Beijing Fourth Paradigm Technology Co., Ltd.
北京第四範式智能技術股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6682)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The Board of Directors hereby announces the consolidated annual results of the Group for the year ended December 31, 2024 together with comparative figures for the year ended December 31, 2023. The consolidated annual results of the Group for the Reporting Period have been audited by the auditor of the Company and reviewed by the Audit Committee.

FINANCIAL HIGHLIGHTS

	Year ended December 31,				
	2024		2023		
	Amount *(RMB'000)*	**Percentage of total revenue**	Amount *(RMB'000)*	Percentage of total revenue	YoY change
Revenue	**5,260,650**	**100.0**	4,204,142	100.0	25.1%
Gross profit	**2,244,829**	**42.7**	1,979,548	47.1	13.4%
Loss for the year	**(296,267)**	**(5.6)**	(920,569)	(21.9)	–67.8%
Loss for the year attributable to the owners of the Company	**(268,788)**	**(5.1)**	(908,717)	(21.6)	–70.4%
Non-IFRS measures:					
Adjusted net loss	**(292,470)**	**(5.6)**	(415,459)	(9.9)	–29.6%

BUSINESS REVIEW AND OUTLOOK

In 2024, against the backdrop of China's accelerated development of the next generation of artificial intelligence, the Company achieved strong growth in its overall business, with its core business performing exceptionally well. As a leading domestic artificial intelligence technology service provider, we seized the historic opportunities presented by the booming industry, continuously driving technological innovation and application expansion.

In 2024, the Company's total revenue reached RMB5.261 billion, representing a YoY increase of 25.1%. Gross profit was RMB2.245 billion, with a gross profit margin of 42.7%, maintaining overall stability. With clear profitability goals, the annual loss attributable to the owners of the Company was RMB269 million, with a reduction of RMB640 million compared to the full year of 2023, narrowing by 70.4% YoY. The adjusted net loss for the year was RMB292 million, with a reduction of RMB123 million compared to the full year of 2023, narrowing by 29.6% YoY. This marks the fourth consecutive fiscal year of sequential loss reduction since 2021.

During this Period, benefiting from the rapid penetration of the "AI agent + Vertical World Model" strategy and the accelerated deployment of ecosystem products, the Company's Sage AI Platform business achieved significant growth, with revenue reaching RMB3.676 billion, a YoY increase of 46.7%, driving steady performance improvement. According to the latest report from the internationally authoritative research firm IDC, the Company has maintained its position as the leader in China's machine learning platform market share for six consecutive years.

During the Reporting Period, we continued to expand our customer base, enhance the depth of customer service, and increase user stickiness, achieving deep industry coverage. We leveraged artificial intelligence technology to contribute value across various industries, deepening our presence in energy and power, finance, telecommunications, transportation, and other sectors, while actively expanding in strategic areas such as manufacturing, healthcare, retail, and water resources. In 2024, the number of lighthouse users served by the Company reached 161, a YoY increase of 16%. Centered on our commitment to creating value for customers, the average revenue per lighthouse user was RMB19.1 million, with a Net Dollar Expansion Rate (NDER)[1] of 110% for lighthouse users in 2024.

[1] NDER (net dollar expansion rate) reflects our customer stickiness and willingness to pay. In this announcement, the denominator is the revenue contribution of lighthouse users in 2023, and the numerator is the revenue generated by the retained lighthouse users in 2024.

We remain committed to innovation-driven development, with R&D expenses for the Period reaching RMB2.170 billion, accounting for 41.2% of revenue. During the Reporting Period, the Company continued to invest in the development of its core product, the 4Paradigm Sage AI Platform, and launched a significant version update in March – the Sage AI Platform 5.0, positioned as an industry-focused large model development and management platform. This iteration provides end-to-end capabilities across the computing layer, platform layer, model layer, and application layer. The Sage AI Platform 5.0 deeply integrates generative AI capabilities, creating an end-to-end enterprise-level AI platform that includes GPU resource pooling, automated data processing, model training and inference, and enterprise AI agent application suites, supporting the large-scale production and application of vertical world models.

Performance by Business Segments

4Paradigm Sage AI Platform (4ParadigmSage)

In 2024, the revenue of the 4Paradigm Sage AI Platform (hereinafter referred to as the Sage AI Platform) reached RMB3.676 billion, representing a YoY increase of 46.7%. The revenue from the Sage AI Platform accounted for 69.9% of the Company's total revenue.

The Sage AI Platform serves as the core of the Group's all businesses. In 2024, we launched the vertical world model development and management platform, Sage AI Platform 5.0, and completed multiple minor version upgrades, achieving end-to-end capabilities across the computing layer, platform layer, model layer, and application layer. We continued to optimize key capabilities such as AI agent and GPU resource pooling. Among these, AI agent further enhanced its ability to solve complex problems and improve execution accuracy, covering the entire lifecycle of large model agent design, development, debugging, deployment, operational analysis, and iterative optimization, providing stable and reliable support for agent production and application. The GPU resource pooling capability enables enterprises to achieve platform-level management of hardware clusters, on-demand allocation of computing resources, and rapid scheduling, helping to address challenges such as low utilization of heterogeneous computing resources and high costs of adapting large models to computing power.

The AI agent field is a key focus of our R&D efforts in the current era of large models. With the improvement of related technological capabilities, we are actively exploring solutions and application areas in collaboration with key customers and partners. AI agent can decompose and plan complex tasks, better understand human instructions and intentions, and break down complex goals based on the reasoning capabilities of language models, dynamically adjusting strategies to respond to environmental changes. By integrating multimodal data, AI agent can achieve dynamic environmental perception and interaction, supporting the continuous learning and updating of world models regarding physical laws. Additionally, by leveraging underlying tool libraries, AI agent can proactively call external resources to complete tasks and assist in optimizing underlying vertical world models. We believe that in enterprise scenarios, AI agent can achieve comprehensive AI transformation of business processes through six core functions: customer agent, employee agent, creative agent, data agent, code agent, and security agent.

Over the past year, the Company has implemented a wide range of agent scenarios in enterprise business decision systems based on the massive vertical world models generated by the Sage Platform in numerous enterprise clients. These scenarios include financial credit risk control, water and electricity equipment maintenance, hydrological data monitoring, chronic disease management, intelligent course learning, automotive manufacturing MES system management, aerodynamic design, and more. These implementations have significantly enhanced the interaction and collaboration between enterprise business personnel and underlying decision systems, fully demonstrating the technical path of transforming enterprise software with generative capabilities.

At the same time, the Company, in collaboration with partners, has released several out-of-the-box user-level agent solutions, such as intelligent meeting solutions, intelligent mouse solutions, and desktop AI search tools. These solutions cover AI agent capabilities such as simultaneous interpretation, one-click translation, robotic assistants, AI writing, and intelligent cross-platform search, helping enterprise business personnel achieve a leap in daily work efficiency.

