity settled share-based transactions	29	-	-	-	23,579	-	23,579
Balance at 31 December 2024 and 1 January 2025		36,224	52,427	(121,276)	30,405	(3,868,064)	(3,870,284)
Change in equity for the six months ended 30 June 2025:							
Total comprehensive income for the period		-	-	-	-	(2,185,414)	(2,185,414)
Capital contributions from equity shareholders	30(b)	4,057	-	(4,057)	-	-	-
Conversion into a joint stock limited liability company	30(b)	-	(4,243,292)	-	-	4,243,292	-
Equity settled share-based transactions	29	-	-	-	161,742	-	161,742
Balance at 30 June 2025		40,281	(4,190,865)	(125,333)	192,147	(1,810,186)	(5,893,956)
Balance at 31 December 2023 and 1 January 2024		28,478	54,409	(74,467)	6,826	(990,013)	(974,767)
Change in equity for the six months ended 30 June 2024:							
Total comprehensive income for the period (unaudited)		-	-	-	-	(1,221,327)	(1,221,327)
Capital contributions from equity shareholders (unaudited)		2,092	-	(36,077)	-	-	(33,985)
Equity settled share-based transactions (unaudited)	29	-	-	-	4,217	-	4,217
Balance at 30 June 2024		30,570	54,409	(110,544)	11,043	(2,211,340)	(2,225,862)

(b) Paid-in/share capital

(i) Paid-in capital

For the purpose of the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

	Paid-in capital
	RMB'000
At 1 January 2022	12,812
Capital contributions from investors through issuance of financial instruments (see Note 26)	1,461
Increase in paid-in capital through transfer from capital reserve	534
At 31 December 2022 and 1 January 2023	14,807
Capital contributions from investors through issuance of financial instruments (see Note 26)	9,838
Increase in paid-in capital through transfer from capital reserve	3,833
At 31 December 2023 and 1 January 2024	28,478
Capital contributions from investors through issuance of financial instruments (see Note 26)	5,764
Increase in paid-in capital through transfer from capital reserve	1,982
At 31 December 2024 and 1 January 2025	36,224
Conversion into a joint stock limited liability company (see Note 30(b)(ii))	(36,224)
At 30 June 2025	-

(ii) Share capital

	Number of shares	*Share capital*
	'000	RMB'000
At 1 January 2025	-	-
Issuance of ordinary shares upon conversion into a joint stock company	36,224	36,224
Capital contributions from investors through issuance of financial instruments (see Note 26)	4,057	4,057
At 30 June 2025	40,281	40,281

On 26 March 2025, the Company was converted into a joint stock limited liability company and the registered capital of the Company of RMB36,224,375 was divided into 36,224,375 ordinary shares with nominal value of RMB1 each.

Immediately prior to the **[REDACTED]**, the ordinary shares of the Company will be split on a one for ten basis, and the registered share capital of our Company will be RMB40,281,069, comprising 402,810,690 Unlisted Shares in issue of nominal value RMB0.10 each.

(c) Capital reserve

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of paid-in capital/share capital issued by the Company; and (ii) the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company as disclosed in Note 30(b)(ii).

(d) Other reserve

The other reserve represents amounts in connection with the jssuance of financial instruments issued to investors as set out in Note 26.

(e) Share-based payments reserve

The share-based payments reserve comprises the Company's equity settled share-based payments (see Note 29). The reserve is dealt with in accordance with the accounting policies set out in Note 2(s)(ii).

(f) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(w).

(g) Dividends

No dividends had been declared by the Group during the Track Record Period.

The directors of the Company consider that the distributions/dividends policy during the Track Record Period is not indicative of the future dividend policy of the Company.

(h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

31 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and contract assets. The Group's exposure to credit risk arising from cash at bank is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade and other receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group generally requires customers of on-premise deployment to settle progress billings, and cloud-based deployment customers to pay in advance under usage-based contracts and periodic billings under subscription-based contracts.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2022, 2023 and 2024 and 30 June 2025, 75%, 75%, 51% and 39%, respectively, of the total trade receivables was due from the Group's five largest trade debtors.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments and geographic regions, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2022, 2023 and 2024 and 30 June 2025:

	As at 31 December 2022		
	Expected loss rate	*Gross carrying amount* RMB'000	*Loss allowance* RMB'000
Within 3 months	0.38%	6,523	25
6 months to 1 year	3.15%	120	4
		6,643	29

	As at 31 December 2023		
	Expected loss rate	*Gross carrying amount* RMB'000	*Loss allowance* RMB'000
Within 3 months	0.53%	5,409	30
3 months to 6 months	3.54%	1,477	52
6 months to 1 year	3.53%	85	3
1 year to 2 years	47.23%	1,912	903
		8,883	988

	As at 31 December 2024		
	Expected loss rate	*Gross carrying amount* RMB'000	*Loss allowance* RMB'000
Within 3 months	3.60%	76,958	2,767
3 months to 6 months	16.09%	16,451	2,647
6 months to 1 year	22.07%	1,853	409
1 year to 2 years	56.54%	2,996	1,694
2 years to 3 years	79.39%	1,912	1,518
		100,170	9,035

	As at 30 June 2025		
	Expected loss rate	*Gross carrying amount* RMB'000	*Loss allowance* RMB'000
Within 3 months	3.70%	79,644	2,950
3 months to 6 months	16.57%	34,630	5,739
6 months to 1 year	24.54%	51,029	12,525
1 year to 2 years	68.84%	4,358	3,000
2 years to 3 years	83.47%	1,996	1,666
		171,657	25,880

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the expected loss rates for contract assets are from 0.38% to 3.70%.

Other receivables

The Group has assessed the ECLs of other receivables based on the debtor's payment history and other information related to the debtors. The Group has identified certain debtors were in financial difficulties and the related credit risks have increased significantly. Accordingly, loss allowance of RMB3,000, RMB18,779,000, RMB27,327,000 and RMB21,172,000 as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, have been recognised.

Movements in the loss allowance account in respect of trade and other receivables and contract assets during the Track Record Period are as follows:

	Years ended 31 December			*Six months ended 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Balance at 1 January	3	34	19,820	36,828
Impairment losses recognised	31	19,786	17,008	10,867
Balance at 31 December/30 June	34	19,820	36,828	47,695

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2022 *Contractual undiscounted cash outflow*				
	Within 1 year or on demand RMB'000	*More than 1 year but less than 2 years* RMB'000	*More than 2 years but less than 5 years* RMB'000	*Total* RMB'000	*Carrying amounts in the consolidated statements of financial position* RMB'000
Trade and other payables measured at amortised cost (Note 22)	19,545	-	-	19,545	19,545
Lease liabilities (Note 25)	12,832	-	-	12,832	12,832
	32,377	-	-	32,377	32,377

	As at 31 December 2023 *Contractual undiscounted cash outflow*				
	Within 1 year or on demand RMB'000	*More than 1 year but less than 2 years* RMB'000	*More than 2 years but less than 5 years* RMB'000	*Total* RMB'000	*Carrying amounts in the consolidated statements of financial position* RMB'000
Trade and other payables measured at amortised cost (Note 22)	173,182	-	-	173,182	173,182
Lease liabilities (Note 25)	78,192	54,029	164,903	297,124	270,882
	251,374	54,029	164,903	470,306	444,064

	As at 31 December 2024 *Contractual undiscounted cash outflow*				
	Within 1 year or on demand RMB'000	*More than 1 year but less than 2 years* RMB'000	*More than 2 years but less than 5 years* RMB'000	*Total* RMB'000	*Carrying amounts in the consolidated statements of financial position* RMB'000
Trade and other payables measured at amortised cost (Note 22)	564,808	-	-	564,808	564,808
Lease liabilities (Note 25)	246,149	226,760	265,255	738,164	671,268
Bank loans (Note 24)	140,881	-	-	140,881	137,246
	951,838	226,760	265,255	1,443,853	1,373,322

	As at 30 June 2025				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand RMB'000	*More than 1 year but less than 2 years* RMB'000	*More than 2 years but less than 5 years* RMB'000	*Total* RMB'000	*Carrying amounts in the consolidated statements of financial position* RMB'000
Trade and other payables measured at amortised cost (Note 22)	808,751	-	-	808,751	808,751
Lease liabilities (Note 25)	240,307	191,287	219,448	651,042	599,590
Bank loans (Note 24)	140,850	-	-	140,850	137,214
	1,189,908	191,287	219,448	1,600,643	1,545,555

In addition to the above, the Group was also exposed to liquidity risk arising financial instruments issued to investors at 31 December 2022, 2023 and 2024 and 30 June 2025, and convertible bonds as at 31 December 2024, the payment terms of which are further disclosed in Note 26 and Note 27 respectively.

(c) Fair values measurement

Fair value hierarchy

Fair values are categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

(i) Financial assets and liabilities measured at fair value

The following tables present the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy.

	Fair value at 31 December 2022	*Fair value measurements as at 31 December 2022 categorised into Level 3*
	RMB'000	RMB'000
Assets		
Investments in equity securities	11,740	11,740
Wealth management products	20,037	20,037

	Fair value at 31 December 2023	*Fair value measurements as at 31 December 2023 categorised into Level 3*
	RMB'000	RMB'000
Assets		
Investments in equity securities	58,830	58,830
Wealth management products	100,074	100,074

	Fair value at 31 December 2024	*Fair value measurements as at 31 December 2024 categorised into Level 3*
	RMB'000	RMB'000
Assets		
Investments in equity securities	42,621	42,621
Liabilities		
Convertible Bonds	132,158	132,158

	Fair value at 30 June 2025	*Fair value measurements as at 30 June 2025 categorised into Level 3*
	RMB'000	RMB'000
Assets		
Investments in equity securities	49,343	49,343
Wealth management products	500,021	500,021

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

Below is a summary of the valuation techniques and significant unobservable inputs to the valuation of these financial assets at 31 December 2022, 2023 and 2024 and 30 June 2025.

	Valuation techniques	*Significant unobservable inputs*
Investments in equity securities	Market approach	Discount for lack of marketability
Wealth management products	Discounted cash flow method	Expected rate of return
Convertible bonds	Equity allocation model	Expected volatility

During the Track Record Period, the Group's investments in equity securities measured at FVPL are investments in non-listed entities of which fair values were substantially determined based on either the latest round of equity financing obtained by these entities or based on market approach. Given the discount for lack of marketability was not developed by the Group, the management of the Group did not carry out nor present any information on sensitivity analysis.

Fair value of the wealth management products is affected by changes in the expected rate of return. If the expected rate of return had increased/decreased by 1% with all other variables held constant, the loss before tax for the year ended 31 December 2022 and 2023 and the six months ended 30 June 2025 would have been decreased/increased by approximately RMB200,000 and RMB1,001,000 and RMB5,000,000 respectively.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2022, 2023 and 2024 and 30 June 2025.

(d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from lease liabilities and bank loans, which expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively.

The following tables detail the interest rate profile of the Group's borrowings at the end of each reporting period.

	At 31 December 2022		*At 31 December 2023*		*At 31 December 2024*		*At 30 June 2025*	
	Effective interest rate	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*	*Effective interest rate*	*RMB'000*
Fixed rate borrowings:								
Lease liabilities (Note 25)	4.75%	12,832	4.75%	270,882	4.75%	671,268	4.75%	599,590
Bank loans (Note 24)	N/A	-	N/A	-	2.65%	137,246	2.65%	137,214
		12,832		270,882		808,514		736,804

32 Business combination

Prior to 7 September 2023, the Company held 5.02% equity interests in Beijing Lingxin Intelligent, which the Group accounted for as financial assets measured at FVPL. On 7 September 2023, the Company entered into a series of share purchased agreements with various equity holders of Beijing Lingxin Intelligent to acquire an aggregate of 94.98% interest in Beijing Lingxin Intelligent with a total cash consideration of RMB73,005,000. Beijing Lingxin Intelligent is mainly engaged in providing artificial intelligence services. The acquisition was made as part of the Group's strategy to expand its market share of artificial intelligence in the PRC.

The acquisition was completed on 7 September 2023, and after completion of the acquisition, Beijing Lingxin Intelligent became a wholly-owned subsidiary of the Company and the financial results of Beijing Lingxin Intelligent was consolidated into the consolidated financial statements of the Group.

The fair value of the identifiable assets and liabilities of Beijing Lingxin Intelligent as at the date of business acquisition is set out as follows:

	Note	*On acquisition date* RMB'000
Identifiable assets and liabilities:		
Property and equipment	11(a)	184
Intangible assets	12(a)	36,846
Deferred tax assets	28(a)	5,304
Inventories and contract costs		71
Trade and other receivables		213
Cash at bank and on hand		8,919
Trade and other payables		(1,727)
Deferred tax liabilities	28(a)	(5,304)
Fair value of net identifiable assets acquired		44,506
Cash consideration		73,005
Add: previous held equity interests in Beijing Lingxin Intelligent		10,880
Total acquisition price		83,885
Goodwill	13	39,379

Analysis of net cash outflow of cash and cash equivalents in respect of acquisition of Beijing Lingxin Intelligent as at the date of acquisition:

	RMB'000
Total cash consideration	73,005
Less: cash acquired as at the date of acquisition	(8,919)
Net cash outflow for the acquisition of a subsidiary included in the consolidated statements of cash flows from investing activities	64,086

Included in the consideration was RMB3,000,000 which was settled in 2024.

For the year ended 31 December 2023, Beijing Lingxin Intelligent contributed revenue of RMB307,000 and loss of RMB5,903,000 to the Group's results. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have increased by RMB3,889,000, and consolidated loss for the year would have increased by RMB13,910,000.

33 Material related party transactions

The Group entered into the following significant related party transactions during the Track Record Period:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9:

	Year ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 *(unaudited)*	*2025* RMB'000
Salaries, wages and other benefits	2,225	2,924	4,127	1,844	2,323
Discretionary bonuses	1,850	1,174	3,069	1,357	1,084
Contributions to defined contribution retirement plan	172	252	264	132	120
Equity-settled share-based compensation expenses	779	1,649	4,050	861	39,878
	5,026	5,999	11,510	4,194	43,405

Total remuneration was included in "staff costs" (see Note 6(b)).

(b) During the Track Record Period, transactions with the following parties are considered as related party transactions:

Name of parties	*Relationship with the Group*
Trend Mega Limited	An equity holder
Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership)	An equity holder
Wuxi Yunhui Digital Economy Investment Management Partnership (Limited Partnership)	An equity holder
Beijing Xinglian	An associate
Beijing Doushen Zhichuang Technology Co., Ltd.	An associate
Beijing Sankuai Online Technology Co., Ltd.	A subsidiary of an equity holder

(c) Balances with related parties as at the end of each reporting period

	As at 31 December			*As at 30 June*
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2025* RMB'000
Trade in nature				
Trade and other receivables	-	2,339	-	44,694
Trade and other payables	952	-	36,022	71,372
Non-trade in nature				
Receivables of capital contributions from equity holders	-	120,328	-	-
Advances received from equity shareholders to be injected as capital	-	97,750	-	-

(d) Transactions with related parties during the Track Record Period

	Years ended 31 December			*Six months ended 30 June*	
	2022 RMB'000	*2023* RMB'000	*2024* RMB'000	*2024* RMB'000 (unaudited)	*2025* RMB'000
Trade in nature					
Sales of services	1,604	18,244	-	-	20,977
Purchases of services	-	-	37,863	-	29,717
Non-trade in nature					
Divestment of equity interests in certain unlisted companies	-	-	206,027	-	-

The above related party transactions in respect of sales of services and purchases of services will continue after the proposed **[REDACTED]** of the Company's shares on the Stock Exchange, but they do not constitute connected transactions under Chapter 14A of the Listing Rules.

34 Immediate and ultimate controlling party

The directors of the Company consider the immediate parent and the ultimate controlling party of the Company as at 30 June 2025 to be Beijing Lianpai Technology Development Center (Limited Partnership), Dr. Liu Debing, Dr. Tang Jie, Dr. Li Juanzi, Dr. Xu Bin, Dr. Zhang Peng, Zhuhai Hengqin Huihui Enterprise Management Partnership (Limited Partnership) and Zhuhai Hengqin Zhideng Enterprise Management Partnership (Limited Partnership).

35 Possible impact of amendments, new standards and interpretations issued but not yet effective for the Track Record Period

Up to the date of issue the Historical Financial Information, the IASB has issued a number of amendments and new standards which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments include the following.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to IFRS 9 and IFRS 7: *Amendments to the Classification and Measurement* of *Financial Instruments*	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of other developments is expected to be in the initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information except for the following.

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

36 Subsequent events

There were no material subsequent events after 30 June 2025 up to the date of this report.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2025.

