



2025 Annual Report

Knowledge Atlas Technology Joint Stock Company Limited

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

Stock code: 02513



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Founder's Statement

To Our Shareholders Who Support the Dream of Knowledge Atlas:

"The value of a man should be seen in what he gives and not in what he is able to receive."

– Albert Einstein

As LLDs become the global focus, I would like to first reminisce about a tranquil moment. Several years ago, I was attempting to quit my "addiction" to coffee during my visit to the Hong Kong University of Science and Technology (HKUST). Professor Yang Qiang at HKUST said to me in the café, "Why quit? If doing research could be as addictive as drinking coffee, there would be no need to worry about not doing it well." This sentiment has shaped the core of Zhipu AI. Over the past six years, this "addiction" has enabled us to grow from a seedling into a tree that now bears fruit in the wilderness of Artificial General Intelligence (AGI).

Perseverance: A "Moonshot Project" in Uninhabited Zone

Zhipu AI's journey began with our fascination with the dual-system theory of human cognition in late 2018. We firmly believed that machines needed a combination of "fast thinking" and "slow thinking". At that time, no one could define AGI, yet we chose the most challenging path. In 2020, when the industry was still fixated on smaller models like BERT, we boldly introduced the GLM architecture. In 2022, we established two secret teams – one developing GLM-130B with 130 billion parameters and the other constructing the MaaS platform, making us the first team in China capable of providing MaaS services. This "gamble" stemmed from our absolute faith in the Scaling Law.

Looking back at the "Hundred-Model Battle" from 2024 to 2025, the competition was brutal. We had moments of disorientation, lured by short-term market prosperity and gains. The sudden rise of DeepSeek served as a stark wake-up call – there are no shortcuts in the AGI race; only an unwavering pursuit of technological excellence and precise foresight can prevail. Under immense pressure, we conducted systematic "reinforcement learning": maintaining composure and returning to the essence of technology. We identified coding capabilities as our breakthrough point, and achieved explosive growth in Annual Recurring Revenue (ARR) through intensive iterations of the GLM-5 series. This proves a fundamental truth: Only by committing to intelligent excellence can we build a true and enduring commercial moat.

Evolution: From Agentic Engineering to Long-Horizon Task Processing

If we have solved the "speech" problem of AI in the past few years, then in 2026, we will thoroughly address the "action" problem. We are leading the industry's transition from Vibe Coding to Agentic Engineering. AI was merely a passive response box in the past; now, we are building autonomous agents with industrial-grade reliability.

We are tackling long horizon task based on the latest GLM-5 architecture. This means AI is no longer limited to handling conversations lasting a few minutes but can understand and execute long-term tasks spanning several days and involving hundreds or thousands of complex logical steps. This leap in capability stems from our reshaping of the model's "cognitive depth":

1. **Hierarchical Memory System (Memory):** We have constructed short-term and long-term memory mechanisms similar to the human brain for the model, reducing "hallucinations" or forgetting issues for it when processing vast amounts of information through automatic dynamic adjustments.

Founder's Statement

2. **Continual Learning and Online Evolution:** We have overcome the limitation of traditional models being “static upon deployment”. With online learning algorithms, GLM can continuously refine its knowledge boundaries through real-world interactions, achieving self-evolution.
3. **Self-Reflection and Self-Judge Mechanism:** This is a crucial step towards AGI. We need to introduce a closed loop of self-reflection and self-evaluation, where the model conducts multiple rounds of logical verification and feasibility assessment before output. This “think-before-act” mode endows AI with preliminary discriminative rationality.

Vision: Autonomous Agent System

Anthropic recently discussed the transition from tools to super agents in its *MythOS* document. Zhipu AI shares a similarly bold vision: We are at the turning point of evolving from AI empowerment to an autonomous agent system. Future enterprises will no longer be based on traditional hierarchical management but will consist of a dynamic collaboration network of countless AI agents with long-term execution capabilities. Zhipu AI is pioneering this “AI-native company” governance model internally: We enable Agents to participate in operations and management of enterprises just like human colleagues, rather than merely acting as tools to be commanded.

Our X-Lab is not merely iterating software but reconstructing the underlying logic of computers. We are challenging the 80-year-old von Neumann architecture and developing a new computer architecture tailored to AI's self-evolutionary logic. We firmly believe that AI could bring about disruptive changes, potentially revolutionizing the apps, browsers, app stores, operating systems, and computers we use.

The Triumph of Endorphins

We aspire to build Zhipu AI into an AI-native company where anything is possible: continuously pushing the boundaries of intelligence and enabling AI to change the world. For the brand “Z.ai”, “Z” stands for the ultimate. We hope to reach the ultimate realm of intelligence in our exploration of AGI.

Over the past six years of entrepreneurship, I have witnessed everyone's bloodshot eyes and tearful moments of excitement. This joy is not a fleeting dopamine rush but the enduring and profound endorphins accumulated on the journey of exploring AGI – keeping us grounded amidst twists and turns.

Thank you, our shareholders, for believing in us during Zhipu AI's toughest times and when technology was at its most chaotic. We have remained down-to-earth and pragmatic amid twists and turns. We will continue to maintain our “addictive” focus, enable AI to truly reshape productivity, democratize technology for everyone, and erect the flag of Chinese original technology in the global AI landscape.

The road ahead remains challenging, but we have the courage to experiment and learn from failures and, more importantly, the confidence to reach the summit.

Tang Jie
Founder of Knowledge Atlas
April 2026

Corporate Information

Legal Name of the Company

北京智譜華章科技股份有限公司

English Name of the Company

Knowledge Atlas Technology
Joint Stock Company Limited

The Board of Directors

Executive Director

Dr. Liu Debing (*Chairman*)
Dr. Zhang Peng
Ms. Zhang Xiaohan

Non-executive Director

Dr. Li Juanzi
Mr. Li Jiaqing
Mr. Wang Meng

Independent Non-executive Directors

Dr. Yang Qiang
Dr. Xie Deren
Mr. Tang Ying

Audit Committee

Dr. Xie Deren (*Chairperson*)
Dr. Yang Qiang
Dr. Li Juanzi

Remuneration Committee

Mr. Tang Ying (*Chairperson*)
Dr. Liu Debing
Dr. Xie Deren

Nomination Committee

Dr. Yang Qiang (*Chairperson*)
Mr. Tang Ying
Dr. Li Juanzi

ESG and Strategy Committee

Dr. Li Juanzi (*Chairperson*)
Dr. Liu Debing
Dr. Yang Qiang

Auditor

KPMG
Certified Public Accountants
Registered PIE auditor under the Accounting and
Financial Reporting Council Ordinance
8/F, Prince's Building 10 Chater Road Central,
Hong Kong

Legal Advisors

As to Hong Kong law:
Linklaters
11/F, Alexandra House
Chater Road
Central
Hong Kong

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

Corporate Information

Board of Supervisors (abolished on 8 January 2026)

Mr. Pei Bo (resigned on 8 January 2026)

Compliance Adviser

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

Company secretary

Mr. Cheng Ching Kit

Authorized Representatives

Dr. Liu Debing
Mr. Cheng Ching Kit

Headquarters and Registered Office in the PRC

10/F, Building 9
Yard 1, Zhongguancun East Road
Haidian District
Beijing
PRC

Principal place of business in Hong Kong

40/F, Dah Sing Financial Centre
No. 248 Queen's Road East, Wanchai
Hong Kong

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal bank

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

Stock Code

2513

Company's website

www.zhipuai.cn

Investor Relations Contact

email: ir@aminer.cn

Listing Date

January 8, 2026

Definitions

“Amended Concert Party Agreement”	the Concert Party Agreement dated 5 April 2023, entered into by Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng
“Articles of Association”	the articles of association of the Company adopted on 28 June 2025 and effective on the Listing Date, as amended, modified or supplemented from time to time
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the Audit Committee of the Board
“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 of Directors”	Board of Directors of the Company
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this annual report, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China, and Taiwan Region
“Close Associates”	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
“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, the H Shares of which have been listed on the Stock Exchange (stock code: 2513)

Definitions

“Controlling Shareholder”	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
“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, 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
“Employee Ownership Platform(s)”	Huihui and Zhideng
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“Group” or “We” or “us” or “Knowledge Atlas”	our Company and its subsidiaries
“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)”	the overseas-listed shares of the Company with a par value of RMB0.10 each, traded in Hong Kong dollars and listed and traded on the Stock Exchange
“HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

Definitions

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 Stock Ownership Platforms and one of the Controlling Shareholders
“Latest Practicable Date”	10 April 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
“Listing”	Listing of our H Shares on the Main Board of the Stock Exchange on 8 January 2026
“Listing Date”	8 January 2026, the date on which our H Shares are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	Nomination Committee of the Board
“Pathfinder SII(s)”	has the meaning ascribed to it in Chapter 2.5 of the Guide
“Remuneration Committee”	Remuneration Committee of the Board
“Prospectus”	the prospectus of the Company dated 30 December 2025 in relation to the Global Offering and the Listing
“Reporting Period”	the year ended 31 December 2025
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong

Definitions

“the Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of RMB0.10 each in the share capital of the Company, including unlisted shares and H shares
“Shareholder(s)”	holder(s) of our Share(s)
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of our Company
“Board of Supervisors”	the board of supervisors of our Company
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules
“Unlisted Share(s)”	ordinary share(s) issued by the Company, with a par value of RMB0.10 each, which is/are not listed on any stock exchange
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD”	United States dollars, the lawful currency of the United States
“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 Stock Ownership Platforms and one of the Controlling Shareholders
“%”	%

Glossary of Technical 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
“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
“computing power”	the ability of a computer system to process data and perform tasks
“deep learning”	a machine learning technique that constructs artificial neural networks with multiple layers to extract features from the raw input
“Direct two-sided importance sampling algorithm”	Our proprietary asynchronous training algorithm that addresses action-reward misalignment and improves the efficiency of learning from real-world environments
“Dynamic sparse attention mechanism”	A technique for long-sequence reasoning optimization that dynamically selects critical attention heads or positions to reduce computation without compromising performance
“FlashComm”	A communication optimization technique that reduces communication latency during model training or inference and improves the efficiency of distributed systems
“foundation model”	a pre-trained LLM that serve 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
“Heartbeat fault tolerance mechanism”	A robustness mechanism for large model training that detects failures via periodic heartbeat signals and enables automatic recovery to prevent training interruptions
“inference”	the process of applying trained models to new data to generate predictions
“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
“Lightning Indexer”	Customized fused kernel technique that optimizes memory access, reduces latency, and enhances inference efficiency of models on domestic AI chips
“Long-horizon tasks”	Complex tasks requiring multi-step iteration and logical consistency (e.g., enterprise-level long-chain execution), which demand long-term planning and memory capabilities of the model
“MaaS”	Model-as-a-Service, a delivery model of AI model and agent solutions catered for specific industry verticals or scenarios
“MLA-256 enhancement”	Architectural and algorithmic improvements based on Multi-Level Attention with 256-dimension feature optimization to enhance long-sequence processing capability
“Muon Split optimization strategy”	Our proprietary optimization for model training that splits attention computation to reduce KVCache usage and improve training stability
“open source”	a source code that is made freely available for possible modification and redistribution

Glossary of Technical Terms

“Prefill-Decode (PD) decoupling”	A technique that decouples the Prefill and Decode stages of model inference to streamline the inference process and boost efficiency
“pre-train”	the process of training models on large-scale data to learn general features prior to task-specific fine-tuning
“SDK”	software development kit, a set of software development tools that allows the creation of applications for a certain software package
“Slime framework”	Our asynchronous reinforcement learning framework that decouples generation and training, resolves idle cycles in long-horizon tasks for intelligent agents, and improves GPU utilization
“Token”	the basic unit of data processed by AI models

This report contains certain forward-looking statements. These forward-looking statements are made based on information currently available to the Group or the current beliefs, expectations and assumptions of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company’s control, which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, the forward-looking statements contained in this report should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and shareholders and investors of the Company should not place undue reliance on such statements.

Financial Summary

Set out below is a summary of the results and the assets and liabilities of our Group for the past four financial years¹:

	Year ended December 31,			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Results				
Revenue	724,334	312,414	124,538	57,409
Cost of sales	(427,678)	(136,525)	(44,056)	(26,049)
Gross profit	296,656	175,889	80,482	31,360
Loss before income tax	(4,718,167)	(2,958,007)	(787,957)	(143,650)
Income tax (expenses)/credit	—	—	—	—
Loss for the year	(4,718,167)	(2,958,007)	(787,957)	(143,650)
Adjusted net loss for the year (non-IFRS measure)	(3,181,972)	(2,465,569)	(620,984)	(97,417)

	As at December 31,			
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000
Assets and liabilities				
Total assets	4,853,861	4,375,769	2,860,153	361,976
Total liabilities	12,964,843	8,330,914	3,842,746	542,164
Total equity	(8,110,982)	(3,955,145)	(982,593)	(180,188)

¹ The Company was listed on the Main Board of the Stock Exchange on January 8, 2026.

Management Discussion and Analysis

Business Review

Business Overview

In 2025, the Company's total revenue reached RMB724.3 million, a year-on-year increase of 131.9%. This is the best testament to the market for our long-standing strategic perseverance in the “foundational model + platform + ecosystem” approach. The GLM series has not only topped the global open-source rankings and ranked first in China, but we are also committed to transforming leading cognitive capabilities into tangible productivity, driving the industry towards industrial-grade Agentic Engineering. Currently, our programming, agent, and enterprise-level large model services have transcended geographical boundaries, covering 218 countries and regions worldwide, and collaborating with over 4 million small and medium-sized enterprises and developers to build an ecosystem. The journey towards AGI is long, and we will continue to stay grounded, exploring the unknown boundaries with ultimate foundational model capabilities.

Firm Strategic Positioning

Since our establishment in 2019, we have set “enabling machines to think like humans” as our sole objective. On the journey towards AGI, we have always been convinced that “the breakthrough at the upper bound of intelligence” is the only physical first principle of this era. If the upper bound of intelligence determines the pricing power of technology, then the scale of token consumption determines the magnitude of commercial value. We have internally derived a concise formula:

AGI Commercial Value = Upper Bound of Intelligence × Token Consumption Scale

In 2025, Knowledge Atlas has demonstrated this formula through its actual position: on the “upper bound” side: with the high-frequency iteration from GLM-4.5 to GLM-5, we have consistently ranked first globally in open-source and first in China in international mainstream evaluations, firmly securing our place in the global top tier. This sustained generational leadership has granted Knowledge Atlas the core pricing power in cognitive intelligence. On the “scale” side: The consumption of paid tokens has achieved exponential growth with the deep penetration of GLM in meta-scenarios such as programming (coding) and agents. We have significantly reduced unit costs while achieving steady improvement in gross profit performance through extreme engineering optimization on the inference side.