During the Reporting Period, the Company assisted clients in over 10 industries in the development and deployment of enterprise-level AI agents, accumulating extensive practical experience. The overall revenue of the Sage AI Platform is expected to achieve faster growth in the future as enterprise clients fully embrace agentic AI.

SHIFT Intelligent Solutions (4Paradigm SHIFT)

In 2024, the revenue from the SHIFT Intelligent Solutions business reached RMB1.022 billion, accounting for 19.4% of the Group's total revenue. As the Company's business expansion focus remains primarily on the Sage AI Platform, the development and growth of SHIFT Intelligent Solutions will continue to support the growth of the Sage AI Platform business. Due to the impact of the business expansion strategy, the revenue from this business decreased by 20.3% YoY.

SHIFT Intelligent Solutions are standardized solutions built on the Sage AI Platform, tailored to different industry business scenarios. These solutions enable our technology and capabilities to penetrate a wider range of industries and scenarios, addressing critical business challenges for traditional enterprises and driving digital and intelligent transformation across industries.

In 2024, we launched multiple solutions targeting various application scenarios and continued to update and iterate the functionalities and effectiveness of existing solutions to meet enterprise requirements for accuracy, reliability, and real-time performance in different vertical scenarios. Currently, our solutions are widely applied in key industries such as finance, energy and power, healthcare, retail, telecommunications, transportation, and academic translation. For example, in professional publishing-level translation services, the solution is based on a Mixture of Experts (MoE) model, trained on translation term libraries for hundreds of specialized fields such as philosophy, history, law, and economics, ensuring translation accuracy reaches "publishing-grade." This addresses core issues in traditional machine translation, such as poor accuracy, insufficient understanding of context, and heavy reliance on machine translation patterns.

4Paradigm SageGPT AIGS Services (4Paradigm AIGS)

In 2024, the revenue from the 4Paradigm SageGPT AIGS Services business reached RMB563 million, accounting for 10.7% of the Group's total revenue. This business provides efficient development tools and services based on generative AI for the Sage AI Platform business.

Currently, with the rapid development of generative AI technology, enterprises are increasingly relying on AI Coding tools to lower development barriers and improve the code development efficiency, so as to achieve the goal of transforming the enterprise software interaction and creating large-scale AI applications, and to comprehensively improve the intelligence level of enterprises. During the Period, we continued to upgrade and optimize the functionality and application performance of products, such as the enterprise software reconfiguration assistant AIGS Builder and the enterprise programming assistant AIGS CodeX, creating an enterprise-level "development assistant" that understands customers, businesses, knowledge and R&D, while enabling fast coding capabilities.

To lower development barriers, AIGS Builder features AI Agent, no-code programming, and multi-tool call, which enables full-stack development, transformation and deployment of intelligent software across the front end, back end, and database tasks replacing the complex interfaces of traditional software development. It even allows individuals without development or coding expertise to engage in software development through natural language description. The enterprise software development efficiency shifts from a "month" timeline to a "daily" or even "hourly" pace. After the transformation, the enterprise software was embedded in the new multi-modal "dialog box" interaction, acting as an intelligent assistant for employees' software operation. It solves the complex and low-efficiency issue of menu-based multi-click interactions in enterprise software, thereby significantly enhancing the user experience.

In terms of code efficiency, our AIGS CodeX goes beyond basic features, such as code completion, business Q&A, code review, unit testing and code interpretation. Additionally, it has been specifically tailored for enterprise-level customers by integrating a private code repository, incorporating RAG retrieval enhancement, and fine-tuning private models. This customization boosts both business code generation efficiency and the effectiveness of business Q&A.

Core Business Outlook

Deep Integration of AI agent and Decision AI, World Models Drive the Next Generation of Intelligence

In recent years, generative AI has gained widespread recognition globally. As an AI technology service provider with over a decade of experience in the enterprise service sector, we have a deeper and more accurate understanding of how to organically integrate these rapidly evolving AI technologies to empower our enterprise clients, create tangible business value, and deliver practical efficiency improvements for both enterprises and individuals. This aligns with our ultimate vision that has always guided the Group's business – AI for Everyone. Over the past two years, we have consistently maintained independent thinking and adhered to the principle of seeking truth from facts, striving to build an enterprise AI system architecture that deeply integrates AI agents with vertical world models. We have successfully implemented hundreds of agent applications across various industries, covering scenarios such as financial credit risk control, water and electricity equipment maintenance, hydrological data monitoring, chronic disease management, intelligent course learning, automotive manufacturing MES system management, and fluid dynamics design. These enterprise-level agent assistants have provided a solid foundation for numerous clients to achieve remarkable performance in the AI era.

Over the past decade, leveraging our experience in generating vertical world models for diverse industries, we have built a mature network that internalizes world knowledge. We believe such a world model can help us fully understand the laws of the world. On the other hand, with advancements in computing power and the continuous development of generative AI, we can more accurately understand the world environment in related tasks and participate in social interactions and human decision-making processes through the reach of agents. We believe that the combination of these two elements – using AI agents to understand human needs and leveraging corresponding vertical world models to solve problems, while continuously enhancing their respective capabilities – will ultimately drive the realization of Artificial General Intelligence (AGI).

During the 2025 Spring Festival, DeepSeek emerged as a standout among domestic large models. Known for its high performance, low cost, and complete open-source nature, DeepSeek has broken the constraints of traditional AI development models, fostering a thriving ecosystem for AI applications and significantly accelerating the development process of large AI models. Currently, AI is rapidly integrating into industries such as manufacturing, energy, and finance, driving leaps in production efficiency and service quality.

Recently, several large enterprises announced the completion of private deployments of the DeepSeek large model, fully integrating it into their proprietary systems. Behind this lies a vast demand for AI model deployment and integrated solutions. In March 2025, we partnered with Huawei to launch the SageOne IA large model inference integrated solution, providing a new generation of full-stack infrastructure that achieves full-chain localization from chips and frameworks to services. SageOne IA supports offline deployment and closed-loop data management, ensuring sensitive business data remains within the domain. Additionally, SageOne IA guarantees that data is stored locally, eliminating the risk of third-party cloud service data breaches from the source and allowing users full control over data access permissions.

In terms of performance, the full-capacity DeepSeek V3/R1 model can be supported by just two SageOne IA units. The SageOne IA solution also features intelligent computing power pooling technology, enabling seamless switching between the full-capacity model and multiple distilled models while supporting mainstream large models such as DeepSeek V3/R1, QWen2.5, and LLama3.3. This increases GPU utilization by over 30% and improves inference performance by an average of 5-10 times. Furthermore, SageOne IA comes with a built-in large model application development platform and a rich suite of out-of-the-box AI applications, helping developers efficiently create enterprise-level generative AI applications.