The following information set out in this appendix does not form part of the Accountants' Report from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this document, and is included herein for information purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" in this document and the Accountants' Report set out in Appendix I to this document.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of our Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the **[REDACTED]** on the consolidated net tangible liabilities of the Group attributable to the equity shareholders of the Company as at 30 June 2025 as if the **[REDACTED]** had taken place on 30 June 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the **[REDACTED]** been completed as at 30 June 2025 or at any future date.

	Consolidated net tangible liabilities of the Group attributable to equity shareholders of the Company as at 30 June 2025[(1)]	**Estimated [REDACTED] from the [REDACTED]**[(2)]	**Estimated impact upon the termination of financial instruments issued to investors**[(3)]	**Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB*[(4)]	*HK$*[(5)]
Based on an **[REDACTED]** of [HK$**[REDACTED]** per H Share	(6,240,424)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** of [HK$**[REDACTED]** per H Share	(6,240,424)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The consolidated net tangible liabilities of the Group attributable to the equity shareholders of the Company as at 30 June 2025 is arrived at after (i) deducting intangible assets of RMB55,399,000 and (ii) deducting goodwill of RMB39,379,000 from the total deficit attributable to equity shareholders of the Company of RMB6,145,646,000 which is extracted from the Accountants' Report set out in Appendix I to this document.

(2) The estimated **[REDACTED]** from the **[REDACTED]** are based on the **[REDACTED]** H shares expected to be issued pursuant to the **[REDACTED]** and the indicative **[REDACTED]** of HK$**[REDACTED]** per H Share (being the minimum **[REDACTED]**) and HK$**[REDACTED]** per H Share (being the maximum **[REDACTED]**), after deduction of the estimated **[REDACTED]** and other expenses relating to the **[REDACTED]** paid or payable by the Group (excluding the **[REDACTED]** that have been charged to profit or loss during the Track Record Period), and does not take into account of any shares which may be issued upon the exercise of the **[REDACTED]** or the share incentive plans.

The estimated **[REDACTED]** of the **[REDACTED]** have been converted to Renminbi at an exchange rate of HK$1 to RMB0.9078. No representation is made that Hong Kong dollars amount have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at any other rate.

(3) As at 30 June 2025, the carrying amount of financial instruments issued to investors of the Company was RMB9,564,760,000 (as set out in Note 26 of Appendix I). Upon the **[REDACTED]**, the redemption rights of the financial instruments will be automatically terminated, and the financial instruments issued to investors will be reclassified from liabilities to equity accordingly.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per H Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that **[REDACTED]** shares were in issue (being 402,810,690 shares in issue and outstanding as of 30 June 2025 taking into account the Share Subdivision and **[REDACTED]** H Shares to be issued pursuant to **[REDACTED]**) and does not take into account of any shares which may be issued upon the exercise of the **[REDACTED]** or the share incentive plans.

(5) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per H Share amounts in RMB are converted to Hong Kong dollar with an exchange rate of RMB1 to HK$1.1016. No representation is made that Renminbi amount have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rate.

(6) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2025.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this document.



INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF KNOWLEDGE ATLAS TECHNOLOGY JOINT STOCK COMPANY LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Knowledge Atlas Technology Joint Stock Company Limited (the "Company") and its subsidiaries (collectively 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 statement of adjusted consolidated net tangible assets as at 30 June 2025 and related notes as set out in Part A of Appendix II to the document dated [•] (the "document") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the document.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the **[REDACTED]** of the H shares of the Company (the **"[REDACTED]**") on the Group's financial position as at 30 June 2025 as if the **[REDACTED]** had taken place at 30 June 2025. As part of this process, information about the Group's financial position as at 30 June 2025 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the document.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the 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 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("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 behaviour.

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 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 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 ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a document" 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 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 purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the 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 pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or 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 events or transactions as 30 June 2025 would have been as presented.

A reasonable assurance engagement to report on whether the 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 pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of **[REDACTED]** from the issuance of the Company's shares, the application of those **[REDACTED]**, or whether such use will actually take place as described in the section headed "Future Plans and Use of **[REDACTED]**" in the document.

Opinion

In our opinion:

a) the 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 purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

[●]

Certified Public Accountants

Hong Kong
[date]

PRC TAXATION

Taxation of Security Holders

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective PRC laws and practices and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in H Shares. The discussion is based upon PRC laws and relevant interpretations in effect as at the date of this document, all of which are subject to change. Prospective investors are urged to consult their financial adviser regarding the PRC and other tax consequences of owning and disposing of H Shares.

Taxation on dividends

Individual investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was last amended on August 31, 2018 by the SCNPC and came into effect on January 1, 2019, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which were last amended on December 18, 2018 by the State Council and came into effect on January 1, 2019, dividends paid by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from a PRC enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by an applicable tax treaty.

Pursuant to the Notice of the State Taxation Administration (the "**STA**") on Issues Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45) (Guo Shui Han [2011] No. 348) (《國家税務總局關于國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知 (國税函[2011]348號) 》) issued by the STA on June 28, 2011, which came into effect on the same day, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rate of lower than 10%, non-foreign-invested enterprises listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the excessive withholding amount will be refunded. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rate of higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or are under other situations, the non-foreign-invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise investors

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), which was latest amended by the SCNPC and implemented on December 29, 2018, and the Implementation Rules for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), which was last amended on December 6, 2024 by the State Council, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an

establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise.

The Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-Share Holders Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關于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税有關問題的通知 (國税函[2008]897號) 》), which was issued and implemented by the STA on November 6, 2008, further clarifies that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends of year 2008 and afterwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (Guo Shui Han [2009] No. 394) (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆 (國税函[2009]394號) 》), which was issued by the STA and came into effect on July 24, 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends of year 2008 and afterwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or region, where applicable.

Pursuant to the Arrangement between the Mainland 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于對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement**"), which was signed between the STA and the Hong Kong Government on August 21, 2006, the PRC government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including resident individual and resident entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of the equity interest in the PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland 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于對所得避免雙重徵税和防止偷漏税的安排>〉第五議定書》), which came into effect on December 6, 2019, added a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (Guo Shui Han [2009] No. 81) (《國家税務總局關于執行税收協定股息條款有關問題的通知 (國税函[2009]81號) 》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC enterprises. The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on share transfer

*Value-Added Tax ("**VAT**") and Local Surcharges*

Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to VAT (Cai Shui [2016] No. 36) (《關于全面推開營業税改徵增值税試點的通知 (財税[2016]36號) 》), partially repealed on July 11, 2017 and March 20, 2019 respectively, entities and individuals engaged in sales of services within the PRC shall be subject to VAT and sales of services within the PRC refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. The notice also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable income (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals are exempt from VAT upon transfer of financial products.

VAT taxpayers are also subject to urban maintenance and construction tax, education surcharge and local education surcharge (collectively, the "**local surcharges**"), which is usually at 12% of the VAT payable, if any. However, pursuant to the Urban Maintenance and Construction Tax Law of the PRC (《中華人民共和國城市維護建設税法》) which became effective on September 1, 2021, no urban maintenance and construction tax shall be levied on value-added tax or consumption tax paid for the sale of labor services, other services and intangible assets in China by overseas entities or individuals. Meanwhile, pursuant to Announcement on the Measures for Determining the Tax Basis of Urban Maintenance and Construction Tax and Other Matters (《關於城市維護建設税計税依據確定辦法等事項的公告》), the basis for calculating and levying education surcharges and local education surcharges is consistent with the basis for calculating the urban maintenance and construction tax since September 1, 2021. In conclusion, no urban maintenance and construction tax, education surcharges, and local education surcharges will be levied on value-added tax paid for the sale of intangible assets in China by overseas entities or individuals since September 1, 2021.

However, it is still uncertain whether the non-PRC resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice. If relevant tariffs are imposed in the future, the investment value of such holders in H shares may be materially and adversely affected.

Income Tax

Individual investor

According to the Individual Income Tax Law of the PRC and its implementation rules, the proceeds from the sale of equity interests in PRC-resident enterprise are subject to income tax at a tax rate of 20%.

According to the Notice Concerning Continuing Temporary Exemption from Individual Income Tax on the Income From Stocks Transfer (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知 (財税字[1998]61號) 》) promulgated by the STA and became effective on March 30, 1998, since January 1, 1997, the individual income tax levied on the individual income from transfer of stocks of listed companies will continue to be temporarily exempted. In the newly revised Individual Income Tax Law of the PRC, the STA did not clearly stipulate whether to continue to exempt individuals from tax on the income from transfer of stocks of listed companies.

Furthermore, the Notice of the State Administration of Taxation on Issues Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2009] No. 167) (關於個人轉讓上市公司限售股所得徵收個人 所得税有關問題的通知 (財税[2009]167號)) jointly issued by the Ministry of Finance (the "**MOF**"), the STA and the China Securities Regulatory Commission (the "**CSRC**") and implemented on December 31, 2009 stipulates that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market

on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from the individual income tax, provided that it excludes the relevant restricted shares as defined in the Supplementary Notice Concerning the Levy of Individual Income Tax on Incomes from the Transfer of Restricted Shares of Listed Companies (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通 知 (財税[2010]70號) 》) jointly issued by these departments and implemented on November 10, 2010. As at the Latest Practicable Date, the aforementioned provisions did not specify whether to impose the individual income tax on the income from the transfer of shares of PRC-resident enterprise listed on overseas stock exchanges by non-PRC resident individuals.

Enterprise investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise that has not established an establishment or premises in the PRC or it has established an establishment and premises but the income received has no actual connection with the establishment and premises, it shall pay an enterprise income tax at a rate of 10% for the income arising within the PRC (including the income from sale of equity interests of PRC-resident enterprise). The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise on each payment or when it is payable on due date. The withholding tax may be reduced pursuant to applicable treaties or agreements on avoidance of double taxation.

Stamp Duty

In accordance with the Stamp Tax Law of the PRC (《中華人民共和國印花税法》) promulgated by the Standing Committee of the NPC on June 10, 2021 and came into effect on July 1, 2022, entities and individuals that issue taxable certificates and conduct securities transactions within the territory of PRC, or entities and individuals who issue taxable certificates and conduct securities transactions outside the territory of PRC to be used within the territory of the PRC shall subject to stamp duty.

Estate Duty

As at the Latest Practicable Date, no estate duty is levied within the PRC.

PRINCIPAL TAXATION OF OUR COMPANY IN THE PRC

Please refer to the section headed "Regulatory Overview" of this document.

PRC FOREIGN EXCHANGE

The lawful currency of the PRC is RMB, which is currently subject to foreign exchange regulation according to relevant laws and regulations. SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulatory regulations.

On January 29, 1996, the State Council promulgated the Regulations of the PRC for Foreign Exchange Control (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Control Regulations**") which became effective on April 1, 1996. The Foreign Exchange Control Regulations classify all international payments and transfers into current items and capital items. Most of the current items are no longer subject to SAFE's approval, while capital items remain unchanged. The Foreign Exchange Control Regulations were subsequently amended on January 14, 1997 and August 5, 2008. The latest amendment to the Foreign Exchange Control Regulations clearly states that no restriction will be imposed on international current payments and transfers.

On June 20, 1996, the People's Bank of China (the "**PBOC**") promulgated the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (Yin Fa [1996] No. 210) (《結匯、售

匯及付匯管理規定 (銀發[1996]210號) 》), which abolished the remaining restrictions on convertibility of foreign exchange under current items, while retaining the existing restrictions on foreign exchange transactions under capital items accounts.

According to the Announcement on Improving the Reform of the RMB (the PBOC Announcement [2005] No. 16) (《關于完善人民幣匯率形成機制改革的公告 (中國人民銀行公告[2005]第16號) 》), 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. The RMB exchange rate was no longer pegged to the USD. The PBOC would publish the closing price of the exchange rate of the RMB against trading currencies such as the USD in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against RMB transactions on the following working day.

On July 1, 2014, the PBOC further improved the formation mechanism of the RMB exchange rate by authorizing the China Foreign Exchange Trade System to make inquiries with the market makers before the interbank foreign exchange market opens every day for their offered quotations which are used as samples to calculate the central parity of the RMB against the USD on that day using the weighted average of the remaining market makers' offered quotations after excluding the highest and lowest quotations, and announce the central parity of the RMB against currencies such as the USD at 9: 15 a.m. on each working day. On August 11, 2015, the PBOC announced to improve the central parity quotations of RMB against the USD by authorizing market makers to provide central parity quotations to the China Foreign Exchange Trading System before the interbank foreign exchange market opens every day with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates.

On August 5, 2008, the State Council promulgated the revised Foreign Exchange Control Regulations of the PRC, which have made substantial changes to the foreign exchange supervision system of the PRC. First, the regulations have 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, the regulations have improved the RMB exchange rate floating system based on market supply and demand under management; 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, the regulations have enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at designated banks that carry foreign exchange business, on the strength of valid receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, after paying taxes in according to the law, on the strength of resolutions of the board of directors on the distribution of profits, effect payment from foreign exchange accounts opened at designated banks that carry foreign exchange business, or effect exchange and payment at designated banks.

The Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (Guo Fa [2014] No. 50) (《關於取消和調整一批行政審批項目等事項的決定 (國發[2014]50號) 》) promulgated by the State Council and came into effect on October 23, 2014 provide to cancel the approval requirement of 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.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《關于境外上市外匯管理有關問題的通知 (匯發[2014]54號) 》) issued by SAFE and became effective on December 26, 2014, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the branch office of SAFE located at its registered address; the proceeds from an overseas listing of a domestic company may be repatriated to China or deposited overseas, provided that the intended use of the proceeds shall be consistent with the content of the document or other public disclosure documents. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a dedicated foreign exchange account at a domestic bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance and transfer of funds for the business concerned.

According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 13) (《關于進一步簡化和改進直接投資外匯管理政策的通知 (匯發[2015]13號) 》) promulgated by SAFE on February 13, 2015 and became effective on June 1, 2015, and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 16) (《關于改革和規範資本項目結匯管理政策的通知 (匯發[2016]16號) 》) which was promulgated by SAFE and last amended on December 4, 2023, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of SAFE in due time in accordance with international revenue and expenditure situations.

According to the Notice on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (Hui Fa [2020] No. 8) (《國家外匯管理局關于優化外匯管理支持涉外業務發展的通知 (匯發[2020]8號) 》) issued by SAFE and became effective on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, without providing materials to the bank in advance for authenticity verification on an item-by-item basis, provided that their utilized capital shall be authentic and in line with provisions, and conform to the prevailing administrative regulations related to the use of income under capital accounts. The concerned bank shall manage and control the relevant business risks under the principle of prudent business development and conduct spot checks afterwards in accordance with the relevant requirements. Local foreign exchange authorities shall strengthen monitoring and analysis and interim and ex-post supervision.

PRC LAWS AND REGULATIONS

This Appendix sets out summaries of certain aspects of PRC laws and regulations, which are relevant to the Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange" to this document. The principal objective of this summary is to provide potential investors with an overview of the principal PRC legal and regulatory provisions applicable to the Company. This summary is not intended to include all the information which may be important to potential investors. For more details on laws and regulations which are relevant to our business, please refer to the section headed "Regulatory Overview" in this document.

The PRC Legal System

The PRC legal system is based on the PRC Constitution (中華人民共和國憲法) 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 may be used for the purposes of judicial reference and guidance.

Pursuant to the PRC Constitution and the Legislation Law of the PRC (中華人民共和國立法法), the NPC and its standing committee are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The SCNPC is empowered to formulate and amend 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 PRC Constitution and laws.

The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the PRC 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, environmental protection, historical and cultural protection and other aspects according to the specific circumstances and actual needs of such cities, which 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, provided that such local regulations do not contravene any provision of the PRC Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions.

The ministries and commissions of the State Council, PBOC, the National Audit Office of the PRC and the subordinate institutions with administrative functions directly under the State Council may formulate rules and regulations within the authorization of their respective departments in accordance with the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities directly under the central government and cities with districts may formulate rules and regulations in accordance with the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities directly under the central government.

The PRC Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the PRC Constitution. The PRC

laws rank higher than administrative regulations, local regulations and rules. The administrative regulations rank higher than local regulations and rules. The rules enacted by the people's governments of the provinces or autonomous regions rank higher than the rules enacted by the people's governments of the cities with districts and autonomous prefectures within the administrative areas of such provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its standing committee, and to annul any autonomous regulations or separate regulations which have been approved by its standing committee, but which contravene the PRC Constitution or the PRC Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the PRC Constitution and laws, to annul any local regulations that contravene the PRC Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities, but which contravene the PRC Constitution and the PRC Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the PRC Constitution, the power to interpret laws is vested in the SCNPC. 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于加强法律解釋工作的決議) passed on June 10, 1981, issues related to the further clarification or supplement of laws should be interpreted or provided by the SCNPC, issues related to the specific application of laws and decrees in a court trial should be interpreted by the Supreme People's Court, issues related to the specific application of laws and decrees in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the legal issues other than the above-mentioned should be interpreted by the State Council and the competent authorities. If there are differences in principle in the interpretation of the Supreme People's court and the Supreme People's Procuratorate, they shall be submitted to the SCNPC for interpretation or decision. 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 is vested in the regional legislative and administrative authorities which promulgate such laws.