Entering 2026, the computing paradigm is undergoing a radical transformation. The explosive application of OpenClaw has prematurely ignited a token consumption frenzy. Faced with the computing power shortage that has outstripped supply since February 2026, we will continue to increase our investments, particularly in the “Day 0” adaptation of domestic chips and the optimization of software-hardware integration. We push inference performance to its limits not for short-term profitability, but to support the continuously rising exponential curve of high-quality token consumption. We firmly believe that the key to victory always lies in the extreme execution of this formula in this marathon of computing power, data, and intelligence.

Management Discussion and Analysis

Innovative Core Technologies

Knowledge Atlas has consistently adhered to the GLM self-developed architecture. In 2025, we took the lead in completing the leap from Vibe Coding to Agentic Engineering. AI is no longer just a simple code generator but a “digital engineer” capable of autonomous planning, testing, and iteration. At the foundational architecture level, we achieved stable model training through the Muon Split optimization strategies and MLA-256 enhancements, significantly reducing KVCache usage while delivering performance equivalent to GQA-8. Furthermore, by employing a dynamic sparse attention mechanism, we overcame the computational challenge of long-sequence reasoning, cutting deployment costs by 50% with zero performance degradation. We have also introduced the Slime framework to achieve an efficiency revolution in asynchronous reinforcement learning, addressing the idle-time pain point in long-sequential tasks for agents and achieving complete decoupling of generation and training. Slime maximizes GPU utilization and ensures robustness in large model training through the Prefill-Decode (PD) separation and heartbeat fault tolerance mechanisms. Combined with our proprietary direct two-sided importance sampling algorithm, we have overcome the action-reward alignment challenge in asynchronous training, enabling the model to efficiently learn from over 10,000 real software engineering environments. This system supported the birth of GLM-5-Turbo as the world’s first OpenClaw foundational model, enabling secure execution of long-chain enterprise-level tasks.

We recognize the importance of computing power autonomy, and the domestic adaptation of GLM-5 has gone beyond simple operator transplantation, entering the Co-design (software-hardware collaborative design) phase. At the underlying kernel level, we have maximally hidden memory access and communication latency through customized fused kernels like Lightning Indexer and FlashComm communication optimization. This deep tuning has enabled GLM series models to achieve inference efficiency on domestic chips comparable to that of international top-tier chips, realizing a perfect closed loop between the “upper bound of intelligence” and the “computing foundation”.

Remarkable Business Progress

We firmly believe that $AGI\ Commercial\ Value = Upper\ Bound\ of\ Intelligence \times Token\ Consumption\ Scale$. Over the past year, leveraging the generational leadership of the GLM series on the “upper bound” side and extreme cost optimization on the inference side, Knowledge Atlas has achieved a comprehensive breakthrough, spanning from the developer ecosystem to a global MaaS (Model-as-a-Service) platform.

Developer Ecosystem and Coding Plan: Returning from “Features” to “Engineering Value”

Developers are the most sensitive group in perceiving the upper bound of intelligence. The GLM Coding Plan, launched in 2025, rapidly expanded globally by virtue of its native high-quality engineering reasoning capabilities, reaching over 242,000 paying developers. Bolstered by our technological leadership, we proactively raised prices by 30% and eliminated first-purchase discounts in February 2026. This trend of “rising volume and price” demonstrates that the market is shifting from a blind price war to genuine recognition of “technological value”, namely, trading higher-order intelligence for more certain productivity.

Management Discussion and Analysis

MaaS Platform Expanding Horizontally: Building the Digital Infrastructure for the Intelligent

Era Relying on BigModel.cn, our MaaS platform has become the hub connecting foundational models with industrial applications. Within 24 hours of its release, GLM-5 was officially integrated by leading companies such as ByteDance, Alibaba, and Tencent, and 9 of the top 10 Internet companies in China have now deeply integrated GLM. The platform has surpassed 4 million registered users as of March 2026, and despite an 83% increase in API call pricing compared to the end of last year, the market still exhibits “computing power panic” with demand outstripping supply. This confirms that high-order intelligence is a scarce resource today, and whoever controls the upper bound holds the pricing power.

Agent Matrix and Global Expansion: Defining a New Paradigm for “Going Global”

From AutoGLM, the world’s first mobile phone agent, to AutoClaw, China’s first one-click installation agent, we are defining the implementation standards for Agentic AI. The Claw Plan, launched in March 2026, surpassed 100,000 subscribers within just two days and 400,000 subscribers within 20 days of going live. This validates the immense commercial potential of long-chain agent tasks. On the global front, we are no longer merely “exporting software” but are outputting national-level large model infrastructure through a “sovereign AI” model and exploring partnerships with overseas computing power platforms through revenue sharing. Currently, Knowledge Atlas’s business footprint has spanned 218 countries and regions, truly realizing the global monetization of technological capabilities through token value.

Future Outlook

Knowledge Atlas is not a traditional software company. We are a native intelligent laboratory driven by the faith in AGI. Our moat lies not in the accumulation of computing power but in the foundational deconstruction of the essence of intelligence and the perseverance to translate this understanding into social productivity. Looking ahead to 2026, the intelligence paradigm will evolve from lightweight Vibe Coding to industrial-grade Agentic Engineering, then evolve into digital engineers with autonomous planning, environmental perception and self-iteration capabilities, and finally achieve the closed-loop execution of Long-horizon Task with logical consistency spanning multiple iterations, which will further bring about breakthroughs in the upper bound of intelligence and exponential growth in Token calls.

Entering the TAC Era: Everyone as a “Token Architect”

In the era of large models, when large models possess the closed-loop capability for Long-Horizon Task execution, core competitiveness will be reshaped as TAC (Token Architecture Capability). $TAC = \text{volume of intelligence calls} \times \text{quality of intelligence} \times \text{economic transformation efficiency}$. In the future, the standard for measuring the value of an individual or organization will no longer be how much information is mastered, but its role as a Token Architect in constructing complex Agent systems under a given budget and driving large models to complete the autonomous operation of complex Agent systems. Knowledge Atlas aims to become the infrastructure for enhancing the TAC of the whole society, allowing every drop of Token to be converted into deliverable economic increments.

Management Discussion and Analysis

From “Conversational Interfaces” to “Large Language Model-Operating Systems” (LLM-OS)

The traditional OS is a scheduler of hardware resources, whereas LLM-OS is a scheduler of intelligence. Large models are consuming software; future computing platforms will no longer be stacks of apps but collaborations between API stores and agent matrices. Under the LLM-OS architecture, models directly understand ambiguous intentions, decompose long-term tasks, and schedule full-stack resources. Whoever integrates their model into the system kernel will control the definition of next-generation computing. We are committed to making GLM the core engine of this autonomous system, achieving a leap from cloud-based APIs to device-level native intelligence.

Intelligence Output Revolution: A “Global Factory” for High-Quality Tokens

As token consumption, driven by applications like OpenClaw, enters an exponential trajectory, an intelligence output revolution is underway. First, inference re-centralization: leveraging the economies of scale of ultra-large-scale clusters and ultimate inference optimization, the efficiency of cloud-based large-parameter foundation models will be further improved. Second, high-quality token exports: relying on China’s full industrial chain advantages in energy, chip-algorithm (Co-Design) adaptation, and IDC operations, we are achieving a leap from “Made in China” to “Intelligence in China”. Token exports are not about low-price competition but about “high quality at competitive prices” based on top-tier intelligence levels like GLM-5. What we aim to supply globally are production factors representing the upper bound of cognitive intelligence with ultimate cost-effectiveness.

Revenue

As we commercialize our technologies to seize the immense market opportunities presented by advanced artificial intelligence, we provide intelligent services to enterprise customers, developers, and end-users in the most suitable, reasonable, and scalable manner. We offer flexible deployment options to meet the diverse needs of enterprises while ensuring efficiency, scalability, and data security. We primarily provide two service models: cloud-based deployment services and on-premises deployment services. During the Reporting Period, we achieved substantial revenue growth. Our revenues were RMB312.4 million and RMB724.3 million respectively for the full years of 2024 and 2025.

By deployment method:

Cloud-based Deployment

Revenue from cloud-based deployment increased from RMB48.5 million in 2024 to RMB190.4 million in 2025, representing a surge of 292.6%. This robust growth was primarily attributable to the Group’s continuous iterations, which significantly elevated the upper bound of model intelligence. The enhanced model intelligence performance further drove an increase in model invocations.

Management Discussion and Analysis

On-premise Deployment

Our revenue from on-premises deployment rose from RMB263.9 million in 2024 to RMB534.0 million in 2025, marking a significant increase of 102.3%. This notable growth was mainly driven by the Group's continuous iterations that significantly elevated the upper bound of model intelligence, coupled with enhanced model versatility and sustained strong market demand.

	2025		2024	
	RMB'000	% of Total	RMB'000	% of Total
Cloud-based deployment	190,379	26.3	48,484	15.5
On-premises deployment	533,955	73.7	263,930	84.5
Total	724,334	100.0	312,414	100.0

To more accurately reflect the Company's strategic layout and the substance of its business development, and to provide investors with more insightful analytical perspectives on our business, we have optimized the method of revenue classification disclosure starting this year. We believe that the original classification, primarily based on deployment methods, can no longer comprehensively cover the Company's increasingly diverse product forms and business scenarios. Therefore, we have introduced a new classification that breaks down revenues by business form and core product lines.

Open Platform and API

The Open Platform and API represent the standardized and platform-based cloud online services provided by the Company to developers and enterprise customers based on general-purpose large model capabilities. The product transforms the complex algorithmic capabilities of underlying large models into convenient cloud services through Application Programming Interface (API), Software Development Kit (SDK), and Model-as-a-Service (MaaS) platform services. Its revenue increased from RMB48.5 million in 2024 to RMB190.4 million in 2025, representing a growth rate of 292.6%. This robust growth was primarily attributed to the elevation of the Group's model intelligence upper bound and the increase in model invocations.

Enterprise-level Agents

Enterprise-level agents refer to autonomous intelligent systems built for complex enterprise scenarios, with general-purpose large models as the core control unit, combined with enterprise knowledge bases and tool invocation capabilities. These products integrate memory storage, task planning, and execution feedback mechanisms, enabling them to simulate the thought patterns of human experts. They autonomously understand instructions, break down tasks, and invoke external tools (APIs) to complete business loops, aiming to address the needs for automation execution and auxiliary decision-making in enterprise business processes, thereby comprehensively improving enterprise operational efficiency and digital management levels. Revenue from enterprise-level agents increased from RMB47.5 million in 2024 to RMB165.7 million in 2025, marking a growth rate of 248.8%. This robust growth was primarily attributable to the elevation of the Group's model intelligence upper bound and the surge in market demand for enterprise-level intelligent agent products.

Management Discussion and Analysis

Enterprise-level General-purpose Large Models

Enterprise-level general-purpose large models refer to a matrix of pre-trained models independently developed by the Company, featuring large-scale parameters and strong generalization capabilities, serving as the foundation for the Company's core technological innovations and business development. These products are primarily delivered through private on-premises deployment, where the models and related software environments are directly deployed on the customer's own local computing infrastructure or private cloud environments. Based on self-developed pre-trained foundation models with large-scale parameter sizes and deep learning capabilities, the Company has constructed a core model system encompassing language large models, code large models, multimodal large models, and contemplation and reflection models. Through pre-training and instruction fine-tuning with massive amounts of multi-source data, these models meet the AI application needs in various vertical scenarios. Its revenue increased from RMB214.5 million in 2024 to RMB365.7 million in 2025, representing a growth rate of 70.5%. This growth was primarily attributable to the elevation of the Group's model intelligence upper bound, coupled with sustained strong market demand.

Technical Services and Others

Technical Services and Others refer to the specialised technical services provided by the Company to developers and enterprise clients in the AI field, based on the underlying technologies of general-purpose large models. This business focuses on the commercialisation and application of the latest technological achievements in the large model domain. Through in-depth technical enablement, the Company offers professional technical consultancy on large models, as well as certain resource matching, technical exchange and collaborative innovation support. Revenue increased from RMB1.9 million in 2024 to RMB2.5 million in 2025, representing a year-on-year increase of 31.6%, primarily driven by increased customer demand.

	2025		2024	
	RMB'000	% of Total	RMB'000	% of Total
Open platform and API	190,379	26.3	48,484	15.5
Enterprise-level agents	165,687	22.9	47,492	15.2
Enterprise-level general-purpose large models	365,724	50.4	214,502	68.7
Technical service and others	2,544	0.4	1,936	0.6
Total	724,334	100.0	312,414	100.0

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The Group's gross profit increased from RMB175.9 million in 2024 to RMB296.7 million in 2025, representing a growth rate of 68.7%. The Group's gross profit margin decreased from 56.3% in 2024 to 41.0% in 2025, primarily due to an increase in the proportion of cloud deployment business and a temporary decline in the gross profit margin of on-premise deployment business.

By deployment method:

Cloud-based Deployment

The gross profit of the cloud-based deployment business increased from RMB1.6 million in 2024 to RMB36.0 million in 2025, representing a growth rate of 2,150.0%, mainly due to diversification and expansion of cloud-based deployment business. The gross profit margin of the cloud-based deployment business increased from 3.3% in 2024 to 18.9% in 2025, primarily due to improved model inference efficiency, economies of scale from expanded computing capacity leading to declining marginal costs, and price increases.

On-premise Deployment

The gross profit of the on-premises deployment business increased from RMB174.3 million in 2024 to RMB260.7 million in 2025, representing a growth rate of 49.6%, mainly driven by revenue growth resulting from market demand expansion. The gross profit margin of the on-premises deployment business decreased from 66.0% in 2024 to 48.8% in 2025, primarily due to the investment of more delivery resources to meet customer needs.

By business form and core product lines:

Open Platform and API

Our gross profit of the open platform and API business increased from RMB1.6 million in 2024 to RMB36.0 million in 2025, representing a year-on-year growth of 2,150.0%. The gross profit margin increased from 3.3% in 2024 to 18.9% in 2025. Such increases in both gross profit and gross profit margin are primarily driven by expansion of cloud-based deployment business, the launch of programming subscription packages, and enhanced inference efficiency.

Enterprise-level Agents

Our gross profit of the enterprise-level agent business increased from RMB23.4 million in 2024 to RMB86.7 million in 2025, representing a year-on-year growth of 270.5%. The gross profit margin slightly increased from 49.3% in 2024 to 52.3% in 2025, primarily due to the increase in revenue from relevant businesses, which resulted in relatively stable gross profit margins.

Management Discussion and Analysis

Enterprise-level General-purpose Large Models

Our gross profit of the enterprise-level general-purpose large model business increased from RMB149.2 million in 2024 to RMB171.7 million in 2025, representing a growth rate of 15.1% year on year, primarily driven by the amplification of gross profit alongside significant growth in overall revenue for the business. The gross profit margin decreased from 69.6% in 2024 to 47.0% in 2025, primarily due to a phased increase in delivery costs in line with the diversification of customer demands.

Technical Services and Others

Gross profit from the technical Services and others increased from RMB1.7 million in 2024 to RMB2.3 million in 2025, representing a year-on-year increase of 35.3%, while gross profit margin rose from 89.5% in 2024 to 92.0% in 2025, primarily attributable to the stable high gross profit generated by technical enablement services.