The market is currently in a strategic window for the development of the AI industry, and we anticipate rapid deployment of enterprise AI applications in the future. We believe that SageOne IA will embrace even broader development opportunities.

On-Device AI Poised for a Significant Development Stage, 2025 Expected to Be the Year of On-Device AI

On-device AI models, as a critical component of multi-device AI collaboration, will play a pivotal role in the journey toward Artificial General Intelligence (AGI). On-device AI is also a key direction for the deployment of AI agents. Compared to cloud deployment models, which may experience latency, on-device deployment ensures continuous operation with minimal delay even in unstable or offline network environments. Moreover, on-device AI processes all data locally, eliminating the need to upload data to the cloud. This not only mitigates potential risks of data breaches during transmission and storage but also reduces the likelihood of data being hacked or misused. Additionally, it significantly lowers server costs and API call expenses.

In January 2025, the launch of DeepSeek-R1 stirred the on-device AI market, becoming a key catalyst in the deployment of on-device AI. DeepSeek achieved a disruptive advantage of “low cost, high performance, and open-source” through distillation. Its unique technical architecture and optimization strategies drastically reduced the hardware resource requirements for models, making it possible to run high-performance AI models efficiently on on-device devices. The deployment of on-device AI is no longer entirely constrained by hardware computing power and energy efficiency, as large models distilled into smaller models have significantly increased the feasibility of on-device deployment.

We believe that DeepSeek is just the beginning. With the continuous development of on-device AI inference frameworks, on-device computing power, model distillation and pruning, and data privacy computing technologies, on-device AI is expected to enter a critical development stage, and 2025 is likely to mark the Year of On-Device AI.

In this context, the Company swiftly launched the ModelHub AIoT on-device inference solution in February 2025. This solution allows users to easily deploy small-sized distilled models such as DeepSeek R1, Qwen 2.5, and Llama 2/3 series on on-device devices for offline operation. It also enables flexible switching between multiple models, balancing model compression and inference performance while addressing the complexities of deployment and optimization. This solution not only meets users’ demands for privacy and real-time performance but also significantly reduces the cost of large AI model inference.

With extensive experience in successful deployments across various industries, the Company has a deep understanding of enterprise client needs. On-device AI holds significant development potential in these industries as well. For example, in the industrial sector, on-device AI can optimize robot path planning to enhance flexible production efficiency, while in the energy sector, robots equipped with edge computing modules can achieve high-precision inspections. Against the backdrop of rapid on-device AI development, we anticipate that on-device AI modules powered by the Sage AI Platform will bridge the last mile of AI technology deployment in industrial applications and rapidly proliferate across various terminal devices.

Furthermore, the Company is actively collaborating with partners to integrate on-device computing power with AI model capabilities. By rapidly embedding AI capabilities through the Group's on-device AI modules, we aim to empower consumer electronics manufacturers to launch AI-enabled terminal products that resonate with their users at a lower threshold and cost. Recently, we have partnered with consumer electronics giants such as Acer, Lenovo, and Konka to develop a series of smart terminal products, including AI watches, AI earphones, and AI speakers. The Company firmly believes that the consumer electronics sector will serve as one of the core growth engines for its future business development. Through the integration of AI-driven software and hardware solutions, the Company is dedicated to transforming every conventional device into an AI-enabled intelligent terminal.

As an AI company committed to advancing AGI, the Company consistently maintains independent thinking in AI technology development, upholds the core value of AI for Everyone, and actively embraces and explores new possibilities. Looking ahead, we will build on our decade-long expertise in the enterprise service sector, look toward the broader AI market, and leverage our AI capabilities to transform all possible business domains. We believe that the convergence of these diverse capabilities will form the cornerstone for achieving AGI.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**5,260,650**	4,204,142
Cost of sales	*6*	**(3,015,821)**	(2,224,594)
Gross profit		**2,244,829**	1,979,548
Selling and marketing expenses	*6*	**(268,699)**	(423,384)
General and administrative expenses	*6*	**(193,310)**	(341,943)
Research and development expenses	*6*	**(2,169,767)**	(1,768,996)
Credit loss allowance	*6*	**(199,961)**	(79,537)
Other income	*5*	**120,145**	89,426
Other gains/(losses), net		**111,681**	(548)
Operating loss		**(355,082)**	(545,434)
Share of profits/(losses) of investments accounted for using the equity method		**19,265**	(1,597)
Finance income		**51,866**	54,218
Finance costs		**(6,137)**	(438,016)
Loss before income tax		**(290,088)**	(930,829)
Income tax (expenses)/credit	*7*	**(6,179)**	10,260
Loss for the year		**(296,267)**	(920,569)
Other comprehensive (loss)/income:			
Item that may be reclassified to profit or loss			
Currency translation differences		**3,258**	(3,126)
Item that will not be reclassified to profit or loss			
Share of other comprehensive (loss)/income of investments accounted for using the equity method		**(10,961)**	5,814
Other comprehensive (loss)/income for the year, net of tax		**(7,703)**	2,688
Total comprehensive loss for the year		**(303,970)**	(917,881)

	Note	Year ended December 31, **2024** *RMB'000*	2023 *RMB'000*
Loss attributable to:			
Owners of the Company		**(268,788)**	(908,717)
Non-controlling interests		**(27,479)**	(11,852)
		(296,267)	(920,569)
Total comprehensive loss attributable to:			
Owners of the Company		**(276,491)**	(906,029)
Non-controlling interests		**(27,479)**	(11,852)
		(303,970)	(917,881)
Loss per share for loss attributable to owners of the Company (expressed in RMB per share)	*8*		
Basic		**(0.58)**	(2.80)
Diluted		**(0.58)**	(2.80)

CONSOLIDATED BALANCE SHEET

		As at December 31,	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Assets			
Non-current assets			
Right-of-use assets		**24,299**	44,363
Property and equipment		**34,685**	47,047
Intangible assets		**189,747**	425,678
Investments accounted for using the equity method		**554,509**	53,436
Financial assets at fair value through profit or loss	*9*	**459,968**	456,824
Contract assets		**1,236**	21,273
Term bank deposits		**405,009**	204,157
Other non-current assets		**227,927**	237,970
		1,897,380	1,490,748
Current assets			
Inventories		**171,617**	295,262
Contract assets		**1,026**	42,104
Trade receivables	*10*	**3,085,640**	1,843,610
Prepayments and other receivables		**535,966**	384,388
Financial assets at fair value through profit or loss	*9*	**475,234**	562,335
Term bank deposits		**559,653**	492,946
Restricted cash		**2,511**	57,990
Cash and cash equivalents		**858,618**	1,977,891
		5,690,265	5,656,526
Total assets		**7,587,645**	7,147,274