The PRC Judicial System

Pursuant to the PRC Constitution and the Law of Organization of the People's Courts of the PRC (中華人民共和國人民法院組織法) most recently revised on October 26, 2018 and taking effect on January 1, 2019, the people's courts are classified into the Supreme People's Court, the local people's courts at various local levels, and other special people's courts. The local people's courts at various local 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 are further divided into civil, criminal and economic tribunals. The intermediate people's courts have structure similar to those of the primary people's courts and other special tribunals, such as the intellectual property courts, military courts and maritime courts. These two levels of people's courts are subject to supervision by people's courts at higher levels. The Supreme People's Procuratorate is authorized to supervise the judgement and ruling of the people's courts at all levels which have been legally effective, and the people's procuratorate at a higher level is authorized to supervise the judgement and ruling of a people's court at a lower level which have been legally effective. The Supreme People's Court is the highest judicial authority in the PRC. It supervises the administration of justice by the people's courts at all levels.

The people's courts employ a two-tier appellate system. The Judgments or rulings of the second instance at a people's court are final. A party may appeal against the judgement 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. Judgments or rulings of the first instance 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 a final and binding judgement or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court finds an error in a final and binding judgement or ruling 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) adopted on April 9, 1991 and most recently amended on September 1, 2023, prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action, and the procedures for enforcement of a civil judgement or ruling. All parties to a civil action conducted within the PRC must abide by 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 place where the contract is executed or signed or the place where the object of the action is located. However, such choice shall not in any circumstances contravene the provisions on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization that institute or respond to proceedings in a people's court is given the same litigation rights and obligations as a citizen or legal person of the PRC. Should a foreign court limit the litigation rights of PRC citizens and enterprises, the PRC court shall apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he/she or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or a 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, collect evidence and conduct other actions on its behalf. A PRC 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 legally effective Judgments and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years, subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement.

A party seeking to enforce a judgement or ruling of a people's court against another party who is not or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgement or ruling. Alternatively, the people's court may, pursuant to an international treaty concluded or acceded to by the PRC or in accordance with the principle of reciprocity, request the foreign court to recognize and execute the judgement or ruling. Likewise, if the PRC has entered into either a treaty relating to judicial enforcement with the relevant foreign country or according to the principle of reciprocity, a foreign judgement or ruling may also be recognized and enforced in accordance with the PRC enforcement procedures by a PRC court unless the people's court considers that

the recognition or enforcement of such judgement or ruling would violate the basic legal principles of the PRC, its sovereignty or national security, or would not be in the public interest.

The PRC Company Law, Overseas Listing Trial Measures and Guidance for Articles of Association

A joint stock limited company incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (中華人民共和國公司法) which was promulgated on December 29, 2023 and took effect on July 1, 2024;

- 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 were promulgated by the CSRC on February 17, 2023 pursuant to the PRC Securities Law and are applicable to the direct and indirect overseas share offering or listing of domestic companies; and

- The Guidelines for Articles of Association of Listed Companies (上市公司章程指引) (the "**Guidance for Articles of Association**") which was most recently amended on March 28, 2025 by the CSRC. The Articles of Association is formulated based on the Guidance for Articles of Association on a reference basis, the summary of which is set out in the section entitled "Appendix V — Summary of the Articles of Association" to this document.

Set out below is a summary of the major provisions of the currently effective PRC Company Law, the Overseas Listing Trial Measures and the Guidance for Articles of Association which are applicable to the Company.

General

A joint stock limited company refers to a corporate legal person established in China under the PRC Company Law with its registered capital divided into shares. All shares of the company shall be either par value shares or no par value shares in accordance with the company's articles of association. Where par value shares are adopted, each share shall have equal value. The liability of the company is limited to the total amount of all assets it owns and the liability of its shareholders is limited to the extent of the shares they subscribe for.

The 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. Unless otherwise provided by law, the company may not be a contributor that undertakes joint liabilities for the debts of the invested companies.

Incorporation

A company may be incorporated by promotion or floatation. A company shall be incorporated by a minimum of one but no more than 200 promoters, and at least half of the promoters must be residents within the PRC. Companies incorporated by promotion are companies of which the entire registered capital is subscribed for by the promoters. Shares in the company incorporated by promotion shall not be offered to others unless the registered capital has been fully paid up. If laws, administrative regulations and decisions of the State Council have separate provisions on paid-in registered capital and the minimum registered capital, the company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of

association. Procedures relating to the transfer of titles to non-monetary assets shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters' agreements. After the promoters have confirmed the capital contribution under the articles of association, a board of directors and a board of supervisors (unless otherwise provided by laws or regulations) shall be elected and a representative authorized by the board of directors shall apply for registration of incorporation by filing the articles of association with the company registration authority, and other documents as required by laws or administrative regulations.

Where companies are incorporated by floatation, not less than 35% of their total number of shares must be subscribed for by the promoters, unless otherwise provided for by laws or administrative regulations. The promoters shall preside over and convene an inauguration meeting within thirty days from the date of the full payment of subscription capital. The inauguration meeting shall be formed by the promoters and subscribers. Where the shares issued are not fully subscribed for within the offer period stipulated in the share offering document, or where the promoter fails to convene an inauguration meeting within thirty days of the subscription capital for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription capital so paid together with the interest calculated at bank rates of a deposit for the same period. Within thirty days of the conclusion of the inauguration meeting, a representative authorized by the board of directors shall apply to the registration authority for registration of the establishment of the company. A company is formally established and has the status of a legal person after the registration with the relevant administration for market regulation has been completed and a business license has been issued.

Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by 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 laws or administrative regulations on valuation without any over-valuation or under-valuation.

There is no limit under the PRC Company Law as to the percentage of shares held by an individual shareholder in a company. The shares of a company are represented by stocks. A stock is a certificate issued by the company to certify the share held by a shareholder. The stock issued by the company shall be in the form of registered stock.

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 (whether an entity or an individual). The share offering price may be equal to or greater than the par value of the share, but may not be less than the par value.

Under the Overseas Listing Trial Measures, if a domestic company offers shares overseas, it may raise funds and dividend distributions in foreign currency or Renminbi.

Under the PRC Company Law, a company issuing registered share certificates shall maintain a shareholder registry which sets forth the following matters:

(i) the name and domicile of each shareholder;

(ii) the type and number of shares held by each shareholder;

(iii) for share issued in paper form, the serial numbers of shares held by each shareholder; and

(iv) the date on which each shareholder acquired the shares.

Increase in Share Capital

In light of its operational and development needs and in accordance with laws and regulations, a company may increase its share capital under any of the following methods, subject to the resolutions be passed at a shareholders' meeting: (i) a public offering of shares; (ii) a private placement of shares; (iii) offering of bonus shares to existing shareholders; (iv) the conversion of reserve funds into shares; and (v) any other methods provided in law and administrative regulations and approved by the CSRC.

Pursuant to the PRC Company Law, a company may, according to its articles of association, issue the following classified shares, which have different rights from those of the common shares: (i) shares with priority or inferior rights to profits or remaining property in distribution; (ii) shares with more or less voting rights per share than those of the common shares; (iii) shares whose transfer is subject to the consent of the company and other restrictions; (iv) other classified shares provided by the State Council. A company making a public offering of shares shall not issue any of the classified shares as prescribed on items (ii) and (iii), except those issued prior to the public offering. Where a company is issuing new shares, resolutions shall be passed at shareholders' meeting in accordance with the articles of association in respect of the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and when the new shares are proposed to be issued to existing shareholders, the class and amount of such new shares.

To offer shares overseas, the domestic company shall report the application documents for offering and listing to the CSRC for record-filing within three business days after submission of the application documents for offering and listing overseas.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

(i) the company shall prepare a balance sheet and a list of properties;

(ii) the reduction of registered capital must be approved by shareholders at the shareholders' meeting;

(iii) the company shall notify its creditors of the reduction in registered capital within ten days and publish an announcement of the reduction in newspapers or the National Enterprise Credit Information Publication System within thirty days of the resolution approving the reduction being passed;

(iv) the creditors of the company may within the statutory time limit require the company to repay its debts or provide guarantees for covering the debts; and

(v) the company must apply to the relevant company registration authority for registration of the change and reduction in registered capital.

Repurchase of Shares

Pursuant to the PRC Company Law, a company shall not purchase its own shares other than in any of the following circumstances:

(i) reducing its registered capital;

(ii) merging with another company which holds its shares;

(iii) utilizing the shares for employee stock ownership plan or stock ownership incentive scheme;

(iv) acquiring its own shares at the request of its shareholders who vote in a shareholders' meeting against a resolution regarding a merger or separation;

(v) utilizing the shares for conversion of corporate bonds which are convertible into shares issued by a listed company; and

(vi) where it is necessary for a listed company to maintain its corporate value and stockholders' equity.

Any company's purchase of its own shares for any reason specified in item (i) and item (ii) of the preceding paragraph shall be subject to a resolution of the shareholders' meeting; any company's purchase of its own shares for any reason specified in item (iii), item (v) and item (vi) of the preceding paragraph may be subject to a resolution of the board meeting with two thirds or more of directors present, according to the provisions of the articles of associations or upon authorization by the shareholders' meeting.

The shares acquired under the circumstance stipulated in item (i) hereof shall be deregistered within ten days from the date of acquisition of shares; the shares shall be assigned 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 held in total by a company after the repurchase under any of the circumstances stipulated in item (iii), item (v) or item (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Registered shares may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of twenty days prior to convening a shareholders' meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, subject to any legal provisions on the registration of changes in the share register of listed companies.

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 a stock exchange. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in the company and any changes thereof. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company per annum. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange, nor within half a year after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the PRC Company Law, the rights of shareholders include the rights:

(i) to receive a return on assets, participate in significant decision-making and select management personnel;

(ii) to petition the people's court to revoke any resolution passed on a shareholders' meeting or a meeting of the board of directors that has not been convened in compliance with the laws and regulations or the articles of association or whose voting has violated the laws, administrative regulations or the articles of association of the company, or any resolution the contents of which is in violation of the articles of association, provided that such petition shall be submitted within sixty days of the passing of such resolution;

(iii) to transfer the shares according to the applicable laws and regulations and the articles of association;

(iv) to attend or appoint a proxy to attend shareholders' meetings and exercise the voting rights;

(v) to inspect the articles of association, share register, counterfoil of company debentures, minutes of shareholders' meetings, board resolutions, resolutions of the board of supervisors and 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 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.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription capital in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription capital agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association.

Shareholders' Meetings

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 and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;

(ii) to review and approve the reports of the board of directors;

(iii) to review and approve the reports of the board of supervisors or supervisors;

(iv) to review and approve the company's profit distribution proposals and loss recovery proposals;

(v) to decide on any increase or reduction of the company's registered capital;

(vi) to decide on the issue of corporate bonds;

(vii) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

(viii) to amend the company's articles of association; and

(ix) to exercise any other authority stipulated in the articles of association.

The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law, a shareholders' meeting is required to be held once every year. An extraordinary shareholders' meeting is required to be held within two months of the occurrence of any of the following circumstances:

(i) the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;

(ii) the outstanding losses of the company amounted to one-third of the company's total share capital;

(iii) shareholders individually or in aggregate holding 10% or more of the company's shares request that an extraordinary shareholders' meeting is convened;

(iv) the board of directors deems necessary;

(v) the board of supervisors so proposes; or

(vi) any other circumstances as provided for in the articles of association.

A shareholders' meeting shall be 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 duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by mor than half of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties to convene the shareholders' meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. If the board of supervisors fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for ninety days or more consecutively may unilaterally convene and preside over such meeting. Where shareholders individually or in aggregately holding 10% or more of the company's shares request to convene an extraordinary shareholders' meeting, the board of directors and the board of supervisors shall, within ten days after receipt of such request, decide whether to convene the extraordinary shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice of the shareholders' meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders twenty days before the meeting. A notice of extraordinary shareholders' meeting shall be given to all shareholders fifteen days prior to the meeting.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Pursuant to the PRC Company Law, shareholders (excluding classified shareholders) present at a shareholders' meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Pursuant to the PRC Company Law, resolutions of the shareholders' meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of resolutions relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by two-thirds or more of the voting rights held by the shareholders present at the meeting. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company must be approved by way of resolution of the shareholders' meeting, the board of directors shall convene a shareholders' meeting promptly to vote on such matters.

A shareholder may entrust a proxy to attend the shareholders' meeting on his/her behalf and the matters, power and time limit of the proxy shall be clarified by such shareholder. The proxy shall present the shareholders' power of attorney to the company and exercise voting rights within the scope of authorization.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairman and directors attending the meeting shall endorse such minutes by signature. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. 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 of directors which shall have at least three members, except for certain joint stock limited company with smaller scaler or few shareholders which may appoint one director without establishing a board of directors. For a company that has three hundred or more employees, the board of directors shall include the staff representative unless the board of supervisors has been established and already included the staff representative supervisor. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. 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.

Under the PRC Company Law, the board of directors may exercise its powers:

(i) to convene shareholders' meetings and report on its work to the shareholders' meetings;

(ii) to implement the resolutions passed by the shareholders at the shareholders' meetings;

(iii) to decide on the company's operational plans and investment proposals;

(iv) to formulate the company's profit distribution proposals and loss recovery proposals;

(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 or dissolution of the company or change of corporate form;

(vii) to decide on the setup of the company's internal management organs;

(viii) to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;

(ix) to formulate the company's basic management system; and

(x) to exercise any other authority stipulated in the articles of association or any other authority authorized by shareholders' meeting.

Any restrictions on the powers of the board of directors set out in the articles of association may not be claimed against any bona fide third party.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors ten days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing 10% or more of the voting rights, one-third or more of the directors or the board of supervisors. The chairman shall convene the meeting within ten days of receiving such proposal, and preside over the meeting. The board of directors may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board of directors. Directors shall attend the meetings of the board of directors in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization. The board of directors shall make minutes of the meeting's decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the minutes.

If a resolution of the board of directors violates any laws, administrative regulations or the articles of association or resolutions of the shareholders' meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a director in a company:

(i) a person without capacity or restricted capacity to undertake any civil liabilities;

(ii) a person who has been sentenced to any criminal penalty for corruption, bribery, embezzlement, misappropriation of property or destruction of the socialist economic order, or who has been deprived of his political rights due to his crimes and such sentence has expired for no more than five years, or who is granted probation, if no more than two years have passed since the expiration of the probation period;

(iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where no more than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

(iv) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation or the order to close down; or

(v) a person who is listed as a dishonest person subject to enforcement by the people's court due to failure to pay off a large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. 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.

Pursuant to the PRC Company Law, the board of directors 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 meetings 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 elected by more than half of the directors shall perform his/her duties.

Board of Supervisors

The board of supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, among which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the board of supervisors shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors shall be elected by more than half of the supervisors. Directors and senior management shall not act concurrently as supervisors.

The chairman of the board of supervisors shall convene and preside over board of supervisors meetings. Where the chairman of the board of supervisors is incapable of performing or is not performing his/her duties, the vice chairman of the board of supervisors shall convene and preside over supervisory board meetings. Where the vice chairman of the board of supervisors is incapable of performing or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over meetings of the board of supervisors.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor 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 supervisors results in the number of supervisors being less than the quorum.

The board of supervisors may exercise its powers:

(i) to review the company's financial position;

(ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or shareholders' resolutions;

(iii) when the acts of directors or senior management are detrimental to the company's interests, to require the director and senior management to correct these acts;

(iv) to propose the convening of extraordinary shareholders' meetings and to convene and preside over shareholders' meetings when the board fails to perform the duty of convening and presiding over shareholders' meetings under the PRC Company Law;

(v) to submit proposals to the shareholders' meetings;

(vi) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and

(vii) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The board of supervisors may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Audit Committee

Under PRC Company Law, a joint stock limited company may establish an audit committee composed of directors within its board of directors pursuant to the provisions of its articles of association to exercise the functions and powers of a supervisory committee as prescribed by PRC Company Law, in lieu of establishing a supervisory committee or supervisor.

The audit committee shall comprise at least three members, with a majority not holding any position in the company other than that of director and having no relationship with the company that may affect their independent and objective judgment. Employee representatives serving on the board of directors may be appointed as audit committee members.