Cost of Sales

The Group's cost of sales increased from RMB136.5 million in 2024 to RMB427.7 million in 2025, representing a growth rate of 213.3%. This growth is consistent with the Group's business expansion and revenue growth. Specifically, the increase in costs was primarily attributable to the rise in computing service fees resulting from business expansion and revenue growth.

Capital Expenditure

The Group's capital expenditure in 2025 was approximately RMB74.7 million, representing a decrease of approximately 83.8% compared to RMB462.3 million in 2024. This significant change was mainly due to adjustments in the computing power leasing strategy: We primarily used leases to acquire computing power equipment in 2024, with related expenditures included in capital expenditure; with the expansion of business scale and rapid growth in computing power demand, we flexibly adjusted our computing power procurement model in 2025, primarily relying on service procurement supplemented by partial equipment leasing to meet demand, resulting in a corresponding decrease in capital expenditure.

Other Income

The Group's other income decreased from RMB19.3 million in 2024 to RMB14.8 million in 2025.

Research and Development Expenses

The Group's research and development expenses increased from RMB2,195.4 million in 2024 to RMB3,180.4 million in 2025, representing a growth rate of 44.9%. This growth was primarily attributable to (i) an increase in staff costs, mainly due to the expansion of the Group's R&D team and an increase in share-based payment expenses; and (ii) an increase in computing service fees paid to third-party computing power suppliers, mainly due to the Group's significant efforts in iterating foundational models and investing in more advanced model training infrastructure.

Management Discussion and Analysis

Sales and Distribution Expenses

The Group's selling and marketing expenses increased from RMB387.5 million in 2024 to RMB390.9 million in 2025, representing a growth rate of 0.9%. This growth was primarily attributable to (i) an increase in staff costs, mainly due to the expansion of the Group's sales and marketing team and an increase in share-based payment expenses; and (ii) a decrease in advertising and marketing expenses as well as technical service and consulting fees, mainly due to the Company's adjustment of market promotion strategies and optimization of resource allocation.

General and Administrative Expenses

Our general and administrative expenses increased from RMB133.6 million in 2024 to RMB505.4 million in 2025, representing a growth rate of 278.3%. This growth was primarily attributable to an increase in staff costs, mainly due to the recruitment of additional administrative personnel and an increase in share-based payment expenses.

Impairment Loss on Financial Assets

The Group's impairment loss on financial assets increased from RMB17.0 million in 2024 to RMB21.6 million in 2025, representing a growth rate of 27.1%. This increase was primarily due to the increase in the original value of financial assets resulting from business expansion.

Finance Costs

The Group's finance costs increased from RMB38.3 million in 2024 to RMB74.3 million in 2025, primarily due to a shift from net exchange gains in 2024 to net exchange losses in 2025.

Share of Profit or Loss of Associates

The Group's share of profit or loss of associates increased from RMB21.3 million in 2024 to RMB55.0 million in 2025, representing a growth rate of 158.2%. This increase was primarily due to improvements in the operating and financial performance of the associates during the Reporting Period.

Changes in Fair Value of Financial Instruments Measured at FVPL

The changes in fair value of financial assets measured at fair value through profit or loss decreased from RMB66.3 million in 2024 to RMB25.3 million in 2025. This decrease was primarily due to adjustments in our investment portfolio allocation in 2025, resulting in a decrease in recognized fair value gains.

Changes in the Carrying Amount of Financial Instruments Issued to Investors

The carrying amount of financial instruments issued to investors increased from RMB468.9 million in 2024 to RMB937.4 million in 2025. This increase was primarily due to new equity financing with redemption rights in 2025.

Management Discussion and Analysis

Net Loss

The Group recorded a net loss of RMB4,718.2 million in 2025, representing an increase from RMB2,958.0 million in 2024, mainly affected by the continuous increase in research and development investment.

Non-IFRS Measure

	2025 RMB'000	2024 RMB'000
Loss for the Year	(4,718,167)	(2,958,007)
Add:		
– Equity-settled share-based compensation expenses	558,265	23,579
– Changes in the carrying amount of financial instruments issued to investors	937,362	468,859
– Listing expense	40,568	–
Adjusted net loss for the year (non-IFRS measure)	(3,181,972)	(2,465,569)

Financial Position

Shareholders' equity decreased from RMB-3,955.1 million as of 31 December 2024, to RMB-8,111.0 million as of 31 December 2025, primarily due to the expansion of net losses resulting from increased research and development investment.

Liquidity and Financial Resources

We closely monitor and maintain adequate liquidity levels to meet working capital requirements and mitigate the impact of cash flow fluctuations. As of 31 December 2025, the Group held cash and cash equivalents of RMB2,259.1 million, a decrease of RMB10.1 million from RMB2,269.2 million as of 31 December 2024. This fluctuation was mainly attributable to consumption in daily operations.

Debt/Borrowings

As of 31 December 2025, the Group's total borrowings amounted to RMB689.5 million, an increase of RMB552.2 million from RMB137.2 million as of 31 December 2024, primarily due to the borrowing of working capital to meet operational needs. All relevant borrowings are interest-bearing, denominated primarily in RMB, and unsecured.

Lease Liabilities

As of 31 December 2025, the total lease liabilities recognized by the Group (including both current and non-current portions) amounted to RMB545.1 million, a decrease of RMB126.1 million from RMB671.3 million as of 31 December 2024. This fluctuation was influenced by the payment of lease obligations during the year and changes in office and data center lease arrangements.

Management Discussion and Analysis

Gearing Ratio

The Group's gearing ratio (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%) was 15.2% as of 31 December 2025, compared to 20.4% as of 31 December 2024. This change was primarily attributable to the impact of the Group's continued strategic research and development investment on total equity.

Asset Pledges

The Group had no pledged assets for the year ended 31 December 2025.

Capital Commitments

The Group had no outstanding capital commitment for the year ended 31 December 2025.

Contingent Liabilities

The Group had no significant contingent liabilities for the year ended 31 December 2025.

Significant Investments and Major Acquisitions and Disposals of Subsidiaries, Associates, and Joint Ventures

For the year ended 31 December 2025, the Group did not make any significant investments or engage in any major acquisitions or disposals of subsidiaries, associates, or joint ventures.

Future Plans for Significant Investments or Capital Assets

The Group had not made any significant investments or have any other future plans for significant investments or the purchase of capital assets for the year ended 31 December 2025.

Employees and Remuneration Policy

During the Reporting Period, the Company had 1,094 permanent employees, and incurred total remuneration costs (including share-based payments) of RMB1,363.4 million. The Company regards talent as its core asset and is committed to building a market-leading, incentive-oriented, and comprehensive talent development system to support the Company's continuous innovation and business growth in the field of artificial intelligence.

We adhere to the principles of value orientation and market competition in constructing a competitive remuneration structure. The remuneration package consists of fixed salary, performance bonuses, and medium- to long-term incentives, ensuring that employee rewards are closely linked to company performance and individual contributions. We adopted the employee incentive scheme and established an employee shareholding platform to incentivize eligible middle and senior management, core technical and business personnel and other employees, consultants and other persons who are vital to the development of the Group, to align the interests of the Group with those of the participants of the incentive scheme, so as to promote the long-term growth of the Group. We regularly conduct market salary surveys to ensure that our salary levels remain competitive within the industry, attracting and retaining top technical and management talent and stimulating organizational vitality.

Management Discussion and Analysis

The Company is committed to enhancing employee well-being and establishing a comprehensive welfare protection network. In addition to strictly complying with national regulations in paying social insurance and housing provident funds, the Company provides supplementary commercial insurance, annual health check-ups, work meal subsidies, and various festival bonuses, among other diversified benefits. Meanwhile, the Company supports the establishment of various interest clubs, regularly organizes cultural and sports activities, pays attention to employees' physical and mental health, creates a harmonious and positive work atmosphere, and has established a comprehensive internal training system and knowledge-sharing mechanism to encourage cross-departmental communication and technical sharing and focus on employees' personal growth.

As a leading LLM company, we actively promote AI-native work methods and encourage all employees to deeply integrate the use of AutoClaw into their daily work and life scenarios. We encourage employees to shift from seeking suggestions from large models to using them to complete tasks, such as having AutoClaw take over most standardized execution work, allowing individuals to focus their energy on defining key problems, exploring cutting-edge technologies, and unlocking innovative thinking.

Exposure to Exchange Rate Fluctuation

The Group's foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in currencies other than the functional currency of the relevant Group entities. Our business is primarily conducted in RMB. Most non-RMB assets and liabilities are cash and cash equivalents denominated in US dollars.

We are primarily exposed to changes in RMB/USD exchange rates in our domestic subsidiaries whose functional currency is RMB. We currently do not engage in hedging activities aimed at or intended for managing foreign exchange rate risks. However, we continuously monitor currency exchange rate movements and will take necessary measures to mitigate the impact of exchange rates.

Significant Events after the Reporting Period

Save as disclosed above and elsewhere in this report, no significant events that might affect our Company have occurred from the end of the Reporting Period and up to the Latest Practicable Date.

Report of the Board of Directors

The Board of Directors hereby presents to the Shareholders the annual report of the Group for the year ended 31 December 2025, together with the audited consolidated financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards.

General Information

The Company is a joint stock limited company incorporated in China in June 2019. As a leading artificial intelligence company in China, it is dedicated to developing general-purpose large models and advancing the cutting-edge development of the AI area. The H Shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 8 January 2026. The general information about the Company is set out on pages 4 to 5 in the section headed “Corporate Information” herein.

Directors and Supervisors

The Directors who held office from the Listing Date and up to the Latest Practicable Date are as follows:

Executive Directors

Dr. Liu Debing (*Chairman*)

Dr. Zhang Peng

Ms. Zhang Xiaohan

Non-executive Directors

Dr. Li Juanzi

Mr. Li Jiaqing

Mr. Wang Meng

Independent Non-executive Directors

Dr. Yang Qiang

Dr. Xie Deren

Mr. Tang Ying

The Company has dissolved its Board of Supervisors and no longer maintains the position of supervisor with effect from January 8, 2026.

Biographical details of the Directors and senior management of the Company are set out on pages 63 to 70 in the section headed “Directors and Senior Management” of this annual report.

Report of the Board of Directors

Business Review

A fair review of the Group's business as required under Schedule 5 to the Companies Ordinance, including the Group's performance analysis for the year ended 31 December 2025, particulars of material events affecting the Group that have occurred since the end of the year ended 31 December 2025, as well as the possible future business development of the Group, is set out in the section headed "Management Discussion and Analysis" of this annual report.

Issuance of H Shares and Listing on the Hong Kong Stock Exchange

On 8 January, 2026, we successfully completed the global offering of 37,419,500 H Shares on the Hong Kong Stock Exchange, with an offer price of HK\$116.20 per H Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%). On 4 February, 2026, the underwriters for the global offering fully exercised their over-allotment option, and we newly issued and allotted an aggregate of 5,612,900 H Shares. After deducting underwriting commissions and other related expenses payable, the net proceeds received from the global offering (including the exercise of the over-allotment option) amounted to approximately HK\$4,896 million, which has increased the Company's net assets.

Principal Risks and Uncertainties

Our operations and the global offering 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; and (vi) risks related to where we conduct business, including but 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.

Report of the Board of Directors

- 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.

As the major risks and uncertainties mentioned above are not exhaustive, refer to the section headed “Risk Factors” in our Prospectus for detailed information.

Environmental, Social and Corporate Responsibility

We fully recognize the importance of environmental, social and governance (“ESG”) practices to the Company’s long-term sustainable development and have deeply integrated ESG principles into the Company’s strategic planning and daily operations. As a leading artificial intelligence company in China, we are committed to developing general-purpose large models. We not only pursue technological breakthroughs but also prioritize fulfilling our corporate social responsibilities throughout our business development, achieving the symbiotic integration of commercial value and social value.

We firmly believe that artificial intelligence technology is a key driver for advancing society’s green transformation and efficient development. In business operations, we empower institutional clients and individual users to enhance productivity, optimize resource allocation, and reduce operational costs by providing advanced Model-as-a-Service (MaaS) and on-premises deployment solutions. We are committed to enhancing the training and inference efficiency of large models through algorithm optimization and technological iteration, exploring green computing pathways, and indirectly promoting the conservation of social resources and environmental sustainability through technological innovation.

Report of the Board of Directors

We regard talent as our most valuable asset and are committed to fostering a diverse, inclusive, and innovative work environment. We strictly adhere to relevant labor laws and regulations to safeguard employee rights. We have established a comprehensive remuneration and benefits system alongside a robust talent development mechanism. Through campus recruitment, internal training, and career development planning, we attract and retain top talent in the industry. At the same time, we place high importance on data security and privacy protection, establishing a rigorous internal control system to ensure the safety and compliance of our technology applications. This forms the cornerstone of the trust we have earned from over 8,000 institutional clients.

We have established an ESG and Strategy Committee chaired by Dr. Li Juanzi to oversee the formulation of the Group's ESG strategy, risk management, and the implementation of objectives, ensuring effective advancement of ESG initiatives at the board level. We continuously enhance our corporate governance framework, strengthen risk management and internal controls, uphold ethical business standards, and remain committed to safeguarding the legitimate rights and interests of all stakeholders, including Shareholders, employees, customers, and the broader community.

For further details of the Company's ESG performance and specific measures, refer to the "2025 Environmental, Social and Governance Report" of the Company, which was published separately.

Corporate Governance Enhancement

As the H Shares were listed on the Stock Exchange on the Listing Date of 8 January 2026, the CG Code was not applicable to the Company prior to the Listing Date. The Company places high importance on corporate governance and regards it as the cornerstone for achieving sustainable development. We have established a sound decision-making and management system, with the Board of Directors as the highest governing body, responsible for formulating the Company's strategic direction and overseeing overall operations. The Board of Directors has established an Audit Committee, a Remuneration Committee, a Nomination Committee, and an ESG and Strategy Committee. Each committee operates within its respective scope of authority and collaborates as needed, overseeing key responsibilities including financial reporting oversight, remuneration policy formulation, director nominations, and ESG strategy advancement. This structure ensures a clear governance framework with well-defined responsibilities and accountability. We also prioritize risk management and internal controls, establishing rigorous internal control processes to ensure operational compliance and asset security. Furthermore, the Group recognizes the unique nature of the AI sector and continuously optimizes its governance mechanisms to address industry challenges, striving to establish a transparent and responsible corporate governance environment.

Since the Listing Date, the Company has applied the principles of good corporate governance and adopted the code provisions of the CG Code as its own code of corporate governance. From the Listing Date up to the Latest Practicable Date, the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code.

Report of the Board of Directors

Legal Proceedings and Compliance

During the Reporting 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 Reporting Period and up to the Latest Practicable Date, there were no material breaches or violations applicable to the Company which are expected to have a material adverse effect on the Company's business, financial condition or results of operations.