		As at December 31,	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**465,859**	465,859
Treasury stock		**(18,107)**	–
Reserves		**9,969,530**	9,969,638
Accumulated losses		**(5,355,163)**	(5,086,375)
		5,062,119	5,349,122
Non-controlling interests		**8,769**	103,392
Total equity		**5,070,888**	5,452,514
Liabilities			
Non-current liabilities			
Lease liabilities		**11,470**	20,189
Deferred income tax liabilities		**7,782**	1,482
Borrowings	*12*	**–**	12,500
Other non-current liabilities		**–**	17,439
		19,252	51,610
Current liabilities			
Trade payables	*11*	**2,183,263**	1,043,189
Other payables and accruals		**94,789**	270,597
Contract liabilities		**173,055**	146,184
Lease liabilities		**11,009**	25,697
Income tax liabilities		**1,336**	4,037
Borrowings	*12*	**5,883**	96,247
Other current liabilities		**28,170**	57,199
		2,497,505	1,643,150
Total liabilities		**2,516,757**	1,694,760
Total equity and liabilities		**7,587,645**	7,147,274

NOTES

1 GENERAL INFORMATION

Beijing Fourth Paradigm Technology Co., Ltd. (the "**Company**", formerly known as Shenzhen Qianhai Fourth Paradigm Data Technology Co., Ltd.) was incorporated in Shenzhen, the People's Republic of China (the "**PRC**") on September 17, 2014 as a limited liability company, and relocated to Beijing, PRC on April 21, 2021. On July 9, 2021, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The address of the Company's registered office is No. L01301-1, Level 13, Building 1, No. 66, Qinghe Middle Street, Haidian District, Beijing, PRC.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "**Group**") are primarily engaged in sales of self-developed artificial intelligence ("**AI**") platform ("**Sage Platform**") and other ready-to-use applications and provision of application development and other services in the PRC and certain overseas countries and regions.

Dr. Dai Wenyuan is the ultimate controlling shareholder of the Group as at the date of approval of this announcement.

On September 28, 2023, the Company has successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements of the Group are presented in Renminbi ("**RMB**"), unless otherwise stated.

2 SUMMARY OF ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards ("**IFRS**");
- IAS Standards ("**IAS**"); and
- Interpretations developed by the IFRS Interpretations Committee ("**IFRIC Interpretations**") or its predecessor body, the Standing Interpretations Committee ("**SIC Interpretations**").

The consolidated financial statements of the Group have been prepared under the historical cost convention, except that certain financial assets are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

New and amended standards adopted by the Group

The Group has applied the following amendments to standards for the first time for its annual reporting period commencing January 1, 2024:

		Effective for annual period beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	January 1, 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024

The adoption of these amended standards did not result in any material impact on the accounting policies of the Group and the presentation of the consolidated financial statements.

New and amended standards not yet adopted

Certain new/amended standards and annual improvements that have been issued but not yet effective and not been early adopted by the Group for the year ended December 31, 2024 are as follows:

		Effective for annual period beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	January 1, 2026
Annual Improvements to IFRS	Annual Improvements to IFRS Accounting Standards	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

These new and amended accounting standards and annual improvements are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for the adoption of IFRS 18 for the reporting periods beginning on or after 1 January 2027.

Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the income statement and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

3 SEGMENT INFORMATION

The Group's business activities are sales of Sage Platform and other ready-to-use applications and provision of application development and other services mainly in the PRC. The Group does not distinguish revenue, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole.

The Group's chief operating decision maker has been identified as the Chief Executive Officer, who reviews consolidated results when making strategic decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports. As substantially all of the Group's non-current assets are all located in the PRC and substantially all of the Group's revenue are derived from the PRC, no geographical information is presented.

For the year ended December 31, 2024, revenue of approximately RMB558,295,000 was derived from an external customer which accounted for approximately 10.6% of the Group's revenue. For the year ended December 31, 2023, revenue of approximately RMB535,040,000 was derived from an external customer which accounted for approximately 12.7% of the Group's revenue.

4 REVENUE

The Group derives revenue from the transfer of goods and services at a point in time and over time are analyzed as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Point in time	**5,237,020**	4,129,221
Over time	**23,630**	74,921
	5,260,650	4,204,142

5 OTHER INCOME

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Government grants	**24,485**	16,251
Value-added tax and other tax refunds	**95,517**	71,228
Others	**143**	1,947
	120,145	89,426

Government grants primarily relate to grants in connection with the Group's contributions to technology development and investments in local business districts. There are no unfulfilled conditions or contingencies relating to these incomes.

6 EXPENSES BY NATURE

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Employee benefit expenses	**447,160**	661,506
Technology service fees	**2,595,768**	2,447,654
Cost of finished goods sold	**2,064,221**	1,053,563
Advertising and marketing expenses	**148,179**	255,759
Depreciation and amortization		
– property and equipment	**22,400**	18,535
– right-of-use assets	**22,488**	28,651
– intangible assets	**16,890**	34,152
Cloud service and other technical service fees	**233,264**	23,686
Auditor's remuneration		
– audit services	**5,100**	9,960
– non-audit services	**100**	200
Listing expenses	**–**	80,094
Other professional fees	**20,185**	35,343
Business travel expenses	**18,767**	37,237
Credit loss allowance	**199,961**	79,537
Impairment provision for inventories	**6,192**	1,866
Others	**46,883**	70,711
	5,847,558	4,838,454

7 INCOME TAX (EXPENSES)/CREDIT

The income tax (expense)/credit of the Group for the years ended December 31, 2024 and 2023 are analyzed as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**(604)**	(2,582)
Deferred income tax	**(5,575)**	12,842
Income tax (expenses)/credit	**(6,179)**	10,260

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to loss of the Group as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss before income tax	**290,088**	930,829
Tax calculated at statutory income tax rate of 25% in mainland China *(Note (a))*	**72,522**	232,707
Tax effects of:		
– Effect of lower tax rates in other jurisdictions *(Notes (b),(c))*	**(1,328)**	(1,888)
– Preferential income tax rate applicable to subsidiaries	**(11,304)**	(38,835)
– Tax losses and temporary differences for which no deferred income tax assets were recognized	**(122,084)**	(106,856)
– Non-taxable income and non-deductible expenses, net	**26,998**	(108,808)
– Super Deduction for research and development expenses	**21,905**	30,197
– Impact of share of results and net gains on disposal/dilution of investments accounted for using the equity method	**19**	(84)
– Utilization of previously unrecognized tax losses	**7,093**	3,827
Income tax (expenses)/credit	**(6,179)**	10,260

Notes:

(a) Enterprise income tax in mainland China ("EIT")

The income tax provision of the Group in respect of its operations in mainland China was calculated at tax rate of 25% on the assessable profits for the respective year presented, based on the existing legislation, interpretations and practices in respect thereof.

(b) Hong Kong income tax

The entity incorporated in Hong Kong is subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits in the first HKD2 million and 16.5% for any assessable profits in excess of HKD2 million.