For listed companies with audit committees, the following matters shall require approval by a majority of all audit committee members before being resolved by the board of directors:

(i) appointment or dismissal of accounting firms engaged for the company's audit work;

(ii) appointment or removal of the financial controller;

(iii) disclosure of financial accounting reports;

(iv) other matters specified by the securities regulatory authority under the State Council.

Resolutions of the audit committee shall require approval by a majority of its members.

Manager and Senior Management

Pursuant to the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with the company's articles of association or the authorization of the board of directors.

Other provisions in the articles of association on the manager's powers shall also be complied with. The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

Pursuant to the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the board of directors of a listed company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors, Managers and Other Senior Management

Directors, supervisors and senior management are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and shall be obliged to be faithful and diligent towards the company. Where the controlling shareholder or actual controller of the company who does not serve as a director but actually attends to the company's affairs, shall comply with the foregoing provisions.

Directors, supervisors and management personnel are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property.

Directors, supervisors and senior management are prohibited from:

(i) seizing the assets of the company or misappropriating company funds;

(ii) depositing company funds into accounts under their own names or the names of other individuals;

(iii) taking advantage of power to accept bribes or other illegal income;

(iv) accepting commissions paid by a third party for transactions conducted with the company for their own benefit;

(v) unauthorized divulgence of confidential information of the company; and

(vi) other acts in violation of their duty of loyalty to the company.

Where directors, supervisors and senior management directly or indirectly conclude any contract or engage in transactions with the company, they shall report to the board of directors or the shareholders' meeting and seek approval by resolutions of the board of directors or the shareholders' meeting in accordance with the articles of association. The requirement shall also apply to the conclusion of contracts or engagement in transactions by close relatives of the directors, supervisors and senior management or enterprises directly or indirectly controlled by close relatives of the directors, supervisors and senior management as well as persons who are otherwise related to the directors, supervisors and senior management.

Directors, supervisors and senior management shall not take advantage of duty to seek business opportunities for themselves or others that would have been directed to the company, unless such act has been reported to and approved by the board of directors or the shareholders' meeting in accordance with the articles of association or the company is unable to take the business opportunity in accordance with applicable laws, administrative regulations, and the articles of association.

Directors, supervisors and senior management shall not engage in the business similar to those of the company for themselves or others, unless such act has been reported to and approved by the board of directors or the shareholders' meeting in accordance with the articles of association.

Income generated by directors or senior management in violation of aforementioned shall be returned to the company.

A director, supervisor or senior management who contravenes any laws, regulations or the company's 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.

The Guidance for Articles of Association provides that a company's directors and senior management shall have duties of diligence towards the company, for example, the directors shall be prudent, serious and diligent in exercising the authority conferred by the company to ensure that the business activities of the company comply with state's laws, administrative regulations and various economic policy requirements and that the business activities do not go beyond the scope of business activities specified in the company's business license; the directors shall treat all shareholders equally; the shareholders shall keep abreast of the company's business management status; both the directors and the senior management shall sign written statements confirming periodic reports of the company and ensure that the information disclosed by the company is true, accurate and complete; both the directors and the senior management shall provide accurate information and materials to the audit committee and shall not interfere with the performance of duties by the audit committee; both the directors and the senior management shall have other diligence duties prescribed by laws, administrative regulations, departmental rules and the company's articles of association.

Finance and Accounting

Pursuant 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 competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. 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 reports shall be made available for shareholders' inspection at the company twenty days before the convening of an annual shareholders' meeting. A joint stock limited company that makes public stock offerings shall publish its financial reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached 50% of the company's registered capital. 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 good 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 profits after taxation, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to the abovementioned reserve fund, the remaining profits after taxation shall be distributed 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.

Profits distributed to shareholders in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium over the nominal value of the shares of the company on issue and other income as required by relevant government authorities to be treated as the capital reserve fund shall be accounted for as the capital reserve fund. The common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. Where any losses need to be covered with reserve fund of the company, discretionary reserve fund and statutory common reserve fund shall first be used and if still insufficient, capital reserve fund can be used in accordance with applicable

provisions. Upon the transfer of the statutory common reserve fund into increasing capital, the balance of the statutory common fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's capital shall not be deposited in any account opened under the name of an individual.

Appointment and Retirement of Auditors

The Guidance for Articles of Association provides that a company shall engage an accounting firm which is qualified with the PRC Securities Law to provide services including the audit of financial statements, the verification of net assets and other relevant consultancy services. The engagement term is one year and may be extended.

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders at a shareholders' meeting or the board of directors or the board of supervisors in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting or the board of directors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal, withholding or falsification of information. Furthermore, the Guidance for Articles of Association provides that the audit fee for the accounting firm shall also be determined by shareholders at a shareholders' meeting.

Profit Distribution

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

Amendments to the Articles of Association

Pursuant to the PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's articles of association requires affirmative votes by two-thirds or more of the votes held by shareholders attending the meeting.

Pursuant to the Guidance for Articles of Association, the company shall amend its articles of association under any of the following circumstances:

(i) where, after any amendment to the PRC Company Law or any other applicable law or administrative regulation, the provisions of the articles of association conflict with the law and/or administrative regulations amended;

(ii) where the company's circumstances change to such an extent that they are inconsistent with what is recorded in the articles of association; and

(iii) where the shareholders' meeting decides to amend the articles of association.

The Guidance for Articles of Association further provides that where any amendment to the articles of association adopted by a shareholders' meeting is subject to approval by the competent authorities, such amendment shall be submitted for approval; where any amendment involves the company's registration items, the company's registration with the authority shall also be amended. In addition, an announcement shall be made in accordance with the applicable provisions provided that the amendment to the articles of association is required to be disclosed by any law or regulation.

Dissolution and Liquidation

Pursuant to the PRC Company Law, a company shall be dissolved for any of the following reasons:

(i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;

(ii) the shareholders have resolved at a shareholders' meeting 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) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent 10% or more of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests.

On the occurrence of the abovementioned events, the company shall make an announcement on the National Enterprise Credit Information Publicity System within ten days.

In the event of paragraphs (i) and (ii) above, the company may carry on its existence by amending its articles of association if no property has been distributed to any shareholder. The amendments to the articles of association in accordance with the provisions described above shall require the approval of two-thirds or more of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, the liquidation procedures shall be conducted and directors shall be the company's liquidation obligor and it should establish a liquidation committee within fifteen days of the date on which the dissolution event occurs. The liquidation committee shall be composed of directors or any other persons provided by the articles of associations or determined by a shareholders' meeting. If a liquidation committee is not established within the prescribed period or the liquidation fails to effect after the establishment of a liquidation committee, the interested party may file an application with a people's court, requesting that the court appoint relevant personnel to form a liquidation committee to administer the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following powers during the liquidation:

(i) to dispose of the company's assets and to prepare a balance sheet and an inventory of assets;

(ii) to notify the company's creditors or publish announcements;

(iii) to deal with and settle any outstanding business related to the liquidation;

(iv) to pay any outstanding tax together with any tax arising during the liquidation process;

(v) to settle the company's claims and liabilities;

(vi) to distribute the company's remaining assets after its debts have been paid off; and

(vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within ten days from its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within sixty days.

A creditor shall lodge his claim with the liquidation committee within thirty days of receipt of the notification or within forty-five days of the date of the announcement if he has not received any notification.

A creditor shall, in making his claim, state matters relevant to his creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

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 assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses 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 to exist during the liquidation period, although it cannot engage in 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.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to repay its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people's court, the liquidation committee shall hand over the administration matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' meeting or a people's court for confirmation of its completion, and to the company registration authority to cancel the company's registration, and an announcement of its termination shall be published. Members of the liquidation committee are required to discharge their duties in good faith and in compliance with relevant laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or material default.

Liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures, both initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within twenty business days after receiving the filing documents, conclude the filing procedure and publish the filing results on the CSRC website. Where the filing documents are incomplete or do not conform to stipulated requirements, the CSRC shall request supplementation and amendment thereto within five business days after receiving the filing documents. The issuer shall then complete supplementation and amendment within thirty business days.

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 such a declaration has been obtained, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Demerger

Merger of companies may be conducted by absorption or consolidation. If companies adopt the method of absorption, the absorbed company shall be dissolved. If companies are incorporated in the form of consolidation, the parties to the merger shall be dissolved.

The parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of properties. Within ten days of the date on which the resolution on merger is made, the creditors shall be notified by the company and a public announcement shall be in the press or on the National Enterprise Credit Information Publicity System within thirty days. The creditors may require the company to repay its debts or provide guarantees for covering the debts within thirty days of receipt of the notification or within forty-five days of the date of the announcement if the creditor has not received any notification; and in case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

Where a company merges with another company in which the former holds not less than 90% of the shares, the acquired company is not required to obtain approval by resolution of its shareholders' meeting, but shall notify the other shareholders who have the right to request the company to buy its equities or shares as a reasonable price. If the price paid for a company's merger dose not exceed 10% of the company's net assets, approval by resolution of its shareholder's meeting may not be required unless otherwise provided by the company's articles of association. Where a company's merger is exempt from approval by resolution of the shareholders' meeting in the previous two cases, it shall be subject to approval by resolution of the board of directors.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. Within ten days of the date on which the resolution on division is made, the creditors shall be notified by the company and a public announcement shall be made in the press or on the National Enterprise Credit Information Publicity System within thirty 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 the shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the 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 the CSRC. The CSRC is the regulatory arm 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 Securities Committee and the CSRC and reformed the CSRC.

The PRC Securities Law (中華人民共和國證券法) is the first national securities law in China, and the regulatory matters include the issuance and trading of securities, the acquisition of listed companies, information disclosure, obligations and responsibilities of stock exchanges, securities companies and securities regulatory authorities, etc. The PRC Securities Law comprehensively regulates activities in the PRC securities market.

Pursuant to the PRC Securities Law, domestic enterprises issuing securities overseas directly or indirectly or listing and trading their securities overseas shall comply with the relevant provisions of the State Council. At present, the issuance and trading of shares issued overseas is mainly regulated by rules and regulations issued by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The PRC Arbitration Law (中華人民共和國仲裁法) was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995 and was last amended on September 1, 2017. 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 the 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.

If the respondent puts forward evidence to prove that the arbitral award is under any of the following circumstances, the award shall not be enforced upon examination and verification by an arbitration tribunal of the people's court:

(i) the parties have no arbitration clause in their contract, nor have subsequently reached a written agreement on arbitration;

(ii) the matter to be ruled does not fall within the scope of the arbitration agreement or the arbitration institution has no right to arbitrate;

(iii) the composition of the arbitration tribunal or the arbitration procedure violates the legal procedure;

(iv) the evidence on which the award is based is forged;

(v) the other party conceals evidence sufficient to influence the impartial award from the arbitration institution;

(vi) the arbitrators have committed acts of embezzlement, bribery, favoritism and malpractice, or perverting the law in arbitrating the case.

If the people's court determines that the enforcement of the award violates the public interest, the award shall not be enforced.

Any party seeking to enforce an arbitral award of a foreign affairs arbitration organ 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 arbitration 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 (承認及執行外國仲裁裁決公約) (the "**New York Convention**") adopted on June 10, 1958 pursuant to a resolution of the SCNPC passed 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 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 will only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territory of another contracting state based on the principle of reciprocity; and (ii) the New York Convention will only apply to disputes deemed under PRC law to be arising from contractual or non-contractual mercantile legal relations.

The 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安排) were passed at the Judicial Committee meetings of the Supreme People's Court on June 18, 1999, which came into effect on February 1, 2000, and was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) (最高人民法院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(2021)). In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

The Supplementary Arrangements of Supreme People's Court on Reciprocal Enforcement of Arbitration 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) were promulgated by the Supreme People's Court on November 26, 2020. Under these arrangements, if a party fails to perform the arbitral award rendered in the Mainland or the Hong Kong, the other party may apply for enforcement to the relevant court in the place where the respondent is domiciled or where the property is located.

Judicial Judgement and its Enforcement

On January 14, 2019, the Judicial Committee of the Supreme People's Court adopted the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排), which took effect on January 29, 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of Judgments in wider range of civil and commercial matters between Hong Kong and the mainland China. The arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The arrangement further regulates, among others, the scope and particulars of Judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgement, the circumstances where the recognition and enforcement of judgement shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of Judgments in civil and commercial matters between the courts in mainland China and those in the Hong Kong. Upon implementation of this Arrangement, the Arrangement between the Mainland and the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of Judgments of Civil and Commercial Matters under Consensual Jurisdiction (關于內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) which was adopted by the Judicial Committee of the Supreme People's Court on June 12, 2006 and took effect on August 1, 2008 has been repealed.

This appendix contains a summary of the main provisions of the Articles of Association of the Company adopted on June 28, 2025, which will take effect from the date of listing of H shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in the form of share certificates.

All shares issued by the Company shall be shares with par value, and each share shall have a par value of RMB0.10.

The Company shall issue shares in an open, fair and just manner, and each share of the same.

Shares of the same class issued at the same time shall be issued under the same conditions and at the same price per share; subscribers shall pay the same price per share for the shares they subscribe for.

The ordinary shares issued by the Company comprise domestic shares and overseas listed shares (H shares). Domestic shares and overseas listed shares have the same rights in respect of any distribution in the form of dividends (including distributions in cash and in kind) or otherwise.

INCREASE AND REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

The Company may, based on its business and development needs and in accordance with the laws and regulations, increase its capital in the following manners upon resolutions being adopted by the shareholders' meetings:

(i) issuance of shares to unspecified parties;

(ii) issuance of shares to specified parties;

(iii) distributing bonus shares to its existing shareholders;

(iv) conversion of capital reserve to share capital;

(v) other means required by the laws, administrative regulations and approved by CSRC and Hong Kong Stock Exchange.

Subject to the provisions of laws, regulations and the securities regulatory rules of the jurisdiction where the Company's shares are listed, the shareholders' meeting may authorize the board of directors to decide, within three years, the issuance of shares not exceeding fifty percent of the already issued shares. If the board of directors decides to issue shares in accordance with the aforementioned provisions, resulting in changes to the Company's registered capital or the number of issued shares, the amendment to the relevant provisions of the articles of association regarding such matters shall not require further approval by the shareholders' meeting.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations of the PRC, the Listing Rules, other relevant regulations and the Articles of Association.

The Company shall not repurchase its own shares, except in one of the following circumstances:

(i) to reduce the registered capital of the Company;

(ii) to merge with other companies which hold the shares of the Company;

(iii) to utilize its shares in employee stock ownership plans or share incentive;

(iv) where the shareholders, who disagree with the resolution in relation to merger or division of the Company made at the shareholders' meeting, require the Company to repurchase the shares held by such shareholders;

(v) to use the shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(vi) to safeguard the value of the Company and the interests of the shareholders when necessary.

(vii) other circumstances approved by the laws, administrative regulations, the CSRC or Hong Kong securities regulatory authorities.

The Company may repurchase its shares by open centralized transaction method or other method approved by laws, administrative regulations, the Listing Rules and the CSRC as well as the securities regulatory authorities of the place where the shares of the Company are listed.

The repurchase of the Company's shares under the circumstances of utilizing its shares in employee stock ownership plans or share incentive, using the shares for conversion of corporate bonds issued by the Company which are convertible into shares and safeguarding the value of the Company and the interests of the shareholders when necessary, subject to compliance with the requirements of the Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, shall be conducted by way of open and centralized trading.

When the Company repurchases its own shares under any of the circumstances specified in item (i) or (ii) mentioned above, a resolution adopted by shareholders' meeting is required. Where the Company repurchases its own shares pursuant to the provisions of items (iii), (v) and (vi), it shall be resolved by a resolution of a meeting of Board of Director attended by at least two-thirds of the directors.

In the event that the Company repurchases its shares under the circumstances set out in item (i) thereof, the shares shall be cancelled within 10 days after the date of repurchase; where it falls under the circumstances set out in item (ii) or (iv) thereof, the shares shall be transferred or cancelled within 6 months; where it falls under the circumstances set out in items (iii), (v) and (vi) thereof, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares issued by the Company and shall be transferred or cancelled within three years.

In the event of a repurchase of the Company's H Shares, the Company may elect either to cancel such shares forthwith or to hold them as treasury shares in compliance with the Listing Rules. Should the Board of Directors fail to designate the repurchased shares as treasury shares, such shares shall be cancelled.

All treasury shares shall be deposited in a segregated account within the Central Clearing and Settlement System which shall be clearly identified as containing treasury shares. The Company shall not exercise any rights attaching to treasury shares, including but not limited to voting rights, nor shall it declare or pay any dividends or other distributions in respect thereof. Subject to the provisions of these Articles of Association and the Listing Rules, the Company may dispose of any treasury shares on such terms and conditions as the Board of Directors may determine.