Connected Transactions and Related-Party Transactions

The Company had not entered into any connected transaction for the year ended 31 December 2025 which is required to be disclosed in accordance with Chapter 14A of the Listing Rules. Related-party transactions entered into by the Group for the year ended 31 December 2025 are disclosed in Note 32 to the Consolidated Financial Statements. No related-party transactions constitute connected transactions or continuing connected transactions that are subject to Shareholders' approval, annual review, and compliance with all disclosure requirements under Chapter 14A of the Listing Rules. Other than the related-party transactions disclosed in Note 32 to the consolidated financial statements, no transactions, arrangements, contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director or his connected entity had a material interest, whether directly or indirectly, were entered into or subsisted as at the end of the Reporting Period or at any time during the Reporting Period.

Results and Appropriations

For the year ended 31 December 2025 and up to the Latest Practicable Date, we did not declare or pay any dividends. Our Board will formulate the dividends distribution plan after taking into account our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our Articles of Association, applicable PRC law and approval by our Shareholders. Our Shareholders in a general meeting may approve any declaration of dividends, provided that the amount of dividends shall not exceed the maximum amount recommended by the Board.

Tax Relief and Exemption

The Company and its subsidiaries were subject to the PRC enterprise income tax at a rate of 25% on taxable profits for the year ended 31 December 2025 according to the PRC Enterprise Income Tax Law which became effective on 1 January 2008. Details of which are set out in Note 7 to the consolidated financial statements in this annual report.

The Company and a few of its subsidiaries are qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% for the year ended 31 December 2025.

The Company was approved as a "High and New Technology Enterprise" and entitled to a preferential income tax rate of 15% in 2025. This qualification is subject to review by the relevant PRC tax authority every three years.

Report of the Board of Directors

Share Capital

Details of the movements in the Company's share capital during the Reporting Period are set out in Note 30 to the consolidated financial statements.

Convertible Bonds

As of the Latest Practicable Date, the Company has not issued any convertible bonds.

Purchase, Sale or Redemption of Listed Securities of the Company or Sale of Treasury Shares

The Company was first listed on the Main Board of the Stock Exchange on 8 January 2026. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including any sale of treasury shares) during the period from the Listing Date and up to the Latest Practicable Date.

Our Company did not have any treasury share as of the Latest Practicable Date.

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in Note 11 to the consolidated financial statements.

Major Customers and Suppliers

For the Reporting Period, revenue generated from the five largest customers of the Group accounted for approximately 26.51% of the Group's total revenue, and the revenue generated from the largest customer accounted for approximately 7.90% of the Group's total revenue.

For the Reporting Period, purchases from the five largest suppliers of the Group accounted for approximately 52.34% of the Group's total purchases, and purchases from the largest supplier accounted for approximately 20.92% of the Group's total purchases.

None of the Directors, their close associates or any Shareholders who, to the knowledge of the Directors, owned more than 5% of the Company's issued share capital had an interest in the share capital of any of the Group's five largest customers and suppliers during the Reporting Period.

Key Relationships with Employees, Customers and Suppliers

The Company recognizes its employees as one of its most valuable assets, particularly in the AI sector, which is highly dependent on talent and innovation. We are committed to providing our employees with a positive work environment, competitive incentive programs, and a comprehensive career development system. We attract and retain top technical and business talent through a combination of campus recruitment, industry introduction, and internal development. We have established a value-oriented compensation system, adhering to the principles of legal compliance, value orientation, and market competitiveness. Through a relatively well-developed and reasonable compensation system, we drive rapid advancement in the Company's business capabilities and talent structure, rewarding employees with promising futures based on past performance.

Report of the Board of Directors

We provide professional technical training and management capability enhancement courses tailored to different career development stages of employees, establishing dual career paths in technology and management. This approach guides employees and the Company to grow together through technological innovation and business growth. At the same time, we strictly comply with labor laws and regulations, making contributions to social security schemes in accordance with Chinese laws and regulations, including pension insurance, healthcare insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund (There are no accrued contributions that may be used by the Group as the employer to reduce the existing level of contributions). We also provide a diverse range of welfare benefits: including meal benefits for employees, transportation convenience for business needs and emergencies, supplemental healthcare insurance beyond statutory benefits, encouragement for employees to organize interest clubs or participate in a variety of cultural and sports activities, and special gifts and consolation subsidies during significant moments and employee illnesses, fostering a positive, collaborative, and innovative corporate culture.

We maintain close and mutually beneficial relationships with our clients. As a general-purpose large model service provider, we deliver products and services to institutional clients and individual users through our Model-as-a-Service (MaaS) platform. We proactively monitor market trends and identify customer pain points, promptly adjusting our product and service strategies to ensure our large model technology precisely meets clients' application needs across their respective fields. At the same time, we place high importance on data security and privacy protection, strictly adhering to relevant laws and regulations to provide a secure and reliable storage and processing environment for customer data, thereby establishing long-term, stable customer relationships through high-quality service and trust.

The Company maintains long-term, stable partnerships with suppliers to ensure business continuity and operational efficiency. Our suppliers primarily include computing power service providers, technology partners, and professional service providers. Through strategic procurement and long-term cooperation mechanisms, we establish mutually beneficial partnerships with suppliers to ensure a stable supply of computing resources, supporting the continuous training and iteration of large models. Simultaneously, through regular communication and quality assessments, we ensure that the products and services provided by suppliers meet our Company's technical standards and business requirements. We encourage collaboration with suppliers in the area of technological innovation, jointly exploring the boundaries of AI applications to achieve synergistic development across the supply chain and provide robust support for the Company's business growth.

Employees

Employees are the cornerstone of the Company's sustainable development. For specific details regarding the employees of the Company, refer to the section above titled "Key Relationships with Employees, Customers, and Suppliers". A review of the employees and remuneration policies of the Group for the Reporting Period is set out in "Management Discussion and Analysis" on page 24 of this annual report.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group during the Reporting Period are set out in Note 24 to the consolidated financial statements.

Report of the Board of Directors

External Donations

The Group actively fulfills its corporate citizenship responsibilities, pursuing business development while giving back to society. During the Reporting Period, the Group participated in multiple public welfare activities and made external donations to support social development and charitable causes. Details regarding external donations, including the amounts donated, have been fully disclosed in the Company's separately published 2025 Environmental, Social and Governance Report. Please refer to it for further information.

Directors' Service Contracts

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 into, and do not propose to enter into, any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

Emoluments of Directors and Five Highest Paid Individuals

Our Directors and members of our senior management receive compensation from our Group in the form of fees, salaries and other benefits and contributions to pension schemes. The remuneration is determined with reference to the recommendations from the Remuneration Committee, the market levels, and consideration of the individual's qualifications, contributions, and responsibilities towards the Company. Long-term incentive plans (such as share awards) aim to align individual interests with shareholder interests, motivating core teams to contribute to the Company's long-term development.

Details of the Directors and the five highest paid individuals of the Company are set out in Note 8 and Note 9 to the financial statements.

None of the Directors waived or agreed to waive any remuneration and no emoluments were paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Report of the Board of Directors

Directors' and Supervisors' Interests in Transactions, Arrangements or Contracts of Significance

During the Reporting Period, the Company did not directly or indirectly participate in the conclusion of transactions, arrangements and contracts of significance in which a Director or any entity connected with such Director was materially interested in, and which related to the Company's business and subsisted during or at the end of the year.

As the Company has dissolved the Board of Supervisors and no longer maintains the position of supervisor, this section discloses only interests related to Directors.

Directors' Interests in Competing Businesses

During the Reporting Period and as of the Latest Practicable Date, none of the Directors had any interest in any business which competes or is likely to compete directly or indirectly with our business, and such interest requires disclosure under Rule 8.10 of the Listing Rules.

Material Contracts with Our Controlling Shareholders

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 Amended Concert Party Agreement entered into among them, were collectively interested in approximately 29.84% of the Shares. Accordingly, they are our group of Controlling Shareholders under the Listing Rules. Except as disclosed in the section headed "Connected Transactions" of this annual report and in Note 32 to the financial statements, neither the Company nor its subsidiaries entered into any contracts (whether relating to the provision of services or other matters) with the Controlling Shareholders during the Reporting Period that were material to the Group's business.

Directors', Supervisors' and Chief Executive's Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As our Company was not listed on the Stock Exchange as at 31 December 2025, Divisions 7 and 8 of Part XV of the SFO and Section 352 of the SFO were not applicable to the Directors, Supervisors or chief executives of our Company.

Report of the Board of Directors

On 8 January 2026, H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange, and the Board of Supervisors of the Company was dissolved on the same day. As at the Latest Practicable Date, the interests and/or short positions of the Directors and chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which have been notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which have been entered in the register required to be kept by our Company under section 352 of the SFO, or which have been notified to our Company and the Stock Exchange pursuant to the Model Code are as follows:

Name of Director	Type of Shares	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage in the total issued Shares ⁽²⁾	Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾
Liu Debing (<i>executive Director and chairman</i>)	Unlisted Shares	Beneficial interest ⁽²⁾	925,150	0.21%	0.41%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	122,117,223	27.39%	54.39%
			123,042,373	27.59%	54.80%
Li Juanzi (<i>Non-Executive Director</i>)	Unlisted Shares	Beneficial interest	3,367,760	0.76%	1.50%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	119,674,613	26.84%	53.30%
			123,042,373	27.59%	54.80%
Zhang Peng (<i>executive Director, chief executive officer and general manager</i>)	Unlisted Shares	Beneficial interest	399,520	0.09%	0.18%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	122,642,853	27.51%	54.62%
			123,042,373	27.59%	54.80%

Notes:

Calculated based on the total number of issued shares of the Company, being 445,843,090 ordinary shares (including 221,314,605 H shares and 224,528,485 unlisted shares) as at the Latest Practicable Date.

(1) All interests stated are long positions.

(2) Pursuant to the Amended 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. Except as disclosed in the table above, as of the Latest Practicable Date, Huihui and Zhideng collectively held 10,001,857 H Shares.

Report of the Board of Directors

Save as disclosed above, as of the Latest Practicable Date, so far as it was known to the Directors nor chief executive of the Company, none of the Directors or the chief executive of the Company had any interest and/or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations that was required to be entered in the register under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' and Supervisors' Rights to Acquire Shares or Debentures

At any time during the year ended 31 December 2025, neither the Company nor any of its subsidiaries had entered into any arrangement that would enable the Directors or Supervisors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate; none of the Directors or any of their spouses or children under the age of 18 had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

Management Contracts

No contracts concerning the management and administration matters of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

Equity-linked Agreements

No equity-linked agreement was entered into or existed as of 31 December 2025.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, the Company was not yet listed on the Stock Exchange and accordingly, the provisions of Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable to the Company's substantial Shareholders.

Report of the Board of Directors

On 8 January 2026, the Company's H Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited. As of the Latest Practicable Date, so far as the Company and the Directors are aware, the following persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have interests and/or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were entered in interests and/or short positions of the register set out in this provision and the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Type of Shares	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage in the total issued Shares	Approximate percentage of shareholding in the relevant class of Shares
Beijing Lianpai	Unlisted Shares	Beneficial interest	34,038,390	7.63%	15.16%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	89,003,983	19.96%	39.64%
			123,042,373	27.59%	54.80%
Dr. Tang	Unlisted Shares	Beneficial interest	26,835,330	6.02%	11.95%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	96,207,043	21.58%	42.85%
			123,042,373	27.59%	54.80%
Dr. Xu	Unlisted Shares	Beneficial interest	799,040	0.18%	0.36%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	122,243,333	27.42%	54.44%
			123,042,373	27.59%	54.80%
Huihui	Unlisted Shares	Beneficial interest	33,560,303	7.53%	14.95%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	89,482,070	20.07%	39.85%
			123,042,373	27.59%	54.80%
Zhideng	Unlisted Shares	Beneficial interest	23,116,880	5.18%	10.30%
	Unlisted Shares	Interests held jointly with another person ⁽²⁾	99,925,493	22.41%	44.50%
			123,042,373	27.59%	54.80%

Report of the Board of Directors

Name of Shareholder	Type of Shares	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage in the total issued Shares	Approximate percentage of shareholding in the relevant class of Shares
Mr. Chen Hao ⁽³⁾	H Shares	Interest in controlled corporation	27,109,120	6.08%	12.25%
Junqi Jiarui ⁽³⁾	H Shares	Interest in controlled corporation	27,109,120	6.08%	12.25%
Juncheng Hezhong ⁽³⁾	H Shares	Interest in controlled corporation	27,109,120	6.08%	12.25%
LCM ⁽³⁾	H Shares	Interest in controlled corporation	27,109,120	6.08%	12.25%
Lhasa Junqi ⁽³⁾	H Shares	Interest in controlled corporation	27,109,120	6.08%	12.25%
Junlian Xiangdao ⁽³⁾	H Shares	Beneficial interest	18,667,750	4.19%	8.43%
Meituan ⁽⁴⁾	H Shares	Interest in controlled corporation	17,217,310	3.86%	7.78%
Tianjin Sankuai ⁽⁴⁾	H Shares	Beneficial interest	17,217,310	3.86%	7.78%
Ant Group ⁽⁵⁾	H Shares	Interest in controlled corporation	16,084,740	3.61%	7.27%

Report of the Board of Directors

Name of Shareholder	Type of Shares	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage in the total issued Shares	Approximate percentage of shareholding in the relevant class of Shares
Tsinghua Asset Management ⁽⁶⁾	Unlisted Shares	Beneficial interest	15,534,390	3.48%	6.92%
Tsinghua Control Technology ⁽⁶⁾	Unlisted Shares	Interest in controlled corporation	15,534,390	3.48%	6.92%
Xu Xin ⁽⁷⁾	H Shares	Interest in controlled corporation	11,349,910	2.55%	5.13%
Capital Today Evergreen GenPar Ltd. ⁽⁷⁾	H Shares	Interest in controlled corporation	11,349,910	2.55%	5.13%
Capital Today Evergreen Fund, L.P. ⁽⁷⁾	H Shares	Interest in controlled corporation	11,349,910	2.55%	5.13%
Trend Mega ⁽⁷⁾	H Shares	Beneficial interest	11,349,910	2.55%	5.13%

Notes:

Calculated based on the total number of issued shares of the Company, being 445,843,090 ordinary shares (including 221,314,605 H shares and 224,528,485 unlisted shares) as at the Latest Practicable Date.

- (1) All interests stated are long positions.
- (2) Pursuant to the Amended 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. Suzhou Junlian Jinfa Venture Capital Partnership (Limited Partnership) (蘇州君聯錦帆創業投資合夥企業(有限合夥)) ("Junlian Jinfa") 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 Jinfa and Social Security Zhongguancun Innovation Fund.

Report of the Board of Directors

- (4) Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司) ("Tianjin Sankuai") is wholly owned by Meituan (美團), 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. (上海雲珏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. (上海飛玟科技有限公司) ("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 Control 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 Control 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.

Save as disclosed above, as of the Latest Practicable Date, the Company has not been informed of any other relevant interests or short positions that are required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or that are required to be entered in the register to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance.