No provision for Hong Kong profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong profits tax during the years presented.

(c) Singapore income tax

The entity incorporated in Singapore is subject to Singapore income tax at a rate of 17% for taxable income earned in Singapore.

No provision for Singapore income tax was made as the Group had no estimated assessable profit that was subject to Singapore income tax during the years presented.

8 LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective year. In determining the weighted average number of ordinary shares in issue, the contingently returnable shares, i.e. shares with preferred rights, are excluded from the calculation, the impact of which was nil and 125,965,129 shares for the years ended December 31, 2024 and 2023, respectively. In addition, the ordinary shares repurchased by the Company are also excluded from the calculation, the impact of which was 209,430 and 5,578,755 shares for the years ended December 31, 2024 and 2023, respectively.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred losses for the respective years, the potential ordinary shares, i.e. shares with preferred rights, were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2024 and 2023 are the same as basic loss per share for the respective years.

	Year ended December 31,	
	2024	2023
Loss attributable to owners of the Company (RMB'000)	**(268,788)**	(908,717)
Weighted average number of ordinary shares in issue (thousand shares)	**465,649**	324,817
Basic and diluted loss per share for loss attributable to owners of the Company (expressed in RMB per share)	**(0.58)**	(2.80)

9 INVESTMENTS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Long-term investments measured at fair value through profit or loss		
– Unlisted equity securities	**113,695**	84,858
– Preferred shares investments	**3,634**	20,372
– Fund investments	**342,639**	351,594
	459,968	456,824
Current assets		
Short-term investments measured at fair value through profit or loss		
– Wealth management products	**–**	106,845
– Fund investments	**475,234**	455,490
	475,234	562,335

10 TRADE RECEIVABLES

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Third parties	**3,366,568**	1,960,339
Less: credit loss allowance	**(280,928)**	(116,729)
	3,085,640	1,843,610

The carrying amounts of the Group's trade receivables are mainly denominated in RMB.

Movements on the Group's credit loss allowance for trade receivables are as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**(116,729)**	(61,182)
Credit loss allowance recognized, net	**(201,055)**	(72,087)
Receivables written off as uncollectable	**–**	16,540
Partial disposal of subsidiaries	**36,856**	–
At the end of the year	**(280,928)**	(116,729)

The Group generally allows a credit period within 90 days to its customers. Aging analysis of trade receivables based on invoice date is as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
Up to 3 months	**1,708,710**	832,085
3 to 6 months	**875,386**	655,045
6 months to 1 year	**346,588**	252,712
Over 1 year	**435,884**	220,497
	3,366,568	1,960,339

11 TRADE PAYABLES

Trade payables primarily include payables for inventories and outsourcing service fees.

As at December 31, 2024 and 2023, the carrying amounts of trade payables were primarily denominated in RMB.

Trade payables and their aging analysis based on invoice date are as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Up to 3 months	**1,463,293**	578,906
3 to 6 months	**328,772**	222,511
Over 6 months	**391,198**	241,772
	2,183,263	1,043,189

12 BORROWINGS

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Included in current liabilities		
Secured borrowings	**–**	11,500
Guaranteed borrowing	**4,000**	–
Factoring borrowings	**–**	6,030
Unsecured borrowings	**1,883**	78,717
	5,883	96,247
Included in non-current liabilities		
Secured borrowings	**–**	12,500

13 DIVIDENDS

No dividends have been paid or declared by the Company during the years ended December 31, 2024 and 2023.

14 SUBSEQUENT EVENTS

In February 2025, the Company entered into the Placing Agreement with the Placing Agents, and then successfully completed the placement of a total of 27,920,000 Placing Shares to not less than six placing parties at a Placing Price of HK$50.20 per share and has received an aggregate placement proceeds of approximately HKD1,393,930,000. Following the Placing Completion, the total number of issued shares of the Company is 493,778,733 Shares, comprising 294,909,496 H Shares and 198,869,237 Unlisted Shares.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

In 2024, the Company's total revenue reached RMB5.261 billion, representing a YoY increase of 25.1%. Gross profit was RMB2.245 billion, with a gross profit margin of 42.7%, maintaining overall stability. With clear profitability goals, the annual loss attributable to the owners of the Company was RMB269 million, with a reduction of RMB640 million compared to the full year of 2023, narrowing by 70.4% YoY. The adjusted net loss for the year was RMB292 million, with a reduction of RMB123 million compared to the full year of 2023, narrowing by 29.6% YoY. This marks the fourth consecutive fiscal year of sequential loss reduction since 2021.

According to the latest report from the internationally authoritative research firm IDC, the Company has maintained its position as the leader in China's machine learning platform market share for six consecutive years.

Revenue

As a steadily growing and developing AI software company, Fourth Paradigm has further expanded its industry influence and business presence through our robust technological expertise and domain application experience. The Company has currently established three core business segments: Sage AI Platform, SHIFT Intelligent Solutions, and SageGPT AIGS Services. During the Reporting Period, our total revenue reached RMB5,260.7 million (same period in 2023: RMB4,204.1 million), reflecting a 25.1% YoY growth, primarily driven by substantial revenue growth from the Sage AI Platform. For the year ended December 31, 2024, revenue from the Sage AI Platform amounted to RMB3,675.9 million, representing a YoY increase of 46.7% and accounting for 69.9% of our total revenue. Revenue from SHIFT Intelligent Solutions totaled RMB1,022.3 million, a 20.3% decrease YoY, comprising 19.4% of our total revenue. Revenue from SageGPT AIGS Services reached RMB562.5 million, up 35.4% YoY. The table below provides a breakdown of our revenue by business segment for the periods indicated.

	Year ended December 31,		
	2024	2023	Change
	RMB in millions	*RMB in millions*	
Sage AI Platform	**3,675.9**	2,505.7	46.7%
SHIFT Intelligent Solutions	**1,022.3**	1,282.9	–20.3%
SageGPT AIGS Services	**562.5**	415.5	35.4%
Total	**5,260.7**	4,204.1	25.1%

Sage AI Platform

During the Reporting Period, revenue from the Sage AI Platform reached RMB3,675.9 million (same period in 2023: RMB2,505.7 million), reflecting a YoY increase of 46.7%. The proportion of revenue from the Sage AI Platform and its products to total revenue rose from 59.6% for the year ended December 31, 2023, to 69.9% for the year ended December 31, 2024. This significant growth was primarily driven by the increasing demand in the overall AI market and the empowerment of our products through the Company's large model and generative AI capabilities.

SHIFT Intelligent Solutions

During the Reporting Period, revenue from SHIFT Intelligent Solutions amounted to RMB1,022.3 million (same period in 2023: RMB1,282.9 million), representing a YoY decrease of 20.3%. The proportion of revenue from SHIFT Intelligent Solutions to total revenue declined from 30.5% for the year ended December 31, 2023, to 19.4% for the year ended December 31, 2024. This reduction was mainly due to the impact of business expansion strategies and the increased proportion of revenue from the Sage AI Platform.