Where the Company cancels repurchased shares pursuant to these Articles of Association, it shall promptly apply to the relevant company registry for registration of the corresponding reduction in registered capital. The nominal value of all cancelled shares shall be deducted from the Company's registered capital.

TRANSFER OF SHARES

Shares of the Company shall be transferred in accordance with the law.

The shares of the Company issued before public offering shall not be transferred for one year from the date on which the Company's shares are listed and traded on a stock exchange.

The Directors and senior officers of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of the total number of their shares of the same class in the Company per annum during their terms of office as determined when they take office. The shares of the Company they hold shall not be transferred within one year from the date when the Company's shares are listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

If there are other provisions on the transfer restrictions of shares in laws, regulations or rules of CSRC, Hong Kong Stock Exchange or other securities regulatory authorities, such provisions shall prevail.

SHAREHOLDERS

The Company shall establish a register of members in accordance with certificates from the securities registration and clearing organization. The register of members of the company is sufficient evidence of the shareholders' shareholdings in the Company. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The transfer and assignment of shares shall be registered in the register of members. In respect of the register of shareholders of overseas-listed H shares, the original register of members of shares listed in the Hong Kong Stock Exchange shall be maintained in Hong Kong.

The shareholders of the Company shall enjoy the following rights:

(i) the right to receive dividends and other distributions in proportion to their shareholdings;

(ii) the right to request, convene, preside over, attend or appoint a proxy to attend shareholders' meetings and to exercise the corresponding rights to speak and vote in accordance with the law;

(iii) the right to supervise the Company's business operations, to present proposals and to raise enquiries;

(iv) the right to transfer, give as a gift or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;

(v) the right to inspect and duplicate the Articles of Association, the register of members, minutes of shareholders' meetings, resolutions of Board meetings and financial accounting reports. Qualified shareholders shall have the right to inspect the company's accounting books and accounting vouchers;

(vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion to the shareholdings;

(vii) for shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;

(viii) other rights under laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association.

Shareholders of the Company who abuse their shareholders' rights and cause losses to the Company or other shareholders shall be liable for compensation in accordance with the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

The controlling shareholder or the de facto controller of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchanges to protect the interests of the company.

Where the controlling shareholders and de facto controllers of the Company do not act as directors but actually carry out the Company's affairs, the provisions of the Articles of Association on fiduciary and diligence obligations of directors shall apply.

SHAREHOLDERS' MEETINGS

The shareholders' meeting shall consist of all shareholders. The shareholders' meeting shall be the authority of power of the Company and shall exercise the following functions and powers in accordance with laws:

(i) to elect and change Directors who are not appointed as employee representatives, and decide on the remunerations of Directors;

(ii) to consider and approve reports of the Board;

(iii) to consider and approve the Company's profit distribution plans and loss recovery plans;

(iv) to resolve on the increase or reduction of the registered capital of the Company;

(v) to resolve on the issuance of corporate bonds;

(vi) to resolve on the merger, division, dissolution, liquidation or change in the form of the Company;

(vii) to amend the Articles of Association;

(viii) to resolve on the Company's appointment or dismissal of accounting firms that provide audit service to the Company;

(ix) to consider and approve the guarantees which shall be approved at the shareholders' meeting;

(x) to consider the purchase or sale of significant assets by the company within one year that exceed 30% of the company's latest audited total assets;

(xi) Equity incentive plans and employee share schemes requiring approval by the shareholders' general meeting as prescribed under the Listing Rules;

(xii) to consider other matters which shall be resolved at the shareholders' meeting in accordance with laws, administrative regulations, departmental rules or the Articles of Association.

The shareholders' meeting may authorize the Board of Directors to make resolutions on issuance of company's bonds.The Company may issue shares or corporate bonds convertible into shares upon resolution of the shareholders' general meeting or resolution of the board of directors authorized by these Articles of Association or the shareholders' general meeting, the implementation of which shall comply with the provisions of laws, administrative regulations, the CSRC and the securities regulatory rules of the jurisdiction where the Company's shares are listed.

Save as otherwise provided by laws, administrative regulations, departmental rules or the securities regulatory rules of the jurisdiction where the Company's shares are listed, the aforementioned powers of the shareholders' general meeting shall not be delegated to the board of directors or any other institution or individual to exercise on its behalf.

Shareholders' meetings consist of annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year within six months after the end of the previous accounting year.

The Company shall convene an extraordinary shareholders' meeting within two months upon occurrence of the following events:

(i) when the number of Directors falls below the minimum requirement of the Company Law, or is less than two thirds of the number specified by the Articles of Association;

(ii) when the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;

(iii) when shareholder(s) severally or jointly holding at least ten percent of the Company's voting shares request(s) to convene such meeting (including preferred shares with resumed voting rights);

(iv) when the Board considers necessary;

(v) when the Audit Committee proposes to convene such meeting; and

(vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Rules and the listing rules of the places where the shares of the Company are listed or the Articles of Association.

CONVENING OF SHAREHOLDERS' MEETINGS

Shareholders' meeting shall be convened by the Board of Directors within the prescribed period.

Independent directors shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, provided that such a proposal is agreed to by a majority of all independent directors. For the aforesaid proposal, the Board of Directors shall, in accordance with laws, administrative regulations, the Listing Rules, the Articles of Association and other regulations where the shares of the Company are listed, give a written feedback on whether or not it agrees to hold an extraordinary shareholders' meeting within 10 days of receipt of the proposal. Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it will send out a notice thereon within 5 days after the relevant resolution of the Board of Directors is made. If the Board of Directors does not agree to hold an extraordinary shareholders' meeting, it shall state reasons.

The Audit Committee may propose to the Board of Directors to hold an extraordinary shareholders' meeting and shall put forward the proposal to the Board of Directors in written form. The Board of Directors shall, in accordance with laws, administrative regulations, the Listing Rules, other regulations where the shares of the Company are listed and the Articles of Association, give a written feedback on whether or not it agrees to hold an extraordinary shareholders' meeting within 10 days of receipt of the proposal.

Where the Board of Directors agrees to hold an extraordinary shareholders' meeting, it shall send out a notice thereon within 5 days after the relevant resolution of the Board of Directors is made; any change to the original proposal in the notice is subject to the consent of the Audit Committee. In case the Board of Directors refuses to convene an extraordinary shareholders' meeting, or does not give any response within 10 days upon receipt of the proposal, the Board of Directors shall be deemed to be unable or have failed to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

Shareholder(s) severally or jointly holding at least 10% of the voting shares of the Company, including preferred shares with resumed voting rights, shall be entitled to request the Board to convene an extraordinary shareholders' meeting, and shall put forward such request to the Board in written form. The Board shall, in accordance with laws, administrative regulations, the Listing Rules, other regulations where the shares of the Company are listed and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary shareholders' meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after the date of the resolution of the Board of Directors and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.

If the Board of Directors does not agree to convene such meeting, or fails to give a response within 10 days after receipt of the request, shareholders holding at least 10% of the voting shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate shall have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, a notice for convening such meeting shall be issued within 5 days after receipt of the request and any changes to the original proposal contained in the notice shall be subject to the approval of the relevant shareholders.

If the Audit Committee fails to issue a notice convening the shareholders' meeting by the prescribed period, the Audit Committee shall be deemed to refuse to convene and preside over such meeting, and shareholders holding at least 10% of the voting shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate for no less than 90 consecutive days shall have the right to convene and preside over the meeting on their own.

PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETINGS

The proposals put forward to the shareholders' meetings shall fall within the scope of functions and powers of the shareholders' meeting, have clear issues for discussion and specific matters to be resolved, and comply with the laws, administrative regulations, the Listing Rules, other regulations where the shares of the Company are listed and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders holding 1% or more of the shares of the Company (including preferred shares with resumed voting rights) separately or in aggregate shall be entitled to put forward proposals to the Company.

Shareholders individually or jointly holding 1% or more of the shares of the Company (including preferred shares with resumed voting rights) may submit ad hoc proposals which shall contain a clearly defined agenda and specific matters for resolution, to the convener of a shareholders' meeting in writing ten days prior to shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting to announce the information of such ad hoc proposals within 2 days after receipt thereof, and submit such proposals to the shareholders' meetings.

Except as provided in the preceding paragraph, the convener of a shareholders' meeting shall not amend the proposals set out in the notice of the shareholders' meeting or put up any new proposals after the issuance of the notice of the shareholders' meeting.

The Company shall convene an annual shareholders' meeting by notifying the shareholders in writing 20 days prior to the meeting and an extraordinary shareholders' meeting by notifying the shareholders in writing 15 days prior to the meeting.

When calculating the time limit of the notice, the date of the shareholders' meeting convened shall not be included but the issue date of such notice shall be included. Where otherwise provided by laws, regulations or the securities regulatory authorities of the jurisdiction where the Company's shares are listed, such provisions shall prevail.

After the notice of the shareholders' meeting is issued, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convenor shall make an supplementary notice at least two working days prior to the original date of the convening and state the reasons therefor.

HOLDING OF SHAREHOLDERS' MEETINGS

All ordinary shareholders (including preferred shareholders with resumed voting rights) and preferred shareholders with weighted voting rights registered on the record date or their proxies shall be entitled to attend the shareholders' meeting. They shall exercise their voting rights in accordance with the relevant laws and regulations, listing rules of the places where the shares of the Company are listed and the Articles of Association of the Company.

Shareholder may attend the shareholders' meeting in person, or appoint a proxy to attend and vote on his/her behalf.

A shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or fails to discharge his/her duties, half or more of the directors shall designate a director to preside over the meeting.

If a shareholders' meeting is convened by the Audit Committee, the chairman of the Audit Committee shall preside over the meeting. If the convenor of the Audit Committee is unable or fails to discharge his/her duties, half or more of the Audit Committee members shall designate a member of the Audit Committee to preside over the meeting.

If a shareholders' meeting is convened by the shareholders themselves, the convener or a representative nominated by the convener shall preside over the meeting.

When a shareholders' meeting is convened, if the presider of the meeting contravenes the rules of procedure, rendering the meeting impossible to proceed, with the consent from more than half of the attending shareholders with voting rights, one person may be nominated at the shareholders' meeting to serve as the presider and the meeting may proceed.

Individual shareholders attending a shareholders' meeting in person shall produce their identity cards or other valid proof or evidence of their identities, and in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

For a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend the shareholders' meeting. In the case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization issued by such legal representatives according to the laws.

VOTING AND RESOLUTIONS AT SHAREHOLDERS' MEETINGS

Resolutions of the shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

Ordinary resolution at a shareholders' meeting shall be adopted by more than one half of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting. Special resolution at a shareholders' meeting shall be adopted by at least two thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' meeting.

The following matters shall be resolved by way of ordinary resolutions at a shareholders' meeting:

(i) the work reports of the Board of Directors;

(ii) the profit distribution plans and plans for making up losses drafted by the Board of Directors;

(iii) the dismissal and remuneration of the members of the Board of Directors and the method of payment of the remuneration;

(iv) to resolve on the Company's appointment or dismissal of accounting firms that provide audit service to the Company;

(v) to consider and approve the transactions, financial assistance and guarantees which shall be approved at the shareholders' meeting;

(vi) equity incentive plans and employee share schemes requiring approval by the shareholders' general meeting as prescribed under the Listing Rules;

(vii) the matters other than those that laws, administrative regulations, the Listing Rules, the listing rules of the places where the shares of the Company are listed or the Articles of Association require to be adopted by special resolution.

The following matters shall be resolved by way of special resolutions at a shareholders' meeting:

(i) increase or reduction of the registered capital of the Company or the grant of equity-based rights such as options or warrants convertible into equity securities of the group companies;

(ii) division, merger, acquisition, reorganization, dissolution and liquidation of the Company, or any change in its corporate form;

(iii) the liquidation, dissolution, reorganization, bankruptcy, cessation of business or initiation of any similar proceedings in respect of any Group company;

(iv) any material change to the principal business of the group companies;

(v) amendments of the Articles of Association;

(vi) change to the composition of the Board of Directors;

(vii) purchase or disposal of major assets or guarantee of the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company;

(viii) other matters as required by laws, administrative regulations, the Listing Rules, the listing rules of the places where the shares of the Company are listed or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a shareholders' meeting, will have a material impact on the Company and need to be approved by way of special resolutions.

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share, except for preferred shareholders with weighted voting rights.

When the shareholders' general meeting considers material matters affecting the interests of minority investors, the votes cast by such minority investors shall be counted separately. The results of such separate vote counting shall be disclosed to the public in a timely manner.

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' meeting.

When the shareholders' meeting considers matters relating to a connected transaction, the connected shareholders shall not participate in the vote, and the number of voting shares represented by them shall not be counted in the total number of valid voting shares. The resolution of the shareholders' meeting shall fully disclose the voting by the unconnected shareholders.

DIRECTORS AND BOARD OF DIRECTORS

Directors shall be elected or replaced by the shareholders' meeting, and may further be removed from their office prior to the conclusion of the term thereof by the shareholders' meeting. Directors shall have a term of three years, renewable upon expiry if re-elected. The term of office of independent Directors is the same as other Directors, and the term is renewable upon re-election when it expires.

A director's term of office shall commence from the date when he/she takes office and end upon expiry of the term of the current session of the Board of Directors. The existing director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association after the expiry of his/her term if no re-election is held in time.

General manager and other senior management members may serve as directors concurrently, provided that the aggregate number of directors concurrently serving as senior management members, together with directors who are employee representatives may not exceed 50% of the total number of directors of the company.

The Company shall have a Board of Directors which shall be accountable to the shareholders' meeting.

The Board of Directors is composed of nine directors, including one employee representative director and three independent directors. It shall have one chairman elected by more than half of all the directors on the board of directors.

The Board shall exercise the following powers and duties:

(i) to convene a shareholders' meeting and report its work to such meeting;

(ii) to implement the resolutions of a shareholders' meeting;

(iii) to decide on the operation plans and investment plans for the Company;

(iv) to prepare the Company's profit distribution plans and loss recovery plans;

(v) to prepare the plan for the Company to increase or reduce its registered capital, issue bonds or other securities and listing plans;

(vi) to prepare plans of the Company with respect to material acquisitions and acquisitions of the Company's shares or merger, division, dissolution or change in the form of the Company;

(vii) within the scope of authorization by the shareholders' meeting, to decide on matters such as outbound investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions and external donations;

(viii) to decide on the establishment of the internal organizations;

(ix) to decide to appoint or remove the general manager, secretary of the Board and other senior management of the Company, and decide on the remunerations and rewards and punishments thereof; to decide to appoint or remove the deputy general manager, financial controller and other senior management members of the Company nominated by the general manager, and decide on the remunerations and rewards and punishments thereof;

(x) to formulate the Company's basic management system;

(xi) to prepare plans to amend the Articles of Association;

(xii) to manage the disclosure of information of the Company;

(xiii) to propose to the shareholders' meeting with respect to the appointment or replacement of the accounting firm for the audit of the Company;

(xiv) to receive the work report of the general manager of the Company and examine such work;

(xv) to decide the establishment of special committees of the Board of Directors;

(xvi) to exercise any other duties and powers specified in laws, administrative regulations, departmental rules, the Listing Rules and the listing rules of the places where the shares of the Company are listed or the Articles of Association.

The Company's Board of Directors shall establish Audit, Nomination, Remuneration, Strategy and ESG Special Committees, which shall perform their duties in accordance with these Articles of Association and the authorization of the Board of Directors, and shall be accountable to the Board of Directors. The detailed implementation rules for the Special Committees shall be formulated by the Board of Directors.

SECRETARY TO THE BOARD

The company shall have a secretary of the Board of Directors. The secretary of the Board is a senior management member of the Company. The secretary of the Board of Directors shall comply with laws, regulations, departmental rules and relevant provisions of the Articles of Association.

The Company may appoint a securities representative to assist the secretary of the Board of Directors in the performance of his or her duties; in the event that the secretary of the Board of Directors is unable to perform his or her duties, the securities representative shall exercise his or her rights and perform his or her duties.

The Secretary of the Board of Directors is responsible for the preparation of the shareholders' meeting and the meeting of the Board of Directors, the custody of meeting minutes and documents, the management of shareholder information, information disclosure and other daily affairs.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have several vice general managers, who shall be appointed or dismissed by the Board of Directors.

The general manager serves for a term of three years, subject to re-appointment upon the expiry of the term.