Report of the Board of Directors

Lock-up Periods

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

		Number of Shares subject to disposal restrictions held as at the Latest Practicable Date	Approximate percentage of shareholding in the total issued Share capital of our Company as the Latest Practicable Date	
Persons	Identity			Lock-up period
Key persons/Controlling Shareholders				
Dr. Liu	Co-founder, executive Director and chairman of the Board	925,150	0.21%	The period commencing on the date on which its shareholding is disclosed in the Prospectus and ending on the date 12 months from the Listing Date.
Beijing Lianpai ⁽¹⁾	Shareholding platform controlled by Dr. Liu	34,038,390	7.63%	
Huihui ⁽²⁾	Employee Incentive Platform controlled by Dr. Liu	39,482,710	8.86%	
Zhideng ⁽²⁾	Employee Incentive Platform controlled by Dr. Liu	27,196,330	6.10%	
Dr. Tang	Co-founder	26,835,330	6.02%	
Dr. Li	Co-founder and non- executive Director	3,367,760	0.76%	
Dr. Xu	Co-founder	799,040	0.18%	
Dr. Zhang	Co-founder and executive Director	399,520	0.09%	
Pathfinder SII(s)				
Legend Capital SII	Pathfinder SII(s)	27,109,120 ⁽³⁾	6.08%	The period commencing on the date on which its shareholding is disclosed in the Prospectus and ending on the date six months from the Listing Date
Meituan SII	Pathfinder SII(s)	17,217,310 ⁽⁴⁾	3.86%	

Report of the Board of Directors

Notes:

1. As of the Latest Practicable Date, Mr. Wang Shaolan (a co-founder of the Company) and Mr. Zhang Bo are limited partners of Beijing Lianpai and shall be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules.
2. 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.

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.

3. Representing the Shares held by Junlian Xiangdao, Junlian Jinfan and Social Security Zhongguancun Innovation Fund as of the Latest Practicable Date.
4. Representing the Shares held by Tianjin Sankuai as of the Latest Practicable Date.

Share Incentive Plan

The Board adopted the 2021 Employee Incentive Scheme (the “2021 Plan”) and 2023 Employee Incentive Scheme (the “2023 Plan”) on December 17, 2021 and 15 January 2023, respectively. On 5 June 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 66,679,040 underlying Shares, representing approximately 14.96% of the issued Shares of our Company.

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 Listing. The Employee Incentive Schemes will not cause any dilution of the Company’s issued shares 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.

Report of the Board of Directors

(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 president 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 Listing (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.

Pre-emptive Rights on Shares

The Pre-IPO Investors were granted customary special rights, including pre-emptive rights. Pursuant to the Shareholders’ special rights termination agreement dated 27 June 2025, in view of the successful completion of the Global Offering and the Listing, all the redemption rights and divestment rights had been terminated and ceased to be exercisable immediately prior to the submission of the Company’s listing application to the Stock Exchange (the “First Filing”). Furthermore, all other special rights (including pre-emption rights over shares) will be automatically terminated immediately prior to the Listing on the Listing Date in compliance with Chapter 4.2 of the Guide for New Listing Applicants. As the Company has successfully completed its Listing, the aforementioned special rights have been terminated upon completion of the Listing and no longer bind the Company. There is no provision for the pre-emptive rights under the Articles of Association or the PRC laws, nor is the Company obliged to offer new shares on a pro-rata basis to its existing Shareholders.

Report of the Board of Directors

Permitted Indemnity Provisions

The Company has arranged appropriate liability insurance to provide indemnification for the current Directors and senior management of the Company and its associated corporations, as well as for the retired Directors and senior management of the Company and its associated corporations, against any liability, action, proceeding, claim, demand, costs, damages or expenses which may incurred by them or any of them in the performance of their duties, arising from any act or omission (except to the extent of any liability (if any) arising from actual fraud or wilful default on their part). The insurance coverage will be reviewed on an annual basis.

Distributable Reserves

As of 31 December 2025, we did not have any distributable reserves.

Particulars of Subsidiaries

Particulars of the Company's major subsidiaries are set out in Note 14 to the consolidated financial statements.

Public Float

The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 8 January 2026. From the Listing Date to the Latest Practicable Date, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Use of Proceeds from the Initial Public Offering

After deducting underwriting commissions payable in connection with the Global Offering and other estimated offering expenses, we received net proceeds of approximately HK\$4,896 million from the Global Offering.

Report of the Board of Directors

Proposed use set out in the Prospectus	Planned ratio of net proceeds	Net proceeds planned to be utilised (Approximately HK\$ million)	Net proceeds utilised from the listing date to the Latest Practicable Date (Approximately HK\$ million)	Net proceeds unutilised as of the Latest Practicable Date (Approximately HK\$ million)	Expected timetable for the utilisation of the proceeds from the Global Offering ⁽¹⁾
To continuously strengthen our research and development capabilities in general-purpose large AI models	70.00%	3,427.32	1,270.31	2,157.01	By 31 December 2028
To continuously optimize our MaaS platform by offering the latest foundation models and training/inference tools and infrastructures	10.00%	489.62	217.32	272.30	By 31 December 2028
For the development of our business partner network, as well as for strategic investments	10.00%	489.62	14.26	475.35	By 31 December 2028
For working capital and other general corporate purposes	10.00%	489.62	326.22	163.40	By 31 December 2028
Total	100.00%	4,896.17	1,828.11	3,068.06	

Note:

- (1) The table is prepared with the expected timetable of residual proceeds and according to the optimal estimation made by the Group and will be subject to changes based on current and future development of market conditions.

Report of the Board of Directors

Audit Committee

The Audit Committee has reviewed the annual results and the annual report of the Company for 2025 and the audited consolidated financial statements for the year ended 31 December 2025 which was prepared in accordance with IFRS Accounting Standards.

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by KPMG, which shall retire at the forthcoming annual general meeting and, being eligible, offer itself for reappointment. Since the Listing Date, the auditor of the Company has not changed.

Significant Events after the Reporting Period

Save as disclosed above and elsewhere in this report, no significant events affecting our Company have occurred from the end of the Reporting Period and up to the Latest Practicable Date.

Continuing Disclosure Obligations under the Listing Rules

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

By order of the Board of Directors

KNOWLEDGE ATLAS TECHNOLOGY JOINT STOCK COMPANY LIMITED

Co-founder, executive Director, chief executive officer and general manager

Dr. Zhang Peng

Hong Kong, 31 March 2026

Corporate Governance Report

The Board hereby presents this corporate governance report in the Company's annual report for the year ended 31 December 2025.

Corporate Governance Practices

The Board of Directors remains committed to maintaining a high standard of corporate governance, recognizing that a robust governance framework is the core foundation for safeguarding Shareholder interests, enhancing long-term corporate value, formulating sound business strategies and policies, and strengthening operational transparency and accountability mechanisms.

Given that the H shares were not listed on the Stock Exchange during the Reporting Period, the Corporate Governance Code did not apply to the Company during such period. The Company adheres to the principles and provisions of the Corporate Governance Code (CG Code) set out in Appendix C1 of the Listing Rules of the Hong Kong Stock Exchange. It recognizes that the Board should comprise a balanced mix of executive Directors and independent non-executive Directors to ensure the Board possesses independent oversight capabilities and can make objective judgments on major decisions.

During the period from the Listing Date up to the Latest Practicable Date, the Company has strictly complied with all applicable provisions of the CG Code. In addition, the Company actively implements the best practices recommended by the CG Code, including establishing a robust internal control system, enhancing the timeliness and accuracy of information disclosure, safeguarding Shareholders' rights to information and participation, and continuously optimizing the governance structure.

Standard Code for Securities Transactions by Directors, Supervisors and Employees and Handling of Inside Information

To ensure that Directors, Supervisors, and employees comply with the Securities and Futures Ordinance and the Listing Rules when conducting securities transactions, the Company has established the following framework: The Company regularly provides training to Directors, Supervisors, and senior management on securities trading rules and the handling of inside information to ensure that they have a comprehensive understanding of the legal and regulatory requirements. The Company prohibits securities trading during sensitive periods such as the release of financial results, profit forecasts, or the occurrence of major events. At the same time, it is strictly prohibited to engage in insider trading, short-term trading, or market manipulation. Any material securities transaction must be promptly disclosed to the market in accordance with the requirements of the Listing Rules.

Since its Listing, our Company has adopted the Model Code as its code of conduct for dealing in the Company's securities by its Directors and employees who are likely to possess inside information about the Group or the Company's securities.

Our Company has made specific enquiries with all Directors, and each Director has confirmed that they have complied with the Model Code from the Listing Date up to the Latest Practicable Date.

Corporate Governance Report

Employees of our Group who are likely to possess inside information about the Group are required to comply with the Model Code. From the Listing Date up to the Latest Practicable Date, our Company has not identified any incident of non-compliance with the Model Code by the relevant employees.

If any violations of securities trading policies or insider information handling regulations are discovered, the Company will conduct an internal investigation and document the violations. Disciplinary actions will be taken in accordance with the Company's Articles of Association and relevant regulations. Where necessary, reports will be submitted to regulatory authorities to uphold fairness, impartiality, and transparency in the capital markets, ensuring that all internal personnel's securities trading activities comply with laws, regulations, and ethical standards.

Board of Directors

Under the effective leadership of the Board of Directors, the Group's business operations, strategic planning, and overall performance are subject to rigorous oversight. The Board maintains an objective stance, formulating decisions that align with the Company's best interests for its long-term development. The Board of Directors regularly evaluates each Director's contributions to the Company and reviews whether they dedicate sufficient time and effort to fulfill their duties, ensuring the Board's efficient and accountable operation.

Board Composition

As of the Latest Practicable Date, our Board of Directors comprises nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. For specific members and their biographies, refer to the section headed "Directors and Supervisors" on pages 26 and the section headed "Directors and Senior Management" on pages 63 to 70 of this annual report.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 24 June 2025, and (ii) understands his or her obligations as a Director of a listed issuer under the Listing Rules.

From the Listing Date up to the Latest Practicable Date, the Board has at all times complied with the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors, with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the period from the Listing Date up to the Latest Practicable Date, the Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive Directors representing at least one-third of the Board.

None of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

Corporate Governance Report

As regards the code provision under the CG Code requiring Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

Board Meetings and Directors' Attendance Records

As the Company was listed on the Hong Kong Stock Exchange on 8 January 2026, the attendance record of the Directors at Board meetings and general meetings will be disclosed in accordance with the Listing Rules in the annual reports of the Company.

Board meetings are convened in accordance with the Company's Articles of Association and the Listing Rules. The meeting agenda covers key matters including corporate strategic planning, financial review, major investment decisions, and the appointment and removal of senior management. All meetings shall produce formal minutes, which shall be signed and confirmed by all Directors to ensure transparency and compliance in the decision-making process. The Audit Committee meeting specifically reviews matters such as the Company's financial statements, internal control systems, audit items, and risk management mechanisms, providing professional advice and oversight recommendations to the Board of Directors.

The Company adheres to high standards of corporate governance principles to ensure the Board of Directors operates in accordance with established norms and makes decisions based on sound principles, thereby fully safeguarding the legitimate rights and interests of the Company and its Shareholders. All nine Directors (executive Directors Dr. Liu Debing, Dr. Zhang Peng, Ms. Zhang Xiaohan; non-executive Directors Dr. Li Juanzi, Mr. Li Jiaqing, Mr. Wang Meng; independent non-executive Directors Dr. Yang Qiang, Dr. Xie Deren, Mr. Tang Ying) attended the board meeting held on March 31, 2026.

Chairman and Chief Executive Officer

Dr. Liu Debing is the Chairman of the Board and Dr. Zhang Peng is the Chief Executive Officer of the Company.

Independent Non-executive Directors

During the Reporting Period and up to the Latest Practicable Date, the Board strictly complied with the Listing Rules to ensure that the number of our independent non-executive Directors was no fewer than three, constituting one-third of the Board members, with at least one possessing professional qualifications in accounting or financial management. The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, confirming all independent non-executive Directors remain independent.

Independent non-executive Directors play a pivotal role on the Board of Directors, where their independent judgment is crucial to the decision-making process and exerts a profound influence on Board decisions. Our independent Directors possess extensive experience in corporate management and governance. Their professional insights enhance the quality of Board decision-making, driving the Group toward sustainable and balanced development. They examine company strategies, performance, and control matters from an objective and independent perspective, effectively identifying and resolving potential conflicts of interest.

Corporate Governance Report

Appointment and Re-election of Directors

Directors shall be elected by the Shareholders' meeting, with each term lasting three years. Upon expiration of their term, they may apply for re-election to ensure the stability of the Board composition and uphold Shareholders' oversight rights over the Board.

The Company has entered into service agreements with its executive Directors, non-executive Directors, and independent non-executive Directors, respectively. The initial term of each agreement is three years commencing from the date of appointment. These agreements clearly define the rights and obligations of both parties, providing institutional safeguards for Directors in the performance of their duties.

When a vacancy arises on the Board of Directors or when the Board needs to be expanded, the Board may appoint new Directors to fill the positions, subject to compliance with PRC laws and regulations and those of the listing jurisdiction. Such Directors shall serve only until the first Shareholders' meeting of the Company is convened and shall be eligible for re-election at the meeting, ensuring that Directors appointed on an interim basis have the same opportunity for re-election as Directors elected by the Shareholders' meeting.

The procedures and process of appointment, re-election and removal of Directors follow the provisions of the Articles of Association and the nomination policy. The Nomination Committee is responsible for reviewing the Board's structure and composition, assessing the independence of independent non-executive Directors, and making recommendations to the Board on the appointment, re-appointment, and succession planning for Directors to ensure the suitability and governance effectiveness of Board members.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board of Directors, as the Company's highest decision-making body, bears the core responsibilities of formulating the Group's strategic direction, overseeing business operations and performance, and ensuring compliance with relevant laws, regulations, and Listing Rules. The Board of Directors focuses on long-term value creation by deliberating on key matters such as major investment projects, financial budgets, and risk management strategies, thereby providing strategic direction for the Company's development. At the same time, the Board of Directors is responsible for overseeing the effectiveness of management's execution, ensuring that decisions are implemented, and safeguarding the interests of Shareholders and other stakeholders. Additionally, the Board of Directors regularly evaluates its operational efficiency and optimizes its governance structure to enhance the quality and accountability of decision-making.

Management is responsible for executing the strategic plans established by the Board of Directors, managing the Company's daily operations, and achieving business objectives. Management must develop a detailed implementation plan, allocate resources, monitor performance indicators, and report progress to the Board of Directors in a timely manner. During execution, management must ensure business operations comply with internal control requirements, respond to market changes and risk challenges, and drive innovation and efficiency improvements to achieve the Group's sustained growth and sustainable development.

Corporate Governance Report

The Board of Directors has established a robust oversight mechanism to ensure that management fulfills its responsibilities and is held accountable for its performance. Specific measures include: conducting regular Board meetings to review management's performance reports, assess strategic execution progress, and evaluate financial performance; establishing specialized committees such as an Audit Committee and a Remuneration Committee to provide independent oversight of management decisions; requiring management to promptly disclose key information to ensure transparency. Additionally, the Board of Directors conducts annual performance evaluations of management, linking assessment outcomes to compensation incentives to strengthen accountability.