SageGPT AIGS Services

During the Reporting Period, revenue from SageGPT AIGS Services reached RMB562.5 million (same period in 2023: RMB415.5 million), reflecting a YoY increase of 35.4%. The proportion of revenue from SageGPT AIGS Services to total revenue increased from 9.9% for the year ended December 31, 2023, to 10.7% for the year ended December 31, 2024. This growth was primarily attributed to the rising demand in the overall AI market.

Cost of Sales

Our cost of sales primarily includes:(i) cost of goods sold (mainly the cost of hardware components purchased from third-party suppliers); (ii) technical service fees (primarily the cost of technical implementation paid to third-party service providers for the delivery, deployment, and installation of customized AI applications developed according to user requirements); (iii) employee benefits expenses (mainly the salaries and benefits of personnel involved in the implementation and maintenance of our enterprise-level AI solutions); and (iv) others.

During the Reporting Period, our cost of sales amounted to RMB3,015.8 million (same period in 2023: RMB2,224.6 million), reflecting a YoY increase of 35.6%. This increase was primarily driven by higher hardware procurement costs.

Gross Profit and Gross Profit Margin

Our gross profit increased by 13.4% from RMB1,979.5 million for the year ended December 31, 2023, to RMB2,244.8 million for the year ended December 31, 2024, alongside the growth in our overall revenue. However, our gross profit margin slightly decreased from 47.1% for the year ended December 31, 2023, to 42.7% for the year ended December 31, 2024, mainly due to the changes in the Company's product portfolio compared to the previous year.

Selling and Marketing Expenses

During the Reporting Period, our selling and marketing expenses amounted to RMB268.7 million (same period in 2023: RMB423.4 million), representing a YoY decrease of 36.5%. This reduction was primarily due to the optimization of our brand promotion strategy, which allowed us to meet brand promotion needs while appropriately controlling marketing and brand promotion activity costs.

General and Administrative Expenses

During the Reporting Period, our general and administrative expenses amounted to RMB193.3 million (same period in 2023: RMB341.9 million), reflecting a YoY decrease of 43.5%. This reduction was primarily due to lower listing expenses.

Research and Development Expenses

We continue to invest in the development and enhancement of our solutions and technologies. During the Reporting Period, the Group's total research and development expenses further increased, reaching RMB2,169.8 million (same period in 2023: RMB1,769.0 million), representing a YoY growth of 22.7%. This increase was mainly driven by higher cloud service costs and related technical service fees associated with R&D activities.

Credit Loss Allowance

Our credit loss allowance primarily includes impairment losses on trade receivables, contract assets, and other receivables.

During the Reporting Period, our credit loss allowance amounted to RMB200.0 million (same period in 2023: RMB79.5 million). This increase was mainly due to the growth in accounts receivable balances resulting from business expansion and the impact of repayment cycles on the migration rate.

Other Income

Our other income primarily includes: (i) government grants; and (ii) value-added tax refunds and other tax rebates.

During the Reporting Period, our other income amounted to RMB120.1 million (same period in 2023: RMB89.4 million).

Other Gains/(Losses), Net

Our net other gains/(losses) primarily include: (i) fair value changes of financial assets measured at fair value through profit or loss; (ii) net foreign exchange gains/(losses); (iii) net gains on disposal/dilution of investments accounted for using the equity method; and (iv) net gains on partial disposal of subsidiaries.

During the Reporting Period, our other gains, net amounted to RMB111.7 million (same period in 2023: other losses, net of RMB0.5 million). This improvement was mainly due to net gains on disposal of subsidiaries and the appreciation in the value of our investment portfolio.

Operating Loss

Due to the above factors, during the Reporting Period, our operating loss amounted to RMB355.1 million, representing a YoY decrease of 34.9% (operating loss in the same period of 2023: RMB545.4 million).

Finance Income

During the Reporting Period, our finance income was RMB51.9 million, reflecting a YoY decrease of 4.3% (same period in 2023: RMB54.2 million).

Finance Costs

During the Reporting Period, our finance costs were RMB6.1 million, representing a YoY decrease of 98.6% (same period in 2023: RMB438.0 million). This reduction was primarily attributable to the interest expenses related to the redemption liability associated with certain non-recurring preferential rights granted to investors last year.

Loss for the Year

Due to the above factors, during the Reporting Period, our loss for the year amounted to approximately RMB296.3 million, reflecting a YoY decrease of 67.8% (loss for the year in the same period of 2023: RMB920.6 million).

Non-IFRS Measures

To supplement our consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), we use adjusted net loss (a non-IFRS measure) as an additional financial metric. We believe that these non-IFRS measures, by eliminating the potential impact of certain items, facilitate the comparison of operating performance across different periods and among different companies. We consider these measures to provide useful information to our investors, helping them understand and evaluate our consolidated operating performance in the same way as our management does. However, the adjusted net loss (non-IFRS measure) presented may not be comparable to similar measures reported by other companies. The use of these non-IFRS measures as analytical tools has limitations, and investors should not consider them independently of, or as a substitute for, the analysis of operating performance or financial condition prepared in accordance with IFRS.

Adjusted Net Loss

We define adjusted net loss as the annual loss adjusted for share-based compensation, interest expenses on redemption liabilities, and listing expenses.

The following table reconciles our adjusted net loss for the periods presented to the most directly comparable financial measures calculated and presented in accordance with IFRS, which is loss for the year.

	For the year ended December 31,		Change
	2024	2023	%
	RMB'000	*RMB'000*	
Reconciliation of loss for the year and adjusted net loss			
Loss for the year	**(296,267)**	(920,569)	–67.8%
Share-based compensation	**3,797**	–	100%
Interest expense on redemption liabilities	**–**	425,016	–100%
Listing expenses	**–**	80,094	–100%
Adjusted net loss	**(292,470)**	(415,459)	–29.6%

Liquidity and Financial Resources

In the past, we have primarily relied on shareholder contributions to meet our cash needs. Following the global offering, we plan to fund our future capital requirements through a balanced approach of equity financing and debt financing activities. We do not anticipate any changes in the financing required for our future operations.

As of December 31, 2024, all of the Group's borrowings were denominated in RMB. The Group's borrowings bear fixed interest rates between 3.73%-4.0%. All of the Group's borrowings are due within one year.

Liquid Cash Resources

The Group's liquid cash resources include cash and cash equivalents, short-term and long-term bank deposits, short-term investments measured at fair value through profit or loss, and restricted cash. As of December 31, 2024, the Group's liquid cash resources amounted to approximately RMB2,301.0 million (December 31, 2023: RMB3,295.3 million).