The general manager shall report to the Board and have the following duties and powers:

(i) to take charge of the production operations and management tasks of the Company and organize the implementation of the Board's resolutions, and to report work to the Board;

(ii) to organize the implementation of the Company's annual operating plan and investment plan;

(iii) to devise the set-up of the Company's internal management structure;

(iv) to devise the basic management policy of the Company;

(v) to formulate the specific rules of the Company;

(vi) to propose the appointment or dismissal of deputy managers and financial officers of the Company;

(vii) to appoint or dismiss management officers, aside from those requiring the Board to decide the appointment or removal;

(viii) other duties as granted by the Company's Articles of Association or the Board.

The general manager shall attend the board meetings.

FINANCIAL AND ACCOUNTING SYSTEM

The company formulates its financial and accounting system in accordance with laws, administrative regulations and rules of relevant national departments. If there are other provisions in the Listing Rules or the securities regulatory authorities of the place where the company's stocks are listed, such provisions shall apply.

The financial and accounting reports are prepared in accordance with relevant laws, administrative regulations, departmental rules, the Listing Rules and other securities regulatory rules of the company's stock listing location.

The company will not establish separate accounting books except for statutory accounting books. The assets of the company shall not be stored in any individual's account.

PROFIT ALLOCATION

The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.

After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders' meeting.

After making up for the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved for the following reasons:

(i) expiry of the business term as specified by the Articles of Association or any circumstances for dissolution specified in the Articles of Association arise;

(ii) the shareholders' meeting has resolved to dissolve the Company;

(iii) the merger or division of the Company requires a dissolution;

(iv) the business license is revoked, or the Company is ordered to close down or is dissolved according to laws; and

(v) if the Company suffers significant hardship in its operation and management, and the ongoing existence would bring significant losses for shareholders that cannot be resolved through other means, the shareholders holding at least ten percent of the total voting rights of the Company may request the People's Court to dissolve the Company.

In the case of item (i) (ii) mentioned above, provided that no distribution of properties have been made to the shareholder, the Company may survive by amending the Articles of Association or approved by shareholders' resolutions. The amendment of the Articles of Association shall be approved by more than two-thirds of the voting rights represented by the shareholders present at the shareholders' meeting.

Where the Company is dissolved under the circumstances set out in items (i), (ii), (iv) and (v) above, the Company shall liquidate. Directors shall be the liquidation obligors, and shall establish a liquidation group to commence liquidation within fifteen days upon the occurrence of the circumstances for dissolution. The liquidation group shall consist of directors, unless otherwise provided in the Articles of Association or as resolved by a shareholders' meeting to elect others.

The liquidation group shall exercise the following functions and power during the period of liquidation:

(i) liquidating the properties of the Company, and preparing the balance sheets and asset checklists separately;

(ii) informing creditors by a notice or public announcement;

(iii) disposing of and liquidating the unfinished businesses of the Company;

(iv) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;

(v) clearing off credits and debts;

(vi) disposing of the residual properties after settling such debt; and

(vii) participating in the civil litigation on behalf of the Company.

The liquidation group shall, within ten days of its formation, notify the creditors, and shall, within 60 days, make public announcements in a newspaper or the National Enterprise Credit Information Publication System. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation group.

After the liquidation group has liquidated the properties of the Company and has prepared the balance sheets and checklists of properties, it shall prepare a plan of liquidation, and report it to the shareholders' meeting or the People's Court for confirmation.

The remaining assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company may be distributed according to the ratios of shareholding of the shareholders.

During the liquidation period, the Company still exists but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed to shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

AMENDMENT TO ARTICLES OF ASSOCIATION

Under any one of the following circumstances, the Company shall amend the Articles of Association:

(i) after amendment has been made to the Company Law, the relevant laws, administrative regulations or the Listing Rules, the contents of the Articles of Association have conflict with the amended laws, administrative regulations or the Listing Rules;

(ii) the changes that the Company have undergone are not in consistence with the records made in the Articles of Association; and

(iii) the shareholders' meeting decides that the Article of Association should be amended.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability in the PRC on June 11, 2019 and was converted to a joint stock company with limited liability under the laws of the PRC with effect from March 26, 2025.

As of the Latest Practicable Date, the registered capital of our Company was RMB40,281,069 divided into 40,281,069 Unlisted Shares with a nominal value of RMB1.00 each. Immediately prior to the **[REDACTED]** and upon the completion of the Share Subdivision, the registered share capital of our Company will be RMB40,281,069, comprising 402,810,690 Unlisted Shares in issue of nominal value RMB0.10 each.

Our Company has established a principal place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on July 11, 2025. Mr. Cheng Ching Kit, our company secretary, has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix V—Summary of Articles of Association" to this document.

2. Changes in the Share Capital of Our Company

Save as disclosed in the section headed "History, Development and Corporate Structure—Establishment and Major Shareholding Changes of Our Company," there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries as of June 30, 2025 are set out in the Accountants' Report in Appendix I to this document. The changes in the share capital of our Company during the two years immediately preceding the date of this document is set out as follows:

Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司)

On May 14, 2024, Shanghai Knowledge Huanyu Technology Co., Ltd. was established with a registered capital of RMB10.0 million.

Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司)

On December 16, 2024, Zhuhai Knowledge Linghang Technology Co., Ltd. was established with a registered capital of RMB5.0 million.

On April 24, 2025, the registered capital of Zhuhai Knowledge Linghang Technology Co., Ltd. increased from RMB5.0 million to RMB100.0 million.

Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司)

On December 5, 2023, Beijing Knowledge Qingyan Technology Co., Ltd. was established with a registered capital of RMB10.0 million.

Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司)

On October 25, 2024, Tianjin Knowledge Atlas Technology Co., Ltd. was established with a registered capital of RMB50.0 million.

On December 20, 2024, the registered capital of Tianjin Knowledge Atlas Technology Co., Ltd. increased from RMB50.0 million to RMB950.0 million.

Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司)

On May 22, 2024, Beijing Knowledge Linghang Technology Co., Ltd. was established with a registered capital of RMB30.0 million.

Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司)

On September 24, 2024, Beijing Knowledge Xingyao Technology Co., Ltd. was established with a registered capital of RMB300.0 million.

Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司)

On September 20, 2023, Hangzhou Knowledge Atlas Technology Co., Ltd. was established with a registered capital of RMB10.0 million.

Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司)

On March 15, 2024, Beijing Knowledge Future Technology Co., Ltd. was established with a registered capital of RMB10.0 million.

Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司)

On December 18, 2024, Zhuhai Knowledge Future Technology Co., Ltd. was established with a registered capital of RMB5.0 million.

On April 23, 2025, the registered capital of Zhuhai Knowledge Future Technology Co., Ltd. increased from RMB5.0 million to RMB15.0 million.

Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司)

On December 27, 2024, Chengdu Knowledge Atlas Technology Co., Ltd. was established with a registered capital of RMB5.0 million.

On December 31, 2024, the registered capital of Chengdu Knowledge Atlas Technology Co., Ltd. increased from RMB5.0 million to RMB300.0 million.

Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司)

On February 24, 2025, Zhejiang Knowledge Xinpian Technology Co., Ltd. was established with a registered capital of RMB450.0 million.

Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司)

On November 6, 2024, Beijing Knowledge Haiying Education Technology Co., Ltd. was established with a registered capital of RMB5.0 million.

Beijing Knowledge Qingying Technology Culture Media Co., Ltd. (北京智譜清影科技文化傳媒有限公司)

On March 13, 2025, Beijing Knowledge Qingying Technology Culture Media Co., Ltd. was established with a registered capital of RMB5.0 million.

Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司)

On October 29, 2024, Beijing Knowledge Huixing Technology Co., Ltd. was established with a registered capital of RMB10.0 million.

ZYNIX LIMITED

On November 20, 2024, ZYNIX LIMITED was established with a share capital of 1.0 British pound.

Corethinks Technology SDN. BHD.

On June 30, 2025, Corethinks Technology SDN. BHD. was established with a share capital of 1.0 Malaysian ringgit.

SUPER CONVERGENCE SARL

On July 1, 2025, SUPER CONVERGENCE SARL was established with a share capital of 3,500 euros.

*Shenzhen Knowledge Lingxin Intelligent Technology Co., Ltd. (*深圳智譜聆心智能科技有限 公司*)*

On August 6, 2025, Shenzhen Knowledge Lingxin Intelligent Technology Co., Ltd. was established with a registered capital of RMB1.0 million.

*Huangshi Knowledge Atlas Technology Co., Ltd. (*黄石智譜華章科技有限公司*)*

On November 11, 2025, Huangshi Knowledge Atlas Technology Co., Ltd. was established with a registered capital of RMB20.0 million.

4. Restriction of Share Repurchase

For details of the restrictions on the share repurchase by our Company, see "Appendix V—Summary of Articles of Association" to this document.

5. Resolutions of Our Shareholders

At the extraordinary general meeting of our Company held on June 28, 2025, among other things, our Shareholders had resolved that:

(l) the sub-division of the Shares with nominal value of RMB1.00 each on the basis of one to ten, effective immediately prior to the **[REDACTED]**, and taking into account the Share Subdivision, the issue of H Shares of nominal value of RMB0.10 each and such H Shares be listed on the Stock Exchange;

(m) the number of H Shares to be issued pursuant to the **[REDACTED]** shall be no more than **[REDACTED]** of the total issued share capital of our Company as enlarged by the **[REDACTED]** before the exercise of the **[REDACTED]**;

(n) subject to the filing with CSRC being completed, the Conversion of Unlisted Shares into H Shares upon completion of the **[REDACTED]** shall be approved;

(o) subject to the completion of the **[REDACTED]**, 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 as at the date of **[REDACTED]** (excluding any H Shares issued pursuant to the **[REDACTED]**);

(p) subject to the completion of the **[REDACTED]**, the granting of a general mandate to the Board to allot, issue Shares, or sell and/or transfer Shares out of treasury that are held as treasury 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, provided that, the number of Shares to be issued or sold and/or transferred out of treasury that are held as treasury shares shall not exceed 20% of the number of the Shares in issue as at the date of **[REDACTED]** (excluding any Shares issued pursuant to the **[REDACTED]**);

(q) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association, which shall become effective on the **[REDACTED]** and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities; and

(r) our Board and/or its authorized person(s) have been authorized to handle all relevant matters relating to, among other things, the **[REDACTED]**, the issue of H Shares and the **[REDACTED]**.

6. Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the H Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in capital markets. Such repurchases will only be made when the Board believes that they will benefit the Company and its Shareholder as a whole.

Following a repurchase of H Shares, the Company may cancel any repurchased H Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchase, which may change due to evolving circumstances.

(b) Exercise of the general mandate to repurchase H Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase H Shares at annual general meetings, the Board will be granted a general mandate to repurchase H Shares until the end of the relevant period. The general mandate to repurchase H Shares would expire on the earlier of:

(i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or

(ii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares (on the basis of **[REDACTED]** H Shares in issue as of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) and no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the next annual general meeting to be held after the **[REDACTED]**) would result in a maximum of **[REDACTED]** H Shares being repurchased by the Company during the relevant period, being the maximum of 10% of the H Shares in issue (excluding any treasury shares) as of the **[REDACTED]**.

(c) Source of funds

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its H Shares. Any shares to be repurchased will be canceled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase H Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell H Shares to our Company, or have undertaken to do so, if the general mandate to repurchase H Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, supervisor, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased H Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the H Shares repurchased by the Company will be canceled or kept as treasury shares.

(g) Takeover implications

If, as a result of any repurchase of H Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase H Shares.

(h) Interim measures

For any treasury shares of the Company deposited with CCASS pending resale on the Stock Exchange, the Company shall, upon approval by the Board, implement the below interim measures which include (without limitation):

(i) procuring its broker not to give any instructions to HKSCC to vote at general meetings for the treasury shares deposited with CCASS;

(ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from CCASS and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or

(iii) taking any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

(i) General

The Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon **[REDACTED]**.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase H Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors have undertaken to the Stock Exchange that they will exercise the general mandate to repurchase H Shares in accordance with the Listing Rules and the applicable laws in the PRC. Neither the Explanatory Statement on Repurchase of Our Own Securities nor the proposed share repurchase has any unusual feature.

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 preceding the date of this document that are or may be material:

(a) a capital increase agreement dated February 7, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co.,

Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Jincheng Yaoda Technology Limited, Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, Suzhou Junlian Jinfan Venture Capital Partnership (Limited Partnership) (蘇州君聯錦帆創業投資合夥企業(有限合夥)), and Social Security Zhongguancun Innovation Investment Fund (Beijing) Partnership (Limited Partnership) (社保基金中關村自主創新投資基金(北京)合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(b) a capital increase agreement dated February 7, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Jincheng Yaoda Technology Limited, Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Shanghai Feiya Technology Co., Ltd. (上海飛玥科技有限公司), pursuant to which the parties agreed to increase the registered capital of our Company;

(c) a capital increase agreement dated February 7, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Jincheng Yaoda Technology Limited, Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and AI Fund Partnership (Limited Partnership) (北京市人工智能產業投資基金(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(d) a capital increase agreement dated February 7, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Jincheng Yaoda Technology Limited, Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and P7 China Holdings PPC Limited (formerly Aramco Ventures Investments Limited), pursuant to which the parties agreed to increase the registered capital of our Company;

(e) a capital increase agreement dated April 18, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Jincheng Yaoda Technology Limited, Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Hubei Yangtze CITIC Technology Mobile Communication Industry Investment Fund Partnership (Limited Partnership) (湖北長江中信科移動通信技術產業投資基金合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(f) a capital increase agreement dated August 8, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co.,

Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Beijing Zhongguancun Science City Phase II Technology Growth Equity Investment Partnership (Limited Partnership) (北京中關村科學城二期科技成長股權投資合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(g) a capital increase agreement dated August 8, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜 未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Beijing Daxing Industrial Fund Partnership (Limited Partnership) (北京市大興區產業發展基金合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(h) a capital increase agreement dated August 8, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership) (北京星連肇基企業管理合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(i) a capital increase agreement dated August 8, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業(有限合夥)), and Social Security Zhongguancun Innovation Investment

Fund (Beijing) Partnership (Limited Partnership) (社保基金中關村自主創新投資基金(北京)合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(j) a convertible note agreement dated September 3, 2024 entered into among our Company, Dr. Tang, Dr. Liu, and Tianjin Tianchuang Haihe Yongtai Puxin Venture Capital Partnership (Limited Partnership) (天津天創海河永鈦譜鑫創業投資合夥企業(有限合夥)), pursuant to which our Company agreed to issue a convertible note;

(k) a capital increase agreement dated November 27, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Tianjin Haihe Fuxin Youda Venture Capital Fund Partnership (Limited Partnership) (天津海河富新優達創業投資基金合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company (the "Haihe Fuxin Youda Fund Series B6-2 Capital Increase Agreement");

(l) a supplemental agreement to the Haihe Fuxin Youda Fund Series B6-2 Capital Increase Agreement dated November 29, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Tianjin Haihe Fuxin Youda Venture Capital Fund Partnership (Limited Partnership) (天津海河富新優達創業投資基金合夥企業(有限合夥)), pursuant to which the parties agreed to reduce the registered capital to be subscribed by Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership) (北京星連肇基企業管理合夥企業(有限合夥)) pursuant to the Haihe Fuxin Youda Fund Series B6-2 Capital Increase Agreement;

(m) a capital increase agreement dated December 31, 2024 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY

PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Chengdu High-tech Orrino Youchan Equity Investment Fund Partnership (Limited Partnership) (成都高新策源優產股權投資基金合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(n) a convertible note agreement dated January 25, 2025 entered into among our Company, Dr. Tang, Dr. Liu, and Hainan Xiarui Investment Partnership (Limited Partnership) (海南夏睿投資合夥企業(有限合夥)), pursuant to which our Company agreed to issue a convertible note;

(o) a convertible note agreement dated January 26, 2025 entered into among our Company, Dr. Tang, Dr. Liu, and Zhuhai Huafa New Quality Productivity Investment Fund Partnership (Limited Partnership) (珠海市新質生產力投資基金合夥企業(有限合夥)), pursuant to which our Company agreed to issue a convertible note;

(p) a capital increase agreement dated January 27, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, Hangzhou Chengtou Industrial Development Investment Partnership (Limited Partnership) (杭州城投產業發展投資合夥企業(有限合夥)), and Hangzhou Shangcheng Linghang Venture Capital Co., Ltd. (杭州上城領航創業投資有限公司), pursuant to which the parties agreed to increase the registered capital of our Company;

(q) a capital increase agreement dated February 7, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業(有限合夥)), and Social Security Zhongguancun Innovation Investment Fund (Beijing) Partnership (Limited Partnership) (社保基金中關村自主創新投資基金(北京)合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(r) a convertible note agreement dated February 7, 2025 entered into among our Company, Dr. Tang, Dr. Liu, and Lenovo Small and Medium Enterprise Development Venture Capital Fund (Tianjin) Partnership (Limited Partnership) (聯想中小企業發展創業投資基金(天津)合夥企業(有限合夥)), pursuant to which our Company agreed to issue a convertible note;