The Board of Directors has laid the foundation for the Group's steady development in strategic decision-making, risk control, and corporate governance. Management's efforts in executing strategy, optimizing operations, and enhancing performance have driven the Group's business growth and value enhancement. Both parties will collaborate to ensure the Company's operations align with long-term development goals, address market challenges, and generate sustained returns for Shareholders.

Continuous Professional Development of Directors

The Company fully recognizes that the continuous professional development of Directors is crucial for enhancing the quality of Board decision-making, responding to market changes, and fulfilling fiduciary responsibilities. Regular seminars will be arranged to update the Directors on the latest developments and changes in the industry, Listing Rules, and other relevant legal and regulatory requirements from time to time, ensuring that Directors possess the knowledge and skills necessary to perform their duties. The Board has also established a systematic continuing professional development program and encourages Directors to participate in various professional training and learning activities covering core areas such as financial accounting, corporate governance, risk management, and industry trends. This supports Directors in updating their professional knowledge and broadening their perspectives through multiple channels, thereby maintaining the Board's independence, objectivity, and decision-making effectiveness. The Company is committed to creating a conducive learning environment for Directors, ensuring their continuous professional development to uphold the governance effectiveness of the Board of Directors and safeguard the interests of Shareholders and all stakeholders.

During the Reporting Period, all Directors (namely executive Directors Dr. Liu Debing, Dr. Zhang Peng, and Ms. Zhang Xiaohan; non-executive Directors Dr. Li Juanzi, Mr. Li Jiaqing, and Mr. Wang Meng; and independent non-executive Directors Dr. Yang Qiang, Dr. Xie Deren, and Mr. Tang Ying) participated in training courses and/or reviewed relevant materials, thereby meeting the requirements for continuing professional development.

Board Committee

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.

Corporate Governance Report

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 Dr. Xie Deren, Dr. Yang Qiang and Dr. Li Juanzi. Dr. Xie Deren is the chairperson of the Audit Committee and possesses 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. 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.

As the H shares were listed on the Stock Exchange on 8 January 2026, no Audit Committee meeting was held during the Reporting Period.

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 Dr. Xie Deren. Mr. Tang Ying is the chairperson of the Remuneration Committee.

(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.

Corporate Governance Report

As the H shares were listed on the Stock Exchange on 8 January 2026, no Remuneration Committee meeting was held during the Reporting Period.

For the year ended 31 December 2025, the remuneration of the senior management of the Group, whose biographical details are included in the section headed “Directors and Senior Management” of this Annual Report, falls within the following bands:

Remuneration (RMB'000)	Number of Individuals
0-1,000	1
1,000-2,000	1
2,000-3,000	1

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 include (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; evaluating the independence of independent non-executive Directors; 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; advising the Board on Director appointments, reappointments and succession planning, especially chair and general manager; establishing, maintaining and updating a reserve list of candidates for Directors and senior management to ensure business continuity; evaluating the performance of Directors and based on such evaluation results, recommending changes and reappointments, including the chair and chief executive officer; 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; 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.

As the H shares were listed on the Stock Exchange on 8 January 2026, no Nomination Committee meeting was held during the Reporting Period.

Corporate Governance Report

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; researching and monitoring domestic and international industry developments and relevant policies; reviewing and considering the Company's strategic development plans and making recommendations to the Board; providing advice and recommendations on major capital operations, key investment and financing decision and material business reforms; 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; 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.

As the H shares were listed on the Stock Exchange on 8 January 2026, no ESG and Strategy Committee meeting was held during the Reporting Period.

Board Independence Evaluation

The independence of the Board of Directors is a core element of sound corporate governance. The Company is committed to maintaining the independent operation of the Board of Directors through sound institutional arrangements, ensuring it can provide objective and constructive opinions and recommendations. In the current composition of the Board, independent non-executive Directors account for one-third of the Board members, maintaining a balanced composition. Annually, during the tenure of an independent non-executive Director, we assess their independence to continuously monitor their independent status.

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.

Diversity of the Board and Workforce

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.

Corporate Governance Report

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 regard to gender diversity on the Board, we recognize its particular importance. Our Board comprises two female Directors and seven male Directors and will continue to maintain an appropriate gender mix in the Board. 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. We will also ensure that gender diversity is considered during employee recruitment to achieve and maintain gender diversity.

In terms of the employee team, the Company emphasizes gender balance and talent diversity, and has in place strict policies on equal employment opportunities, prohibiting any form of discrimination based on race, color, belief, religion, gender, sexual orientation, among others. As of 31 December 2025, among all employees (including senior management), approximately 68% were male and 32% were female. To achieve diversification objectives, the Group adopts a strengths-oriented selection principle in its recruitment process that incorporates diversity policies. This principle focuses on evaluating candidates' core qualities, including educational background, professional skills, and industry experience, while minimizing the impact of irrelevant factors such as gender on hiring decisions. In the future, the Company will continue to optimize its diversity policies, ensuring institutional safeguards and practical implementation to further strengthen organizational inclusivity and innovation capabilities, thereby laying a solid foundation for long-term development.

Nomination Policy for Directors

The Company's Nomination Policy for Directors aims to ensure that Board members possess the necessary qualifications, professionalism, and diversity to support the Board in effectively fulfilling its responsibilities. The Nomination Committee and the Board jointly undertake the nomination responsibilities for Director candidates. In assessing the suitability and potential value contribution to the Board, the Nomination Committee will refer to the following core criteria: reputation for integrity, professional qualifications and skills, accomplishments and experience in the internet and technology fields, commitment to fulfilling Director duties and relevant contributions, as well as factors such as team diversity.

The Nomination Committee is responsible for conducting comprehensive assessments of candidates and reporting its evaluation results to the Board, while also providing specific recommendations regarding decisions on Director appointment and succession planning. Ultimately, the decision-making authority for selecting and appointing Directors rests with the entire Board, ensuring transparency and accountability in the selection process for Board members to uphold the Board's independence and decision-making effectiveness.

Corporate Governance Report

Corporate Governance Functions

The Board is responsible for performing the functions related to the provisions of the Corporate Governance Code, including reviewing the Company's corporate governance policies and practices, the training and professional development planning of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, compliance with the Model Code and the Written Guidelines for Employees, and the Company's compliance with the Corporate Governance Code and disclosures made in the Corporate Governance Report.

Risk Management and Internal Control

Risk management and internal control are the core pillars of the Company's robust corporate governance. They are designed to identify, assess, and address various risks encountered in business operations, ensure the achievement of strategic objectives, safeguard asset security, maintain the reliability of financial reporting, and ensure compliant operations, while creating long-term value for Shareholders and stakeholders.

The Board confirms its responsibility for the risk management and internal control systems and reviewing the effectiveness of such systems. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Company integrates risk management into strategic planning and daily operations, establishing a multi-dimensional framework overseen by the Board, executed by senior management, and coordinated by the Risk Management Department. The Board is responsible for reviewing risk management policies and significant risk matters, ensuring that risk-taking aligns with the Company's strategic objectives. Senior management is responsible for implementing risk management measures and regularly reporting the risk status to the Board. The Risk Management Department coordinates with various business units to promote the systematic operation of risk identification, assessment, and response processes. We have also established an Internal Audit Department, which is responsible for leading and coordinating the Company's internal audit work, independently conducting internal audits, and exercising internal oversight. The Department manages and coordinates both permanent and adjunct internal audit personnel under its purview, providing guidance and supervision over their work.

The Company adopts a multidimensional approach to identify risks, including industry trend analysis, internal process reviews, and monitoring of external regulatory changes, ensuring comprehensive risk coverage. For identified risks, the Company categorize them by assessing their likelihood of occurrence and potential impact. Based on the nature and level of risk, we implement differentiated response measures, focusing on developing specialized management strategies for high-risk areas. At the same time, we have established a tracking mechanism for risk response measures, regularly assess their effectiveness, and promptly adjust strategies to in response to market changes, comprehensively covering key areas such as market, credit, operational, compliance and strategic risks.

Corporate Governance Report

Internal control is a cornerstone for risk management. We have adopted a series of internal control policies, measures and procedures, and has 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.

Corporate Governance Report

The Board also ensures that a comprehensive review of the effectiveness of the aforementioned systems is conducted at least once a year. The Board is of the view that the Company's risk management and internal control systems were effective and adequate during the Reporting Period. The Company continuously optimizes its risk management and internal control systems, strengthening risk prevention capabilities and the effectiveness of internal control execution to provide a solid foundation for the Company's sustainable development. In the future, the Company will further integrate industry trends with corporate strategy to promote the intelligent and refined development of risk management and internal controls, thereby enhancing flexibility and adaptability in complex environments.

Dividend Policy

The Company has adopted a Dividend Policy on the payment of dividends and does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year, and any final dividend for a financial year shall be subject to the Shareholders' approval.

Directors' Responsibilities for the Consolidated Financial Statements

The Directors undertake the responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2025, ensuring that such statements give a true and fair view of the financial position, operating results, and cash flows of the Company and the Group.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the financial statements put forward for deliberation. The Board confirms that it is not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. The statement of the Company's external auditor regarding their reporting responsibilities for the consolidated financial statements is set out in the Independent Auditor's Report contained in this annual report.

Auditor's Remuneration

The remuneration paid/payable to the independent auditor of the Company for the year ended 31 December 2025 is set out as follows:

Services provided	Paid/payable RMB'000
Audit service	2,323
Non-audit services	306
Total	2,629

Corporate Governance Report

Company Secretary

Mr. Cheng Ching Kit was appointed as our company secretary. According to Rule 3.29 of the Listing Rules, Mr. Cheng confirms that he has received no less than 15 hours of relevant professional training for the year ended 31 December 2025.

The primary contact person at the Company with whom Mr. Cheng Ching Kit has been in communication regarding company secretarial matters is Mr. Xiao Lei (肖磊), the Board secretary of the Company.

The biographical details of Mr. Cheng are set out in the section entitled “Directors and Senior Management” on pages 63 to 70 of this annual report.

Shareholders’ Rights

The Company places great emphasis on safeguarding and implementing shareholder rights, striving to provide Shareholders with fair, transparent, and convenient avenues for exercising their rights. This ensures Shareholders can effectively participate in corporate governance and protect their legitimate interests. Shareholders’ rights mainly include, but are not limited to, the following:

Voting Rights at Shareholders’ Meetings and Independent Resolution Mechanism

To safeguard Shareholders’ decision-making authority over significant matters, the Chairman of the Shareholders’ Meeting shall propose separate resolutions for major independent items (including the nomination and election of individual Directors) during the meeting. This ensures Shareholders’ independent judgment and voting rights on critical issues. All resolutions put forward at Shareholders’ meetings will be voted on by way of a poll pursuant to the Articles of Association and the Listing Rules, and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each Shareholders’ meeting to safeguard Shareholders’ rights to information and supervision.

Corporate Governance Report

Shareholders' Right to Propose Resolutions and Procedures for Extraordinary General Meetings

Pursuant to the Articles of Association, the Board of Directors may convene an extraordinary general meeting. Shareholders holding, individually or in aggregate, 10% or more of the voting shares of the Company (including preferred Shares with resumed voting rights) shall also have the right to request the Board of Directors in writing to convene an extraordinary general meeting. The Board shall, in accordance with laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, give written feedback on whether or not it agrees to hold an extraordinary general meeting within 10 days upon receipt of the request. If the Board agrees to convene an extraordinary general meeting, a notice for convening such meeting shall be issued within 5 days after the date of the Board resolution, and any changes to the original request contained in the notice shall be subject to the approval of the relevant Shareholders. If the Board does not agree to convene an extraordinary general meeting, or fails to give a response within 10 days after receipt of the request, Shareholders holding, individually or in aggregate, at least 10% of the voting shares of the Company (including preferred Shares with resumed voting rights) shall have the right to propose to the Audit Committee that an extraordinary general meeting be convened, and shall make such request to the Audit Committee in writing. If the Audit Committee agrees to convene an extraordinary general meeting, a notice convening such meeting shall be issued within 5 days after receipt of the request, and any changes to the original request 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 general meeting within the prescribed period, it shall be deemed not to convene and preside over the meeting, and Shareholders, individually or in aggregate, holding at least 10% of the voting shares of the Company (including preferred Shares with resumed voting rights) for no less than 90 consecutive days may convene and preside over the meeting on their own.

According to the Articles of Association, when the Company convenes a Shareholders' meeting, the Board, the Audit Committee and Shareholders holding, individually or in aggregate, 1% or more of the Shares of the Company (including preferred Shares with resumed voting rights) shall be entitled to put forward proposals to the Company. Shareholders holding, individually or jointly, 1% or more of the Shares of the Company (including preferred Shares with resumed voting rights) may submit ad hoc proposals in writing which shall contain clear issues for discussion and specific matters for resolution, to the convener of a Shareholders' meeting 10 days prior to the meeting. The convener shall issue a supplementary notice of the Shareholders' meeting to announce the details of such ad hoc proposals within 2 days after receipt thereof, and submit such proposals to the Shareholders' meetings for consideration, unless such proposals violate laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or fall outside the scope of the authority of the Shareholders' meeting.

Right to Know and Information Disclosure

Shareholders have the right to obtain the Company's annual reports, interim reports, interim announcements, and other relevant information. The Company strictly adheres to information disclosure rules, ensuring timely, accurate, and complete disclosure of its financial condition, operating performance, and significant events. Such information is made publicly available to Shareholders through the Company's website and designated disclosure channels of the Stock Exchange, thereby ensuring Shareholders can promptly understand the Company's operational status.

Corporate Governance Report

Shareholders may send written enquiries to the Company for any enquiries directed to the Board. In addition, Shareholders can contact Tricor Investor Services Limited, the Company's H Share registrar, if they have any enquiries about their shareholdings and entitlements to dividend. The Company and the Hong Kong Share Registrar will respond promptly to Shareholders' reasonable inquiries, safeguarding Shareholders' rights to information and oversight.

Investor Relations

The Company considers effective communication with investors to be essential for enhancing investor relations and investors' understanding of the Group's business performance and development strategies. The Company is committed to maintaining ongoing engagement with investors, particularly through the annual general meeting, extraordinary general meetings, and other appropriate forums. Directors or their representatives (where applicable) will attend the annual general meeting to meet with Shareholders and respond to their enquiries, ensuring transparency and effective communication.

The Company discloses financial reports, material events, and other information in a timely and accurate manner through its website, the designated disclosure channels of the Stock Exchange, and other platforms, in compliance with the Hong Kong Listing Rules and relevant laws and regulations, thereby safeguarding investors' right to information. Investors can contact the Company as follows:

Address: 10th Floor, Building 9 Yard 1, Zhongguancun East Road Haidian District Beijing PRC
Email: ir@aminer.cn

The Company will continue to optimize its investor communication mechanisms to ensure the timeliness and completeness of information dissemination, thereby fostering long-term, stable relationships with investors.