Net Current Assets

Our net current assets decreased from RMB4,013.4 million as of December 31, 2023, to RMB3,192.8 million as of December 31, 2024. This reduction was primarily due to daily operational expenses and our decision to allocate more funds to long-term bank deposits to secure higher interest income.

Capital Management and Gearing Ratio

As of December 31, 2024, our gearing ratio (calculated as total borrowings divided by total equity attributable to equity holders of the Company) was approximately 0.1% (December 31, 2023: 2.0%). Our capital structure remains robust. We will continue to optimize our capital structure by considering the Group's future business plans and macroeconomic conditions, and we may undertake debt or equity financing as needed.

Capital Commitments

As of December 31, 2024, our capital commitments related to equity investments amounted to RMB4 million (December 31, 2023: RMB12.0 million).

Contingent Liabilities

As of December 31, 2024, we did not have any material contingent liabilities.

Pledge of Assets

As of December 31, 2024, except for (i) RMB4.0 million in personal guarantees for borrowings and (ii) RMB2.5 million in restricted cash as security deposits mainly for bidding, issuance of letter of guarantee or bank acceptance bills, the Group had no material pledge of assets.

Foreign Exchange Risk Management

The functional currency of the Company and its major subsidiaries is the Renminbi (RMB). The majority of the Group's revenue is derived from operations in China. Foreign exchange risk primarily arises from recognized assets and liabilities denominated in currencies other than the functional currency of the Group's entities. Fluctuations in exchange rates between RMB and other currencies during the Group's operations may impact its financial position and operating results. The Group's foreign exchange risk is mainly associated with the exchange rates of USD to RMB and HKD to RMB. As of December 31, 2024, the Group did not hold any financial instruments for hedging purposes, nor did it hold any foreign currency investments hedged through currency borrowings or other hedging instruments.

Credit Risk

We are exposed to credit risk related to our cash and cash equivalents, restricted cash, term bank deposits, investments in debt instruments measured at fair value through profit or loss, trade receivables, other receivables, and contract assets. The carrying amounts of these financial assets and contract assets represent the maximum credit risk exposure for these items.

To manage risks associated with cash and cash equivalents, restricted cash, term bank deposits, and investments in debt instruments measured at fair value through profit or loss, we only transact with state-owned banks and reputable or licensed financial institutions. These institutions have no recent history of default.

To manage risks associated with trade receivables and contract assets, we have established policies to ensure that sales with credit terms are granted to counterparties with good credit records, and management conducts ongoing credit assessments of these counterparties. We typically grant credit terms of no more than 90 days, and the credit quality of these customers is evaluated based on their financial condition, past experience, and other factors.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding other receivables balances is low.

Treasury and Working Capital Management

Our treasury and liquidity are centrally managed by the finance department. The finance department is generally responsible for the overall management and implementation of funds, including formulating the Group's treasury management policies, guiding, coordinating, and standardizing regional treasury management, preparing annual fund plans, reviewing and summarizing annual capital budgets, and monitoring and evaluating regional treasury management. We also adopt a refined treasury management policy and implement a set of treasury management rules and guidelines to enhance the effectiveness and efficiency of treasury management, thereby ensuring financial security and reducing funding costs.

To manage idle cash in inventory, we primarily purchase and redeem wealth management products as a "cash pool," from which we can withdraw cash as needed to achieve higher returns than bank deposits. The financial assets related to the wealth management products we invest in mainly include low-risk wealth management products issued by state-owned banks or other high-quality reputable banks. The purchase amount is determined based on surplus funds. The procedures for purchasing wealth management products and managing related departments comply with financial policies, business operations, accounting, and filing processes.

We are committed to ensuring overall financial security, maintaining a healthy cash level and a robust debt structure, and possessing strong solvency. Through a comprehensive, reasonable, and professional review mechanism, we have established rigorous treasury management principles by formulating annual and monthly fund plans, enabling us to effectively manage market risks.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On February 9, 2024, Fourth Paradigm (Beijing) Technology Co., Ltd. ("**Fourth Paradigm Beijing**"), Zhongneng Shibei Technology Co., Ltd. (formerly known as Guangzhou Jianxin Technology Limited Liability Company) (the "**Target Company**" or "**Zhongneng Shibei Technology**"), and Ningbo Herong Shengjing Investment Management Partnership (Limited Partnership) ("**Purchaser**") entered into an equity transfer agreement, pursuant to which the Purchaser acquired the corresponding equity interest of RMB11,000,000 in the registered capital of the Target Company from Fourth Paradigm Beijing at a consideration of RMB88,000,000. This transaction constitutes a disclosable transaction of the Company under the Listing Rules. For details, please refer to the Company's announcement dated February 9, 2024.

Save as mentioned above, during the Reporting Period, we did not make any material acquisitions or disposals of subsidiaries, associates, or joint ventures.

FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

Except as disclosed in this announcement and the Prospectus, as of the date of this announcement, we did not have any plans for significant investments or capital assets.

EMPLOYEES

As of December 31, 2024, we had a total of 967 employees. Our success depends on our ability to attract, retain, and motivate talented individuals. We provide various incentives and benefits to our employees. We offer competitive salaries, bonuses, and equity-based compensation to our employees, particularly key employees.

In accordance with Chinese regulations, we participate in various employee social security programs organized by applicable municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit programs.

To enhance the quality, knowledge, and skill levels of our employees, we continuously provide education and training programs, including internal and external training, to strengthen their technical, professional, or managerial skills. We also periodically offer training programs to ensure that employees are well-informed and compliant with our policies and procedures.

On September 19, 2024, the Company adopted an equity incentive plan ("**Equity Incentive Plan**"). The Equity Incentive Plan includes the Company's H-Share RSU scheme and the Company's partnership employee stock ownership plan. Additionally, on September 19, 2024, the Company adopted a share option plan. We have and may continue to grant incentive awards to our employees in the future to motivate them to contribute to our growth and development.

COMPLETION OF THE H SHARE FULL CIRCULATION OF THE COMPANY

The Company, on behalf of certain shareholders, submitted an application to the China Securities Regulatory Commission (the "**CSRC**") for the proposed implementation of H Share full circulation (the "**Application**"). According to the relevant application documents, the Company applied for the conversion of 131,549,046 domestic shares held by these shareholders into H Shares and their listing on the Stock Exchange. The conversion of 131,549,046 domestic shares into H Shares of the Company was completed on September 12, 2024, and the converted H Shares were listed on the Stock Exchange starting at 9:00 a.m. on September 13, 2024. For details, please refer to the Company's announcements dated July 4, 2024, August 30, 2024, September 5, 2024, and September 12, 2024.

EVENTS AFTER THE REPORTING PERIOD

Except for those as disclosed in note 14 to the consolidated financial information as included in this announcement, there were no significant events for the Group after the Reporting Period and up to the date of this announcement.

FINAL DIVIDEND

The Board of Directors does not recommend the distribution of a final dividend for the year ended December 31, 2024 (year ended December 31, 2023: Nil).