(s) a convertible note agreement dated March 17, 2025 entered into among our Company, Dr. Tang, Dr. Liu, and Zhuhai Huafa New Quality Productivity Investment Fund Partnership (Limited Partnership) (珠海市新質生產力投資基金合夥企業(有限合夥)), pursuant to which our Company agreed to issue a convertible note;

(t) a capital increase agreement dated March 19, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and AI Fund Partnership (Limited Partnership) (北京市人工智能產業投資基金(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(u) a capital increase agreement dated May 13, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜 興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Lenovo Small and Medium Enterprise Development Venture Capital Fund (Tianjin) Partnership (Limited Partnership) (聯想中小企業發展創業投資基金(天津)合夥企業(有限合夥)), pursuant to which the parties agreed to convert certain convertible note into newly issued shares of our Company;

(v) a capital increase agreement dated May 13, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing

Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng and Tianjin Tianchuang Haihe Yongtai Puxin Venture Capital Partnership (Limited Partnership) (天津天創海河永鈦譜鑫創業投資合夥企業(有限合夥)), pursuant to which the parties agreed to convert certain convertible note into newly issued shares of our Company;

(w) a capital increase agreement dated May 13, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng and Hainan Xiarui Investment Partnership (Limited Partnership) (海南夏睿投資合夥企業(有限合夥), pursuant to which the parties agreed to convert certain convertible note into newly issued shares of our Company;

(x) a capital increase agreement dated May 13, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai,

Huihui, Zhideng and Zhuhai Huafa New Quality Productivity Investment Fund Partnership (Limited Partnership) (珠海市新質生產力投資基金合夥企業(有限合夥)), pursuant to which the parties agreed to convert certain convertible note into newly issued shares of our Company;

(y) a capital increase agreement dated May 23, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., Hong Kong Xiangtai Ruifeng Technology Limited, Dr. Tang, Dr. Li, Dr. Liu, Dr. Xu, Dr. Zhang, Mr. Wang, Beijing Lianpai, Huihui, Zhideng, and Zhihui Linghang Venture Capital Partnership (Limited Partnership) (上海浦東智慧領航創業投資合夥企業(有限合夥)), pursuant to which the parties agreed to increase the registered capital of our Company;

(aa) a shareholders' agreement dated May 23, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., and Hong Kong Xiangtai Ruifeng Technology Limited, Tang Jie (唐傑), Li Junazi (李涓子), Liu Debing (劉德兵), Xu Bin (許斌), Zhang Peng (張鵬), Wang Shaolan (王紹蘭), Beijing Lianpai Technology Development Center (Limited Partnership) (北京鏈湃科技發展中心(有限合夥)), Zhuhai Hengqin Huihui Enterprise Management Partnership (Limited Partnership) (珠海橫琴慧惠企業管理合夥企業(有限合夥)), Zhuhai Hengqin Zhideng Enterprise Management Partnership (Limited Partnership) (珠海橫琴智登企業管理合夥企業(有限合夥)), Tsinghua Control Technology Transfer Co., Ltd. (華控技術轉移有限公司), Beijing CAS Star Hard Technology Venture Capital Partnership (Limited Partnership) (北京中科創星硬科技創業投資合夥企業(有限合夥)), Beijing Innovation Zhiyuan Technology Co., Ltd. (北京創新智源科技有限公司), Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership) (北京星連肇基企業管理合夥企業(有限合夥)), Zaozhuang Tongzhi Equity Investment Partnership (Limited Partnership) (棗莊通智股權投資合夥企業(有限合夥)), Beijing Huakong Industrial Investment Fund (Limited Partnership) (北京華控產業投資基金(有限合夥)), Qingdao Huakong Growth Equity Investment Partnership (Limited Partnership) (青島華控成長股權投資合夥企業(有限合夥)), Beijing Rongpin Investment

Management Co., Ltd. (北京榮品投資管理有限公司), Beijing The Jiangmen Venture Capital Center (Limited Partnership) (北京將門創業投資中心(有限合夥)), Shenzhen Dachen Chuanghong Private Equity Investment Partnership (Limited Partnership) (深圳市達晨創鴻私募股權投資企業(有限合夥)), Shenzhen Caizhi Chuangying Private Equity Investment Partnership (Limited Partnership) (深圳市財智創贏私募股權投資企業(有限合夥)), Luster LightTech Co., Ltd. (淩雲光技術股份有限公司), Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業(有限合夥)), Suzhou Junlian Jinfan Venture Capital Partnership (Limited Partnership) (蘇州君聯錦帆創業投資合夥企業(有限合夥)), Suzhou Qiming Rongqian Equity Investment Partnership (Limited Partnership) (蘇州啟明融乾股權投資合夥企業(有限合夥)), Kunshan Qiming Rongkai Equity Investment Partnership (Limited Partnership) (昆山市啟明融凱股權投資合夥企業(有限合夥)), Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司), Shanghai Yunya Enterprise Management Consulting Co., Ltd. (上海雲玡企業管理諮詢有限公司), Hangzhou Duoxiang Network Technology Co., Ltd. (杭州多項網絡科技有限公司), Trend Mega Limited (全德美嘉有限公司), Tianjin Heyuan Youze Yihao Venture Capital Partnership (Limited Partnership) (天津合遠優擇壹號創業投資合夥企業(有限合夥)), Hangzhou Guanghe II Venture Capital Partnership (Limited Partnership) (杭州光合貳期創業投資合夥企業(有限合夥)), Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司), TAL Education (Beijing) Co., Ltd. (欣欣相融教育科技(北京)有限公司), Beijing Xiaofeng Technology Co., Ltd. (北京小鋒科技有限公司), Social Security Zhongguancun Innovation Investment Fund (Beijing) Partnership (Limited Partnership) (社保基金中關村自主創新投資基金(北京)合夥企業(有限合夥)), Xiamen HongShan Yaheng Equity Investment Partnership (Limited Partnership) (厦門紅杉雅恒股權投資合夥企業(有限合夥)), Ningbo Meishan Free Trade Port Zone Mingheng Enterprise Management Consulting Partnership (Limited Partnership) (寧波梅山保税港區明恒企業管理諮詢合夥企業(有限合夥)), Beijing Shunying Equity Investment Partnership (Limited Partnership) (北京順贏股權投資合夥企業(有限合夥)), Shanghai Feiya Technology Co., Ltd. (上海飛玡科技有限公司), Wuxi Yunhui Digital Economy Investment Management Partnership (Limited Partnership) (無錫雲暉數字經濟投資管理合夥企業(有限合夥)), Shenzhen Zhaoshang Shuke Innovation Private Equity Fund Partnership (Limited Partnership) (深圳市招商數科創新私募股權投資基金合夥企業(有限合夥)), AI Fund Partnership (Limited Partnership) (北京市人工智能產業投資基金(有限合夥)), Beijing Lianrong Zhiyuan Equity Investment Partnership (Limited Partnership) (北京聯融致遠股權投資合夥企業(有限合夥)), P7 China Holdings PCC Limited, Hubei Yangtze CITIC Technology Mobile Communication Industry Investment Fund Partnership (Limited Partnership) (湖北長江中信科移動通信技術產業投資基金合夥企業(有限合夥)), Beijing Zhongguancun Science City Phase II Technology Growth Equity Investment Partnership (Limited Partnership) (北京中關村科學城二期科技成長股權投資合夥企業(有限合夥)), Beijing Daxing Industrial Fund Partnership (Limited Partnership) (北京市大興區產業發展基金合夥企業(有限合夥)), Tianjin Haihe Fuxin Youda Venture Capital Fund Partnership (Limited Partnership) (天津海河富新優達創業投資基金合夥企業(有限合夥)), Hangzhou Chengtou Industrial Development Investment Partnership (Limited Partnership) (杭州城投產業發展投資合夥企業(有限合夥)), Hangzhou Shangcheng Linghang Venture Capital Co., Ltd. (杭州上城領航創業投資有限公司), Chengdu High-tech Orrino Youchan Equity Investment Fund Partnership (Limited Partnership) (成都高新策源優產股權投資基金合夥企業(有限合夥)), Tianjin Tianchuang Haihe Yongtai Puxin Venture Capital Partnership (Limited Partnership) (天津天創海河永鈦譜鑫創業投資合夥企業(有限合夥)), Zhuhai Huafa New Quality Productivity Investment Fund Partnership (Limited Partnership) (珠海市新質生產力投資基金合夥企業(有限合夥)), Hainan Xiarui Investment Partnership (Limited Partnership) (海南夏睿投資合夥企業(有限合夥)), Lenovo Small and Medium Enterprise Development Venture Capital Fund (Tianjin) Partnership (Limited Partnership) (聯想中小企業發展創業投資基金(天津)合夥企業(有限合夥)) and Shanghai Pudong Zhihui Linghang Venture Capital Partnership (Limited Partnership) (上海浦東智慧領航創業投資合夥企業(有限合夥));

(bb) a shareholder special rights termination agreement dated June 27, 2025 entered into among our Company, Nanjing Knowledge Atlas Technology Co., Ltd. (南京智譜華章科技有限公司), Shenzhen Knowledge Atlas Technology Co., Ltd. (深圳智譜華章科技有限公司), Hangzhou Knowledge Atlas Technology Co., Ltd. (杭州智譜華章科技有限公司), Beijing Knowledge

Qingyan Technology Co., Ltd. (北京智譜清言科技有限公司), Beijing Lingxin Intelligent Technology Co., Ltd. (北京聆心智能科技有限公司), Shanghai Knowledge Huanyu Technology Co., Ltd. (上海智譜寰宇科技有限公司), Beijing Knowledge Future Technology Co., Ltd. (北京智譜未來科技有限公司), Beijing Knowledge Linghang Technology Co., Ltd. (北京智譜領航科技有限公司), Beijing Knowledge Xingyao Technology Co., Ltd. (北京智譜興曜科技有限公司), Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司), Chengdu Knowledge Atlas Technology Co., Ltd. (成都智譜華章科技有限公司), Zhuhai Knowledge Linghang Technology Co., Ltd. (珠海智譜領航科技有限公司), Zhuhai Knowledge Future Technology Co., Ltd. (珠海智譜未來科技有限公司), Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司), Zhejiang Knowledge Xinpian Technology Co., Ltd. (浙江智譜新篇科技有限公司), Beijing Knowledge Haiying Education Technology Co., Ltd. (北京智譜海英教育科技有限公司), Jincheng Yaoda Technology Limited, JINGSHENG HENGXING TECHNOLOGY PTE. LTD., and Hong Kong Xiangtai Ruifeng Technology Limited, Tang Jie (唐傑), Li Junazi (李涓子), Liu Debing (劉德兵), Xu Bin (許斌), Zhang Peng (張鵬), Wang Shaolan (王紹蘭), Beijing Lianpai Technology Development Center (Limited Partnership) (北京鏈湃科技發展中心(有限合夥)), Zhuhai Hengqin Huihui Enterprise Management Partnership (Limited Partnership) (珠海橫琴慧惠企業管理合夥企業(有限合夥)), Zhuhai Hengqin Zhideng Enterprise Management Partnership (Limited Partnership) (珠海橫琴智登企業管理合夥企業(有限合夥)), Tsinghua Control Technology Transfer Co., Ltd. (華控技術轉移有限公司), Beijing CAS Star Hard Technology Venture Capital Partnership (Limited Partnership) (北京中科創星硬科技創業投資合夥企業(有限合夥)), Beijing Innovation Zhiyuan Technology Co., Ltd. (北京創新智源科技有限公司), Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership) (北京星連肇基企業管理合夥企業(有限合夥)), Zaozhuang Tongzhi Equity Investment Partnership (Limited Partnership) (棗莊通智股權投資合夥企業(有限合夥)), Beijing Huakong Industrial Investment Fund (Limited Partnership) (北京華控產業投資基金(有限合夥)), Qingdao Huakong Growth Equity Investment Partnership (Limited Partnership) (青島華控成長股權投資合夥企業(有限合夥)), Beijing Rongpin Investment Management Co., Ltd. (北京榮品投資管理有限公司), Beijing The Jiangmen Venture Capital Center (Limited Partnership) (北京將門創業投資中心(有限合夥)), Shenzhen Dachen Chuanghong Private Equity Investment Partnership (Limited Partnership) (深圳市達晨創鴻私募股權投資企業(有限合夥)), Shenzhen Caizhi Chuangying Private Equity Investment Partnership (Limited Partnership) (深圳市財智創贏私募股權投資企業(有限合夥)), Luster LightTech Co., Ltd. (淩雲光技術股份有限公司), Suzhou Junlian Xiangdao Equity Investment Partnership (Limited Partnership) (蘇州君聯相道股權投資合夥企業(有限合夥)), Suzhou Junlian Jinfan Venture Capital Partnership (Limited Partnership) (蘇州君聯錦帆創業投資合夥企業(有限合夥)), Suzhou Qiming Rongqian Equity Investment Partnership (Limited Partnership) (蘇州啟明融乾股權投資合夥企業(有限合夥)), Kunshan Qiming Rongkai Equity Investment Partnership (Limited Partnership) (昆山市啟明融凱股權投資合夥企業(有限合夥)), Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司), Shanghai Yunya Enterprise Management Consulting Co., Ltd. (上海雲玡企業管理諮詢有限公司), Hangzhou Duoxiang Network Technology Co., Ltd. (杭州多項網絡科技有限公司), Trend Mega Limited (全德美嘉有限公司), Tianjin Heyuan Youze Yihao Venture Capital Partnership (Limited Partnership) (天津合遠優擇壹號創業投資合夥企業(有限合夥)), Hangzhou Guanghe II Venture Capital Partnership (Limited Partnership) (杭州光合貳期創業投資合夥企業(有限合夥)), Guangxi Tencent Venture Capital Co., Ltd. (廣西騰訊創業投資有限公司), TAL Education (Beijing) Co., Ltd. (欣欣相融教育科技(北京)有限公司), Beijing Xiaofeng Technology Co., Ltd. (北京小鋒科技有限公司), Social Security Zhongguancun Innovation Investment Fund (Beijing) Partnership (Limited Partnership) (社保基金中關村自主創新投資基金(北京)合夥企業(有限合夥)), Xiamen HongShan Yaheng Equity Investment Partnership (Limited Partnership) (廈門紅杉雅恒股權投資合夥企業(有限合夥)), Ningbo Meishan Free Trade Port Zone Mingheng Enterprise Management Consulting Partnership (Limited Partnership) (寧波梅山保稅港區明恒企業管理諮詢合夥企業(有限合夥)), Beijing Shunying Equity Investment Partnership (Limited Partnership) (北京順贏股權投資合夥企業(有限合夥)), Shanghai Feiya Technology Co., Ltd. (上海飛玡科技有限公司), Wuxi Yunhui Digital Economy Investment Management Partnership (Limited Partnership) (無錫雲暉數字經濟投資管理合夥企業(有限合夥)), Shenzhen Zhaoshang Shuke Innovation Private Equity Fund Partnership (Limited Partnership) (深圳市招商數科創新私募股權投資基金合夥企業(有限合夥)), AI

Fund Partnership (Limited Partnership) (北京市人工智能產業投資基金(有限合夥)), Beijing Lianrong Zhiyuan Equity Investment Partnership (Limited Partnership) (北京聯融致遠股權投資合夥企業(有限合夥)), P7 China Holdings PCC Limited, Hubei Yangtze CITIC Technology Mobile Communication Industry Investment Fund Partnership (Limited Partnership) (湖北長江中信科移動通信技術產業投資基金合夥企業(有限合夥)), Beijing Zhongguancun Science City Phase II Technology Growth Equity Investment Partnership (Limited Partnership) (北京中關村科學城二期科技成長股權投資合夥企業(有限合夥)), Beijing Daxing Industrial Fund Partnership (Limited Partnership) (北京市大興區產業發展基金合夥企業(有限合夥)), Tianjin Haihe Fuxin Youda Venture Capital Fund Partnership (Limited Partnership) (天津海河富新優達創業投資基金合夥企業(有限合夥)), Hangzhou Chengtou Industrial Development Investment Partnership (Limited Partnership) (杭州城投產業發展投資合夥企業(有限合夥)), Hangzhou Shangcheng Linghang Venture Capital Co., Ltd. (杭州上城領航創業投資有限公司), Chengdu High-tech Orrino Youchan Equity Investment Fund Partnership (Limited Partnership) (成都高新策源優產股權投資基金合夥企業(有限合夥)), Tianjin Tianchuang Haihe Yongtai Puxin Venture Capital Partnership (Limited Partnership) (天津天創海河永鈦譜鑫創業投資合夥企業(有限合夥)), Zhuhai Huafa New Quality Productivity Investment Fund Partnership (Limited Partnership) (珠海市新質生產力投資基金合夥企業(有限合夥)), Hainan Xiarui Investment Partnership (Limited Partnership) (海南夏睿投資合夥企業(有限合夥)), Lenovo Small and Medium Enterprise Development Venture Capital Fund (Tianjin) Partnership (Limited Partnership) (聯想中小企業發展創業投資基金(天津)合夥企業(有限合夥)) and Shanghai Pudong Zhihui Linghang Venture Capital Partnership (Limited Partnership) (上海浦東智慧領航創業投資合夥企業(有限合夥)); and

(cc) **[REDACTED]**.