Shareholders' Communication Policy

The Company believes that establishing transparent, timely, and effective communication mechanisms with Shareholders is crucial for safeguarding shareholder interests and enhancing Shareholders' understanding of the Group's business performance and development strategies. The Company is committed to maintaining ongoing interaction with Shareholders through diverse channels to ensure the accuracy and completeness of information dissemination.

The Company has adopted a Shareholders' Communication Policy (the "Shareholders' Communication Policy") to ensure transparent, accurate and open communications with the Shareholders and that Shareholders' views and concerns are appropriately addressed. The Board regularly reviews the implementation and effectiveness of the Shareholders' Communications Policy to ensure its continued compliance with regulatory requirements and corporate governance standards. During the meeting, the Board reviewed the implementation of the policy, confirming that it had been effectively executed and that the information communicated to Shareholders is truthful, accurate, and timely.

As the H shares were listed on the Stock Exchange on 8 January 2026, the Company did not communicate with shareholders in the capacity of an H-share listed company during the reporting period.

Corporate Governance Report

Changes in Constitutional Documents

During the Reporting Period, the Company amended certain provisions of the Articles of Association to comply with relevant laws and regulations, regulatory requirements, and the Hong Kong Listing Rules in response to the Listing of H Shares on the Hong Kong Stock Exchange. The amended Articles of Association took effect from the Listing Date, and are available on the websites of the Stock Exchange and the Company. There has been no significant change to the constitutional documents of the Company from the Listing Date up to the Latest Practicable Date.

Directors and Senior Management

As of the Latest Practicable Date, the biographical details of the Directors and senior management of the Company are as follows:

Board Members and Biographies

Executive Director

Dr. Liu Debing (劉德兵), aged 50, is a co-founder, executive Director and chairman of the Board. He joined our group in June 2019 and was appointed as an executive Director and chairman of the Board on 26 March 2025. 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 Scientific and Technological Progress Award – First Prize by the Beijing Municipal People's Government. In September 2021, Dr. Liu received the National Scientific and Technological Progress Award – Second Prize by the State Council. In March 2024, Dr. Liu received Scientific and Technological 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 joined our group in June 2019 and was appointed as an executive Director on 26 March 2025. 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.

Directors and Senior Management

Ms. Zhang Xiaohan (張笑涵), aged 28, is our executive Director. She joined our group in July 2022 and was appointed as an executive Director on 26 March 2025. She is an employee representative 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 in July 2022 from Tsinghua University in the PRC.

Non-executive Director

Dr. Li Juanzi (李涓子), aged 61, is our co-founder and non-executive Director. She joined our group in February 2023 and was appointed as an non-executive Director on 28 June 2025. 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.

Directors and Senior Management

Mr. Li Jiaqing (李家慶), aged 52, is our non-executive Director. He joined our group in February 2023 and was appointed as an non-executive Director on 26 March 2025. 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 a Director of the following companies: 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; 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; and a non-executive Director of the following companies: 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; 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 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 43, is our non-executive Director. He joined our group in August 2024 and was appointed as an non-executive Director on 26 March 2025. 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 Beijing Institute of Technology (北京理工大學) in the PRC in July 2005. a master's degree in communications and information system in July 2007.

Directors and Senior Management

Independent Non-executive Directors

Dr. Yang Qiang (楊強), aged 64, is our independent non-executive Director. He joined our group in December 2025 and was appointed as an independent non-executive Director on 28 June 2025. 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 he also served as NSERC Industrial Research Chair. 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. Since November 2016, Dr. Yang has co-founded 4Paradigm Inc. (第四範式集團股份有限公司), a company listed on the Stock Exchange (stock code: 6682) and served as its Director. He served as an independent non-executive Director of WeBank Co., Ltd. (深圳前海微眾銀行股份有限公司) 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, followed by 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.

Directors and Senior Management

Dr. Xie Deren (謝德仁), aged 54, is our independent non-executive Director. He joined our group in December 2025 and was appointed as an independent non-executive Director on 28 June 2025. He is primarily responsible for providing independent advice to our Board.

Dr. Xie successively served as lecturer and associate professor at the School of Economics and Management, Tsinghua University (清華大學經濟管理學院), and has been a professor since December 2005.

Dr. 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 served as 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. Dr. Xie has been a member of the Auditing Standards Committee of the Chinese Institute of Certified Public Accountants since December 2023, and has been a member of the First Panel of Corporate Financial Advisory Experts (企業財務諮詢專家) of the Ministry of Finance since September 2025.

Dr. Xie served 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 Alnnovation 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; Director of China Electronics Engineering Design Institute Co., Ltd. (中國電子工程設計院股份有限公司).

Dr. 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 joined our group in December 2025 and was appointed as an independent non-executive Director on 28 June 2025. 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).

Directors and Senior Management

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), and served as its executive Director. The company 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. Mr. Tang held various positions at Zhewen Interactive Group Co., Ltd., serving as vice general manager since June 2016, general manager from December 2016 to July 2017, Director in July 2017, vice chairman from December 2018 to November 2020, and chairman and chief executive officer from November 2020 to June 2025. He then served as Director at the company from June 2025 to February 2026. Since March 2025, Mr. Tang has served as Director of Juewei Food Co., Ltd. (絕味食品股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603517), and since March 6, 2026, he has also served as Director of Doushen Education Technology (Beijing) Co., Ltd. (豆神教育科技(北京)股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300010).

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.

Senior Management and Biographies

Dr. Zhang Peng (張鵬), aged 46, is our co-founder, executive Director, chief executive officer and general manager. See the section headed “Board Members and Biographies” 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. From March 2018 to June 2019, he worked at Tsinghua University.

Mr. Wang obtained a master's degree in power electronics and electrical drive from Anhui University of Technology (安徽工業大學) in the PRC in June 1999.

Directors and Senior Management

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 and deputy general manager of the investment banking department 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 Alnnovation 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.

Other Personnel and Biographies

Dr. Tang Jie (唐傑), aged 49, is our founder and Chief Scientist (Chief AI Officer). He is primarily responsible for overseeing the company's overall technology strategy and cutting-edge research directions, driving innovation in core models and products, and strengthening the AI safety and alignment system. He also builds a world-class research and development team and is committed to establishing the company's global leadership in the field of AGI.

Dr. Tang has long been a faculty member at Tsinghua University. He previously served as the Deputy Head of the Department of Computer Science at Tsinghua University and currently holds the positions of WeBank Chair Professor in the Department of Computer Science and Director of the Fundamental Model Research Center at the Institute for Artificial Intelligence at Tsinghua University. Dr. Tang has long been engaged in research in fields such as artificial intelligence, knowledge graphs, data mining, social networks, and machine learning. He has authored over 300 academic papers and has received numerous awards, including the Second Prize of the National Prize for Progress in Science and Technology, the First Prize of the Beijing Municipal Prize for Progress in Science and Technology, the First Prize of the Beijing Municipal Patent Award for Invention, the First Prize of the Chinese Association for Artificial Intelligence (CAAI) Prize for Progress in Science and Technology, and the ACM SIGKDD Test-of-Time Award. Furthermore, Dr. Tang serves as Editor-in-Chief for international journals such as IEEE Transactions on Big Data and AI OPEN, and has held positions as Program Committee Chair or Conference Chair for several international academic conferences.

Dr. Tang earned his Master's degree in Computer Science and Technology from Yanshan University in 2002, and received his Doctor of Engineering degree in Computer Science and Technology from Tsinghua University in 2006.

Directors and Senior Management

Company Secretary and Biographies

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 corporate services provider, and has over 12 years of experience in corporate secretarial field. He is a fellow 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.

Changes in Information to be Disclosed under Rule 13.51B(1) of the Listing Rules

Save as disclosed in this annual report, there are no changes in the information of Directors and senior management above to be disclosed under Rule 13.51B(1) of the Listing Rules.

Independent Auditor's Report

**Independent auditor's report to the shareholders of
Knowledge Atlas Technology Joint Stock Company Limited**
(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Knowledge Atlas Technology Joint Stock Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 76 to 148, which comprise the consolidated statement of financial position as at 31 December 2025, 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 year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Independent Auditor's Report

Key audit matters (continued)

Revenue recognition

Refer to Note 4 to the consolidated financial statements and the accounting policies in Note 2(w).

The Key Audit Matter	How the matter was addressed in our audit
The Group is primarily engaged in the provision of large model-related services, which offers on-premise deployment and cloud-based deployment. During the year ended 31 December 2025, the Group's revenues from on-premise deployment and cloud-based deployment were RMB533,955,000 and RMB190,379,000, respectively. The revenue recognised at a point in time primarily came from the on-premise deployment, when the large model and related services are delivered to the customer's designated location and accepted by the customer. We identified recognition of revenue from the on-premise deployment as a key audit matter because revenue is a key performance indicator of the Group and there is an inherent risk that revenue may be manipulated to meet financial expectations or targets.	Our audit procedures to assess revenue recognition from provision of on-premise deployment of large model related services included the following: - obtaining an understanding of and assessing the design and implementation of management's key internal controls in relation to revenue recognition; - inspecting sales contracts with customers, on a sample basis, to understand the key terms agreed with customers and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; - comparing, on a sample basis, sales transactions recorded during the financial reporting period with the corresponding underlying documents, such as sales contracts and customers' acceptance reports, and assessing if the related revenue was properly recognised in accordance with the trade terms set out in the respective sales contracts; - assessing, on a sample basis, whether sales transactions recorded before and after the end of the financial reporting period had been recognised in the appropriate financial period by inspecting sales contracts, customers' acceptance reports, and other relevant underlying documents; and - inspecting journal entries related to sales transactions recognised during the financial reporting period which met specific risk-based criteria, enquiring of management about the nature for such journal entries and comparing the details of the journal entries with relevant underlying documents.

Independent Auditor's Report

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wan Chi Yau, Charles (practising certificate number: P05058).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	724,334	312,414
Cost of revenue		(427,678)	(136,525)
Gross profit	4(b)	296,656	175,889
Other income	5	14,839	19,281
Selling and marketing expenses		(390,869)	(387,475)
General and administration expenses		(505,357)	(133,603)
Research and development expenses		(3,180,443)	(2,195,436)
Impairment losses on financial assets	31(a)	(21,576)	(17,008)
Loss from operations		(3,786,750)	(2,538,352)
Finance costs	6(a)	(74,315)	(38,321)
Share of profits less losses of associates	15	54,982	21,254
Changes in fair value of financial instruments measured at fair value through profit or loss ("FVPL")		25,278	66,271
Changes in the carrying amounts of financial instruments issued to investors	26	(937,362)	(468,859)
Loss before taxation	6	(4,718,167)	(2,958,007)
Income tax	7	—	—
Loss for the year		(4,718,167)	(2,958,007)

The notes on page 84 to 148 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025
(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Other comprehensive income for the year (after tax):			
Items that may be reclassified to profit or loss:			
– Exchange differences on translation of financial statements into presentation currency		278	(79)
Total comprehensive income for the year		(4,717,889)	(2,958,086)
Loss attributable to:			
Equity shareholders of the Company		(4,698,203)	(2,956,491)
Non-controlling interests		(19,964)	(1,516)
		(4,718,167)	(2,958,007)
Total comprehensive income attributable to:			
Equity shareholders of the Company		(4,697,925)	(2,956,570)
Non-controlling interests		(19,964)	(1,516)
		(4,717,889)	(2,958,086)
Loss per share			
Basic and diluted (RMB)	10	(12.03)	(8.72)

The notes on page 84 to 148 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2025

(Expressed in RMB)

		31 December 2025 RMB'000	31 December 2024 RMB'000
	Note		
Non-current assets			
Property and equipment	11	655,825	866,363
Intangible assets	12	50,963	50,359
Goodwill	13	39,379	39,379
Interests in associates	15	338,081	201,198
Other non-current assets	17	198,202	97,260
Time deposits	21(b)	–	105,343
		1,282,450	1,359,902
Current assets			
Short-term investments measured at FVPL	16	377,287	42,621
Inventories and contract costs	18	125,817	32,465
Trade and other receivables	19	698,942	666,841
Contract assets	20	1,625	4,718
Time deposits	21(b)	108,593	–
Cash at bank and on hand	21(a)	2,259,147	2,269,222
		3,571,411	3,015,867
Current liabilities			
Trade and other payables	22	1,328,631	603,488
Contract liabilities	23	148,644	75,059
Bank loans	24	604,836	137,246
Lease liabilities	25	251,316	213,161
Financial instruments issued to investors	26	10,072,827	6,676,943
Convertible bonds	27	–	132,158
		12,406,254	7,838,055
Net current liabilities		(8,834,843)	(4,822,188)
Total assets less current liabilities		(7,552,393)	(3,462,286)

The notes on page 84 to 148 form part of these financial statements.

Consolidated Statement of Financial Position

At 31 December 2025

(Expressed in RMB)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities			
Bank loans	24	84,616	–
Lease liabilities	25	293,827	458,107
Deferred income		180,146	34,752
		558,589	492,859
NET LIABILITIES		(8,110,982)	(3,955,145)
CAPITAL AND RESERVES	30		
Share capital/paid-in capital		40,281	36,224
Reserves		(8,132,783)	(3,992,853)
Total equity – deficit attributable to equity shareholders of the Company		(8,092,502)	(3,956,629)
Non-controlling interests		(18,480)	1,484
TOTAL EQUITY – DEFICIT		(8,110,982)	(3,955,145)

Approved and authorised for issue by the board of directors on 31 March 2026.