CORPORATE GOVERNANCE

The Board is committed to achieving good standards of corporate governance.

The Board believes that good corporate governance standards are essential for providing the Company with a framework to safeguard shareholders' interests, enhance corporate value, formulate business strategies and policies, and improve transparency and accountability.

The Company has adopted the principles and code provisions set out in Part 2 of the Corporate Governance Code ("**Code**") contained in Appendix C1 of the Listing Rules as the basis for its corporate governance practices.

The Directors consider that, during the Reporting Period, the Company has complied with all the code provisions of the Code, except for the following provision of the Code, Code Provision C.2.1:

According to Code Provision C.2.1 of the Code, companies listed on the Hong Kong Stock Exchange should comply with but may choose to deviate from the requirement to separate the roles of the Chairman and the Chief Executive Officer and have them held by different individuals. The Company has not separated the roles of the Chairman and the Chief Executive Officer, and currently, Dr. Dai holds both positions. Dr. Dai has served as the Company's Chief Executive Officer since 2015. He has extensive experience in the Group's business operations and management, as well as in the artificial intelligence industry. Given his experience, personal qualifications, and role in the Company, the Board believes that Dr. Dai is the most suitable Director to identify strategic opportunities and serve as the core of the Board due to his comprehensive understanding of our business as the Chief Executive Officer. The Board also believes that having the same individual serve as both Chairman and Chief Executive Officer can (i) ensure unified leadership within the Group, (ii) make the Board's overall strategic planning and execution of strategic measures more effective and efficient, and (iii) facilitate the flow of information between management and the Board. The Board believes that the current arrangement will not impair the balance of power and authority, and this arrangement will enable the Company to make and implement decisions swiftly and effectively. The Board will continue to review and, taking into account the overall situation of the Group, consider separating the roles of the Chairman and the Chief Executive Officer at an appropriate time.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Code and maintain high standards of corporate governance.

Except as disclosed in this announcement, the Group has complied with the code provisions of the Code throughout the Reporting Period and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix C3 of the Listing Rules as the code of conduct for Directors' securities transactions. Upon specific inquiries made by the Company to the Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

Employees who may possess unpublished inside information of the Company are also required to comply with the Model Code. During the Reporting Period and up to the date of this announcement, the Company has not been aware of any incidents of non-compliance with the Model Code by employees.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company repurchased a total of 379,400 shares ("**Repurchased Shares**") on the Hong Kong Stock Exchange, with a total consideration (excluding fees) of HK$19,834,790. The details of the repurchased shares are as follows:

Month	Number of Repurchased Shares	Price paid per Share Highest	Price paid per Share Lowest	Total consideration (before expenses)
		(HK$)	*(HK$)*	*(HK$)*
May 2024	186,100	54.30	51.20	9,807,175
June 2024	73,700	53.55	52.00	3,900,745
July 2024	119,600	53.95	48.30	6,126,870
Total	**379,400**	**54.30**	**48.30**	**19,834,790**

Except as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities (including the sale of treasury shares).

AUDIT COMMITTEE

The Board has established the Audit Committee which comprises two independent non-executive Directors and one non-executive Director, namely Mr. Li Jianbin (李建濱), Mr. Liu Chijin (劉持金) and Dr. Yang Qiang (楊強). Mr. Li Jianbin, being the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has jointly reviewed with the management of the Company the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the audited consolidated financial statements for the year ended December 31, 2024) of the Group. The Audit Committee is of the opinion that the annual financial information for the year ended December 31, 2024 complies with applicable accounting standards, laws and regulations and that appropriate disclosures have been made.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated balance sheet, and the related notes thereto for the year ended December 31, 2024 as set out in this results announcement have been agreed to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2024 by PricewaterhouseCoopers, the Company's auditor. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on this results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT 2024

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.4paradigm.com). The annual report of the Company for the Reporting Period, which sets out all the information required under the Listing Rules, will be published on the respective websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules in due course.

ACKNOWLEDGEMENT

The Board would like to express its sincere gratitude to the Shareholders, the Group's management team, employees, business partners and customers for their support and contribution to the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings. These expressions and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as the Company.

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	Board of Directors
"China" or "PRC"	the People's Republic of China, for the purpose of this announcement and for geographical reference only, excluding Hong Kong and Macao Special Administrative Regions of the PRC and Taiwan

"Company"	Beijing Fourth Paradigm Technology Co., Ltd. (北京第四範式智能技術股份有限公司), a company incorporated in the PRC with limited liability on September 17, 2014 and converted into a joint stock limited liability company incorporated in the PRC on July 9, 2021, whose predecessor was 北京第四範式智能技術有限公司
"Director(s)"	the director(s) of the Company
"Dr. Dai"	Dr. Dai Wenyuan (戴文淵), the chairman of the Board, an executive Director, the chief executive officer and one of our Controlling Shareholders
"Global Offering"	the global offering of the H Shares in Hong Kong as described in the Prospectus
"Group," "our Group," "we" or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
"Unlisted Shares"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"IFRS"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board and the International Accounting Standards and interpretations issued by the International Accounting Standards Committee
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Date"	September 28, 2023, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange

"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
"Prospectus"	the prospectus dated September 18, 2023 issued by the Company in connection with Hong Kong public offering under the Global Offering
"Reporting Period"	the year ended December 31, 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of shares
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"YoY"	year-on-year
"%"	percentage

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

Any difference between the arithmetical sum of individual figures and the aggregated figures in the tables in this announcement are due to rounding.

GLOSSARY OF TECHNICAL TERMS

"AI"	artificial intelligence, simulation of human intelligence by machines
"AIGS"	AI-Generated Software
"AIoT"	artificial intelligence of things, the combination of the connectivity from the IoT with data-driven knowledge obtained from AI
"algorithm"	a procedure of formula for solving a problem, based on conducting a sequence of specified actions
"cloud"	the computers and connections that support cloud computing
"cloud computing"	the practice of storing computer data and programs on multiple servers that can be accessed through the internet
"enterprise AI"	AI technologies and software applied by enterprises to address their business needs and drive their digital and automation transformation
"IDC"	International Data Corporation
"IoT"	Internet of Things
"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
"R&D"	research and development

By order of the Board
Beijing Fourth Paradigm Technology Co., Ltd.
北京第四範式智能技術股份有限公司
Dr. Dai Wenyuan
Chairman and Executive Director

Hong Kong, March 31, 2025

As of the date of this announcement, the executive Directors are Dr. Dai Wenyuan, Mr. Chen Yuqiang and Mr. Yu Zhonghao; the non-executive Directors are Dr. Yang Qiang, Mr. Dou Shuai and Mr. Zhang Jing; and the independent non-executive Directors are Mr. Li Jianbin, Mr. Liu Chijin and Ms. Ke Yele.