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Date of Expiry
1.	GLM	38	Our Company	PRC	74735814	04/13/2034
2.	GLM	45	Our Company	PRC	74721479	06/06/2034
3.	智谱清言	36	Our Company	PRC	72847305	01/13/2034
4.	智谱清言	45	Our Company	PRC	72840072	01/13/2034
5.	智谱清言	09	Our Company	PRC	72836990	01/13/2034
6.	智谱清言	35	Our Company	PRC	72843144	01/13/2034
7.	智谱清言	41	Our Company	PRC	72837009	01/13/2034
8.	智谱清言	38	Our Company	PRC	72849223	01/13/2034
9.	智谱清言	44	Our Company	PRC	72842732	01/13/2034
10.	智谱清言	42	Our Company	PRC	72840059	01/13/2034
11.		38	Our Company	PRC	72735282	01/13/2034

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Date of Expiry
12.		41	Our Company	PRC	72733696	01/13/2034
13.		35	Our Company	PRC	72742492	01/13/2034
14.		42	Our Company	PRC	72732280	01/13/2034
15.		09	Our Company	PRC	72749773	01/13/2034
16.		45	Our Company	PRC	72728088	01/13/2034
17.	智谱 · AI	09	Our Company	PRC	72224279	03/20/2034
18.		45	Our Company	PRC	75243147	04/13/2035
19.	Z 智谱	9, 42	Our Company	Hong Kong	306901858	05/15/2035
20.	Z 智谱	9, 42	Our Company	Hong Kong	306901867	05/15/2035
21.	Z Hi, I'm Z.ai	9, 42	Our Company	Hong Kong	306901939	05/15/2035
22.	Z	9, 42	Our Company	Hong Kong	306902037	05/16/2035

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Type	Registered Owner	Place of Registration	Patent Number	Date of Registration
1	A method, device and medium for optimizing the instruction-following capability of LLMs (一種優化大語言模型指令遵循能力的方法、設備及介質)	Invention patent	Our Company	PRC	2024115864607	February 25, 2025
2	An intelligent extraction method and system for input text containing mathematical formulas (一種含數學公式的輸入文本的智能提取方法及系統)	Invention patent	Our Company	PRC	2024103497310	August 23, 2024
3	A training method for web navigation AI agents based on LLMs (一種基於大語言模型的網頁導航智能體的訓練方法)	Invention patent	Our Company	PRC	2024103093694	October 1, 2024

No.	Patent	Type	Registered Owner	Place of Registration	Patent Number	Date of Registration
4	A method, device, equipment and medium for dynamically adjusting the depth of LLMs (一種動態調整大語言模型深度的方法、裝置、設備和介質)	Invention patent	Our Company	PRC	2024102713774	October 1, 2024
5	A training method and device for MoE models based on decision trees (一種基於決策樹的混合專家模型的訓練方法和裝置)	Invention patent	Our Company	PRC	2024102713030	August 23, 2024
6	An application-oriented LLM interface system, method, device and medium (面向應用的大語言模型調用接口系統、方法、設備及介質)	Invention patent	Our Company	PRC	2024100405834	August 9, 2024
7	An automatic parallelised language model text generation method (一種自動并行化的語言模型文本生成方法)	Invention patent	Our Company	PRC	2023118355360	March 29, 2024
8	A method, device and storage medium for generating instruction fine-tuning data (一種指令微調數據的生成方法、設備和存儲介質)	Invention patent	Our Company	PRC	2023117958411	August 9, 2024
9	A general text quality evaluation method based on LLMs (一種基於大語言模型的通用文本質量評價方法)	Invention patent	Our Company	PRC	2023116186705	May 28, 2024
10	An alignment evaluation method for Chinese LLMs (一種針對中文大語言模型的對齊測評方法)	Invention patent	Our Company	PRC	2023116210193	May 28, 2024
11	A fair and efficient multi-dialogue system evaluation system and method (一種公平高效的多對話系統測評系統及方法)	Invention patent	Our Company	PRC	2023115438272	February 20, 2024
12	A generative information extraction method and device based on pre-trained models (基於預訓練模型的生成式信息抽取方法和裝置)	Invention patent	Our Company	PRC	2021110162958	January 3, 2025
13	An evaluation method, device and electronic equipment for LLMs (大語言模型的評估方法、裝置及電子設備)	Invention patent	Beijing Lingxin Intelligent Technology Co., Ltd.	PRC	2023109676521	July 12, 2024
14	A personality test method, device and electronic equipment based on human-machine dialogue (基於人機對話的性格測試方法、裝置及電子設備)	Invention patent	Beijing Lingxin Intelligent Technology Co., Ltd.	PRC	2023108615338	March 22, 2024

No.	Patent	Type	Registered Owner	Place of Registration	Patent Number	Date of Registration
15	A model optimisation training system, method and relevant device (模型的優化訓練系統、方法以及相關裝置)	Invention patent	Beijing Lingxin Intelligent Technology Co., Ltd.	PRC	2023108092439	October 20, 2023
16	A method, device, medium and computing equipment for initial dialogue content generation (初始對話內容生成方法、裝置、介質和計算設備)	Invention patent	Beijing Lingxin Intelligent Technology Co., Ltd.	PRC	2023106006354	August 22, 2023
17	A safety evaluation method and relevant device based on LLMs (基於大語言模型的安全測評方法以及相關裝置)	Invention patent	Beijing Lingxin Intelligent Technology Co., Ltd.	PRC	2024119331870	April 29, 2025
18	A method for extracting key information frames from surveillance videos (一種監控視頻中抽取關鍵信息幀的方法)	Invention patent	Nanjing Knowledge Atlas Technology Co., Ltd.	PRC	201510062263X	March 27, 2018

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Registered Owner	Type	Place of Registration	Copyright Number	Date of Registration
1	AutoGLM software V1.1.01 (AutoGLM軟件V1.1.01)	Our Company	Software	PRC	14591247	12/25/2024
2	GLM embedded large model system V1.0 (GLM嵌入式大模型系統V1.0)	Our Company	Software	PRC	12267756	12/19/2023
3	Zhipu QingYan software V1.0 (智譜清言軟件V1.0)	Our Company	Software	PRC	11783805	12/08/2023
4	ChatGLM-6B software V1.1 (ChatGLM-6B軟件V1.1)	Our Company	Software	PRC	11479077	08/04/2023
5	Large model GLM3.5_130B platform V0.8 (大模型GLM3.5_130B平臺V0.8)	Our Company	Software	PRC	11279154	06/20/2023
6	Large-scale pre-trained model application platform V1.0 (大規模預訓練模型應用平臺V1.0)	Our Company	Software	PRC	9568431	05/20/2022
7	Large-scale pre-trained model system V1.0 (大規模預訓練模型系統V1.0)	Our Company	Software	PRC	9568432	05/20/2022

(d) Domain names

As of the Latest Practicable Date, our Group had registered the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered Owner	Date of Registration	Date of Expiry
1.	aminer.cn	Our Company	12/19/2012	12/19/2026
2.	bigmodel.cn	Our Company	11/10/2022	11/10/2031
3.	codegeex.cn	Our Company	10/22/2022	10/22/2034
4.	chatglm.com	Our Company	12/07/2022	12/07/2031
5.	chatglm.cn	Our Company	12/09/2022	12/09/2026
6.	zhipuai.com	Our Company	06/21/2021	06/21/2026
7.	zhipuai.cn	Our Company	06/21/2021	06/21/2029

C. FURTHER INFORMATION ABOUT DIRECTORS, SUPERVISOR AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Directors, Supervisor and the chief executive of our Company

Save as disclosed in the section headed "Substantial Shareholders" in this document, immediately following the completion of the **[REDACTED]** and conversion of Unlisted Shares into H Shares, so far as our Directors are aware, none of our Directors, Supervisor or chief executive of our Company has any interests or short positions in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"), to be notified to our Company and the Stock Exchange once the H Shares are listed.

(b) Substantial Shareholders

For the information on the persons who will, immediately following the completion of the **[REDACTED]**, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying voting rights in all circumstances at general meetings of our Company, see the section headed "Substantial Shareholders" in this document.

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors are not aware of any persons (other than our Directors and chief executive) who will, immediately following the completion of the **[REDACTED]**, have or be deemed or taken to have interests and/or short position in our Shares or underlying Shares which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any types of the issued voting shares of any member of our Group.

As of the Latest Practicable Date, so far as our Directors are aware, the following persons (other than our Directors, Supervisor 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 members of our Group:

Name of Member of our Group	Name of Shareholder	Percentage of Shareholding
Beijing Knowledge Huixing Technology Co., Ltd. (北京智譜慧興科技有限公司)	Hainan Hezun Investment Co., Ltd. (海南何尊投資有限公司)	30%

2. Service Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, we [have entered] into a contract with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Each of our Directors [has entered] into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years which is equivalent to the term of the Board; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval. The service contracts can be renewed pursuant to our Articles of Association and applicable rules.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors or Supervisor in their respective capacities as Directors or Supervisor (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

3. Directors' and Supervisor's Remuneration

Save as disclosed in "Directors, Supervisor and Senior Management" and Note 8 to "Appendix I—Accountants' Report," for the three financial 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.

4. Disclaimers

(a) None of our Directors, Supervisor or any of the parties listed in "—E. Other Information—4. Qualification and Consents of Experts" of this Appendix is:

(i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, 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; or

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(b) Save as disclosed in the section headed "Substantial Shareholders" in this document or in connection with the **[REDACTED]** and the **[REDACTED]**, none of our Directors or any of the parties listed in "—E. Other Information—4. Qualification and Consents of Experts" of this Appendix:

(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 Supervisor 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 in each year/period during the Track Record Period; and

(d) Save as disclosed in the section headed "Substantial Shareholders" in this document, none of our Directors or Supervisor 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. EMPLOYEE INCENTIVE SCHEMES

The Board adopted the 2021 Employee Incentive Scheme (the "2021 Plan") and 2023 Employee Incentive Scheme (the "2023 Plan") on December 17, 2021 and January 15, 2023, respectively. On June 5, 2025, the Board approved the amendments to the 2021 Plan and 2023 Plan and adopted the 2025 Employee Incentive Scheme (the "2025 Plan", together with the 2021 Plan and the 2023 Plan, as amended, the "Employee Incentive Schemes"). Under the Employee Incentive Schemes, eligible participants are granted direct or indirect partnership interests (the "Restricted Awards") in our Employee Ownership Platforms or any other entities holding limited partnership interests in the Employee Ownership Platforms (the "Sub-platforms").

As of the Latest Practicable Date, the Employee Ownership Platforms held in aggregate 6,667,904 underlying Shares, representing approximately 16.55% of the issued Shares of our Company. Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Employee Ownership Platforms will be interested in approximately **[REDACTED]**% of the total issued Shares of our Company. See "History, Development and Corporate Structure—Employee Ownership Platforms" for further details.

The following is a summary of the principal terms of the Employee Incentive Schemes. The terms of the Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of new options or awards or issuance of new Shares by our Company after the **[REDACTED]**. The Employee Incentive Schemes will not cause any dilution of the shareholding of our Shareholders after the **[REDACTED]** given all Shares under the Employee Incentive Schemes have been issued to the Employee Ownership Platforms.

(a) Purpose

The main purpose of the Employee Incentive Schemes is to optimize the governance structure and improve the performance of the Group, incentivize the participants, align the interests of the Group and the participants and promote long-term growth of the Group.

(b) Eligible Participants

Subject to applicable laws and regulations and the Articles of Association, the eligible participants of the Employee Incentive Schemes include our middle-level and senior managers, core technical and business personnel and other employees, consultants and personnel who are important for the growth of our Group (the "Grantees").

(c) Administration

As authorized by the Board, the office of the chief executive officer (the "CEO Office") of the Company shall be the administrator of the Employee Incentive Schemes and shall be responsible for the implementation of the Employee Incentive Schemes in accordance with its provisions, including determining the eligible participants of the scheme, the consideration payable for the Restricted Awards and the number of Restricted Awards awarded.

(d) Lock-up on Restricted Awards

Each of the Grantees may not transfer the Restricted Awards, and the Employee Ownership Platforms may not transfer, pledge or otherwise dispose of the relevant underlying Shares, from the date the Grantee is registered as a partner of the Employee Ownership Platforms or Sub-platforms and until 12 months after the date of **[REDACTED]**, or such longer period as may be required by applicable laws and regulations.

After the expiry of the lock-up period, the Grantee may realize the economic benefits attaching to the Restricted Awards by requesting the relevant Employee Ownership Platform to sell the underlying Shares in the secondary market and distribute the proceeds to the Grantee in accordance with the terms of the Employee Incentive Schemes.

(e) Exit of Grantees

In the event that the Grantee exits the Group, the Grantee may continue to hold the Restricted Awards to the extent already vested, while any unvested Restricted Awards shall be repurchased by the general partner of the relevant Employee Ownership Platform or a designated entity by it at the original subscription price or disposed of in any other manner as may be approved by the general partner.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or our subsidiaries.

2. Litigation

To the knowledge of our Directors, no member of our Group has significant litigation or claims pending or threatened against any member of our Group.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be converted from Unlisted Shares and the H Shares to be issued pursuant to the **[REDACTED]**. The Sole Sponsor will receive a fee of US$500,000 for acting as the sponsor for the **[REDACTED]**.

4. Qualification and Consents of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO

Name	Qualification
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Tian Yuan Law Firm	Legal adviser to our Company as to the PRC laws
King & Wood Mallesons	Legal adviser as to International Sanctions laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts has given and has not withdrawn its written consents to the issue of this document with the inclusion of its reports, letters, opinions or summaries of opinions (as the case may be) and the references to its names and logos included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above has any of our shareholding interests in any member of our Group or rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities in any member of our Group.

5. Compliance Advisor

Our Company has appointed Maxa Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

6. 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 ten times the duty payable may be imposed.

7. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, 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 document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Promoters

The promoters of our Company comprised all of the 47 then shareholders of our Company as of March 26, 2025 before our conversion into a joint stock company with limited liability.

Within the two years immediately preceding the date of this document, no cash, securities or benefits have been paid, allotted or given, or are proposed to be paid, allotted or given to the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

10. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

11. No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

12. Miscellaneous

(a) within the two years immediately preceding the date of this document:

(i) save as disclosed in "History, Development and Corporate Structure" in this document, no share or loan capital of our Company or our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or for a consideration other than cash;

(ii) no share or loan capital of our Company or our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in "**[REDACTED]**" in this document, 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 our subsidiaries; and

(iv) save as disclosed in "**[REDACTED]**" in this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or our subsidiaries;

(b) there are no founder, management or deferred shares nor any debentures in our Company or our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(d) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(e) all necessary arrangements have been made to enable our H Shares to be admitted into CCASS for clearing and settlement;

(f) our Company has no outstanding convertible debt securities or debentures;

(g) there is no arrangement under which future dividends are waived or agreed to be waived, and there is no restriction affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong; and

(h) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Appendix VI—Statutory and General Information—E. Other Information—4. Qualification and Consents of Experts" in this document; and

(b) a copy of each of the material contracts referred to in "Appendix VI—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in this document.

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.zhipuai.cn**) up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from KPMG, the text of which is set out in Appendix I in this document;

(c) the report from KPMG in respect of the unaudited pro forma financial information, the text of which is set out in Appendix II in this document;

(d) the audited consolidated financial statements of our Group for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025;

(e) the material contracts referred to in "Appendix VI—Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts" in this document;

(f) the service agreements and letters of appointment entered into between our Company and each of our Directors referred to in "Appendix VI—Statutory and General Information—C. Further Information about Directors, Supervisor and Substantial Shareholders—2. Service Contracts" in this document;

(g) the legal opinion issued by Tian Yuan Law Firm, our PRC Legal Advisors, in respect of certain general corporate matters and property interests in the PRC of the Group;

(h) the industry report issued by Frost & Sullivan;

(i) the legal memorandum issued by King & Wood Mallesons, our International Sanctions Counsel;

(j) the written consents referred to in "Appendix VI—Statutory and General Information—E. Other Information—4. Qualification and Consents of Experts" in this document; and

(k) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translation.