Liu Debing
Executive Director

Zhang Peng
Executive Director

The notes on page 84 to 148 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Expressed in RMB)

Attributable to equity shareholders of the Company									
	Share capital/ paid-in capital	Capital reserve	Other reserve	Share-based payments reserve	Exchange reserve	Accumulated losses	Total	Non- controlling interests	Total equity-deficit
Note	RMB'000 (Note 30(b))	RMB'000 (Note 30(c))	RMB'000 (Note 30(d))	RMB'000 (Note 30(e))	RMB'000 (Note 30(f))	RMB'000	RMB'000	RMB'000	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 year ended 31 December 2025:									
Loss for the year	-	-	-	-	-	(4,698,203)	(4,698,203)	(19,964)	(4,718,167)
Other comprehensive income for the year	-	-	-	-	278	-	278	-	278
Total comprehensive income for the year	-	-	-	-	278	(4,698,203)	(4,697,925)	(19,964)	(4,717,889)
Capital contributions from equity shareholders	30(b)(ii) 4,057	-	(4,057)	-	-	-	-	-	-
Conversion into a joint stock limited liability company	30(b)(i) -	(4,243,292)	-	-	-	4,243,292	-	-	-
Equity settled share-based transactions	29 -	-	-	562,052	-	-	562,052	-	562,052
	4,057	(4,243,292)	(4,057)	562,052	-	4,243,292	562,052	-	562,052
Balance at 31 December 2025	40,281	(4,190,865)	(125,333)	592,457	199	(4,409,241)	(8,092,502)	(18,480)	(8,110,982)

The notes on page 84 to 148 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

(Expressed in RMB)

Attributable to equity shareholders of the Company										
		Paid-in	Capital	Other	Share-based	Exchange	Accumulated		Non-	Total
		capital	reserve	reserve	payments	reserve	losses	Total	controlling	equity-deficit
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	interests	RMB'000
	(Note 30(b))	(Note 30(c))	(Note 30(d))	(Note 30(e))	(Note 30(f))					
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)(i)		5,764	–	(46,809)	–	–	–	(41,045)	–	(41,045)
Increase in paid-in capital through transfer from capital reserve										
30(b)(i)		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 notes on page 84 to 148 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Loss before taxation		(4,718,167)	(2,958,007)
Adjustments for:			
Depreciation on property and equipment	6(c)	270,068	270,252
Amortisation of intangible assets	6(c)	10,993	9,685
Net loss/(gain) on disposal of property and equipment and intangible assets	5	265	(6,807)
Equity settled share-based transactions	6(b)	558,265	23,579
Changes in fair value of financial instruments measured at FVPL		(25,278)	(66,271)
Changes in the carrying amounts of financial instruments issued to investors	26	937,362	468,859
Interest income from time deposits		(3,250)	(3,250)
Finance costs	6(a)	74,315	38,321
Share of profits less losses of associates	15	(54,982)	(21,254)
Changes in working capital:			
Increase in inventories and contract costs		(87,985)	(3,683)
Increase in trade and other receivables		(164,189)	(415,011)
Increase in contract assets		(2,777)	(2,471)
Increase in restricted cash		(3,169)	(842)
Increase in trade and other payables		743,427	415,973
Increase in contract liabilities		73,585	997
Increase in deferred income		145,394	5,011
Cash used in operations		(2,246,123)	(2,244,919)
Income tax paid		–	–
Net cash used in operating activities		(2,246,123)	(2,244,919)
Investing activities			
Payments for the purchases of property and equipment		(11,491)	(125,958)
Payments for the purchases of intangible assets		(11,597)	(6,802)
Proceeds from disposal of property and equipment and intangible assets		47	114,603
Payments for the purchases of wealth management product		(5,763,000)	(100,000)
Proceeds from disposal of wealth management products		5,450,564	200,534
Payments for the purchases of investments in equity securities measured at FVPL		–	(118,747)
Proceeds from disposal of investments in equity securities measured at FVPL		42,530	160,811
Payments for capital injections of associates	15	(83,000)	(170,000)
Payment for the acquisition of a subsidiary, net of cash acquired		–	(3,000)
Net cash used in investing activities		(375,947)	(48,559)

The notes on page 84 to 148 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Financing activities			
Proceeds from the issuance of financial instruments to investors	21(c)	1,625,000	3,019,587
Payments of transaction costs for the issuance of financial instruments to investors	21(c)	(46,228)	(8,406)
Proceeds from the issuance of convertible bonds	21(c)	700,000	130,000
Proceeds from bank loans	21(c)	689,059	137,166
Repayments of bank loans	21(c)	(137,166)	–
Capital element of lease rentals paid	21(c)	(177,774)	(147,387)
Interest element of lease rentals paid	21(c)	(32,795)	(30,931)
Capital contribution from non-controlling interests		–	3,000
Proceeds from financing of property and equipment		–	210,680
Payments of interests on bank loans	21(c)	(4,428)	(1,636)
Payments of expenses in connection with the listing of the Company's shares		(1,538)	–
Net cash generated from financing activities		2,614,130	3,312,073
Net (decrease)/increase in cash and cash equivalents		(7,940)	1,018,595
Cash and cash equivalents at the beginning of the year	21(a)	2,268,164	1,249,175
Effect of foreign exchange rate changes		(5,304)	394
Cash and cash equivalents at the end of the year	21(a)	2,254,920	2,268,164

The notes on page 84 to 148 form part of these financial statements.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

1 Corporate Information

Knowledge Atlas Technology Joint Stock Company Limited (the “Company”, formerly known as *Beijing Knowledge Atlas Technology Company Limited*) was established in the People’s Republic of China (the “PRC”) on 11 June 2019 as a limited liability company. On 26 March 2025, the Company was converted from a limited liability company into a joint stock limited liability company and changed its registered name to Knowledge Atlas Technology Joint Stock Company Limited. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 January 2026.

The Company and its subsidiaries (together, the “Group”) are principally engaged in the provision of large model-related services in the PRC.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group’s interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for investments and convertible bonds which are measured at their fair values as explained in Note 2(g) and Note 2(s) respectively.

The preparation of the financial statements 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(b) Basis of preparation of the financial statements (continued)

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 financial statements and major sources of estimation uncertainty are discussed in Note 3.

For the year ended 31 December 2025, the Group incurred net loss of RMB4,718,167,000 and as at 31 December 2025, the Group recorded net liabilities of RMB8,110,982,000 and net current liabilities of RMB8,834,843,000, which included financial instruments issued to investors amounted to RMB10,072,827,000. The financial instruments issued to investors have been converted into equity upon the listing of the Company's shares on the Stock Exchange on 8 January 2026. Taking the above into consideration, together with the gross proceeds from the listing of the Company's shares on the Stock Exchange of approximately Hong Kong dollars ("HK\$") 5,000,365,000 (equivalent to approximately RMB4,516,430,000), the cashflow forecast for the year ending 31 December 2026 prepared by management of the Group, and available unutilised banking facilities of RMB5,235,909,000 as at 31 December 2025 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 financial statements on a going concern basis.

(c) Changes in accounting policies

The IASB has issued a number of new and revised IFRS Accounting Standards, none of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) 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 consolidated financial statements 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(d) Subsidiaries and non-controlling interests (continued)

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 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 consolidated statement 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(k)(ii)), unless it is classified as held for sale.

(e) 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 consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income (“OCI”) of those investees, until the date on which significant influence 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(k)(i)).

Unrealised gains arising from transactions with equity-accounted investee 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(f) Goodwill

Goodwill arising on acquisition of business is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(k)(ii)).

(g) Other investments 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(e). 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 (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(w)(ii)(a)).

(h) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(h) Property and equipment (continued)

The estimated useful lives for the current and comparative periods 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.

(i) 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 (see Note 2(k)(ii)).

Other intangible assets, including patent and domain name, 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(k)(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, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|--------------------------|--------------|
| – Patent and domain name | 5 to 8 years |
| – Software | 1 to 8 years |

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(j) 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(j) Leased assets (continued)

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(k)(iii)). 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(k) 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(m)).

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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

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.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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.

Credit impaired financial assets

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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(k) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments and contract assets (continued)

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). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(l) 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) Other contract costs

Other 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(l)(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(w)(i)).

(m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(w)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(k)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(w)(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(n)).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(n) 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(k)(i)).

(o) 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(k)(i)).

(p) 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.

(q) 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.

(r) 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(s) 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”.

(t) 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 share capital/paid-in capital) or the equity award expires (when it is released directly to retained profits/accumulated losses).

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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(u) 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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(v) 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(k)(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.

(w) 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(w) Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

(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, mainly including subscription-based service, usage-based service and other related services such as model training and fine-tuning, is provided through cloud infrastructure.

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. Revenue from other services is recognised upon the transfer of control, either over time or at a point in time, depending on the nature of the arrangements.

(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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(w) Revenue and other income (continued)

(ii) Revenue from other sources and other income (continued)

(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.

Government grants that compensate the Group for the cost of an asset recognised in the statement of financial position as deferred income and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(x) 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.

(y) 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

2 Material accounting policies (continued)

(y) Related parties (continued)

- (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.

(z) Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements, 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

3 Accounting judgements and estimates

Notes 13, 27, 29 and 31(e) 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(k)(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:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service types:		
– On-premise deployment	533,955	263,930
– Cloud-based deployment	190,379	48,484
	724,334	312,414

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Revenue and segment reporting (continued)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
At a point in time	667,977	250,521
Over time	56,357	61,893
	724,334	312,414

The Group's customers base is diversified. There is no individual customer contributing over 10% of the total revenue of the Group for the year ended 31 December 2025 (one customer in 2024 amounted to approximately RMB59,465,000).

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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Revenue and segment reporting (continued)

(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 most senior executive management 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 year. 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(i) Segment results (continued)

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 year is set out below.

	On-premise deployment RMB'000	2025 Cloud-based deployment RMB'000	Total RMB'000
Segment revenue derived from external customers	533,955	190,379	724,334
Segment gross profit	260,656	36,000	296,656

	On-premise deployment RMB'000	2024 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

(ii) Reconciliation of reportable segment profit or loss

	2025 RMB'000	2024 RMB'000
Reportable segment gross profit	296,656	175,889
Other income	14,839	19,281
Selling and marketing expenses	(390,869)	(387,475)
General and administration expenses	(505,357)	(133,603)
Research and development expenses	(3,180,443)	(2,195,436)
Impairment losses on financial assets	(21,576)	(17,008)
Finance costs	(74,315)	(38,321)
Share of profits less losses of associates	54,982	21,254
Changes in fair value of financial instruments measured at FVPL	25,278	66,271
Changes in the carrying amounts of financial instruments issued to investors	(937,362)	(468,859)
Consolidated loss before taxation	(4,718,167)	(2,958,007)

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

4 Revenue and segment reporting (continued)

(b) Segment reporting (continued)

(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

	2025 RMB'000	2024 RMB'000
Interest income	14,830	13,406
Net (loss)/gain on disposal of property and equipment and intangible assets	(265)	6,807
Others	274	(932)
	14,839	19,281

6 Loss before taxation

(a) Finance costs

	2025 RMB'000	2024 RMB'000
Interest expenses on lease liabilities (Note 11(b))	32,795	30,931
Interest expenses on bank loans	4,741	1,716
Transaction costs on issuance of financial instruments to investors	31,277	20,119
Foreign currency exchange loss/(gain), net	5,502	(14,445)
	74,315	38,321

(b) Staff costs

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	755,299	512,176
Contributions to defined contribution retirement benefit schemes (i)	49,864	37,466
Equity-settled share-based compensation expenses (excluding expenses of RMB3,787,000 (2024: nil) capitalised as inventories) (Note 29)	558,265	23,579
	1,363,428	573,221

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

6 Loss before taxation (continued)

(b) Staff costs (continued)

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 year. 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	2025 RMB'000	2024 RMB'000
Depreciation on property and equipment (excluding expense of RMB1,580,000 (2024: nil) capitalised as inventories and net of government grants recognised as income of RMB1,718,000 (2024: nil))	11(a)	270,068	270,252
Amortisation of intangible assets	12	10,993	9,685
Provision for warranty		9,310	12,171
Auditor's remuneration			
– audit services		2,323	–
– other services		306	–
Listing expenses		40,568	–

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

7 Income tax in the consolidated statement of profit or loss and other comprehensive income

Reconciliation between income tax expense and accounting loss at applicable tax rates:

	2025 RMB'000	2024 RMB'000
Loss before taxation	(4,718,167)	(2,958,007)
Tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (i)	(1,179,542)	(739,502)
Tax rates differentials (ii)	445,934	290,253
Tax effect of additional deduction on research and development expenses (iii)	(139,429)	(305,408)
Tax effect of non-deductible expenses (iv)	246,469	83,782
Tax effect of unrecognised unused tax losses and deductible temporary differences	626,568	670,875
	—	—

Notes:

- (i) Entities of the Group established in the Chinese Mainland were subject to the PRC Corporate Income Tax rate of 25% during the year (2024: 25%).

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 years ended 31 December 2025 and 2024.
- (iii) 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 during the years ended 31 December 2025 and 2024.
- (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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

8 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025						Total RMB'000
	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))	
Executive directors							
Dr. Liu Debing	-	1,135	256	68	1,459	155,684	157,143
Dr. Zhang Peng	-	2,309	555	68	2,932	65,497	68,429
Ms. Zhang Xiaohan (appointed on 26 March 2025)	-	731	185	58	974	1,631	2,605
Mr. Wang Shaolan (resigned on 26 March 2025)	-	177	370	17	564	2,724	3,288
Non-executive director							
Dr. Li Juanzi (resigned on 26 March 2025 and reappointed on 28 June 2025)	-	-	-	-	-	-	-
Dr. Tang Jie (resigned on 28 June 2025)	-	-	-	-	-	-	-
Mr. Li Jiaqing	-	-	-	-	-	-	-
Mr. Xiang Xiaobo (resigned on 26 March 2025)	-	-	-	-	-	-	-
Mr. Zhang Haifeng (resigned on 26 March 2025)	-	-	-	-	-	-	-
Mr. Wang Meng	-	-	-	-	-	-	-
Independent non-executive directors							
Dr. Yang Qiang (appointed on 30 December 2025)	-	-	-	-	-	-	-
Dr. Xie Deren (appointed on 30 December 2025)	-	-	-	-	-	-	-
Mr. Tang Ying (appointed on 30 December 2025)	-	-	-	-	-	-	-
Supervisors (Note (ii))							
Mr. Pei Bo (appointed on 26 March 2025 and resigned on 30 December 2025)	-	186	37	24	247	-	247
Mr. Yan Xingyu (resigned on 26 March 2025)	-	189	55	17	261	50	311
	-	4,727	1,458	252	6,437	225,586	232,023

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

8 Directors' emoluments (continued)

	2024						Total RMB'000
	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))	
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

Notes:

- (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 as set out in Note 2(t)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and equity awards granted, are disclosed in Note 29.

- (ii) Upon the listing of the Company's shares on the Stock Exchange on 8 January 2026, the Company has cancelled its Board of Supervisors.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

9 Individuals with highest emoluments

The five individuals whose emoluments were the highest in the Group during the year include two directors (2024: nil) whose emoluments were disclosed in Note 8. The emoluments of the remaining three (2024: five) individuals during the year are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	8,461	12,958
Discretionary bonuses	3,082	9,236
Contributions to defined contribution retirement plans	85	159
Equity-settled share-based compensation expenses	61,590	8,414
	73,218	30,767

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:

	2025 Number of individuals	2024 Number of individuals
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\$20,000,001 – HK\$25,000,000	1	–
HK\$25,000,001 – HK\$30,000,000	2	–

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

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 year.

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 2024, at the exchange ratio established in the conversion in March 2025.

In addition, the weighted average number of shares throughout the periods presented has also been adjusted retrospectively for the impact of a share subdivision that became effective immediately prior to the completion of the listing of the Company's shares on January 8, 2026.

	2025	2024
Loss for the year attributable to ordinary equity shareholders of the Company (RMB'000) (Note 10(a))	(1,918,476)	(1,394,042)
Weighted average number of ordinary shares deemed to be in issue (Note 10(b))	159,522,220	159,875,230
Basic loss per share (RMB)	(12.03)	(8.72)

(a) Loss for the year attributable to ordinary equity shareholders of the Company

	2025 RMB'000	2024 RMB'000
Loss for the year attributable to all equity shareholders of the Company	(4,698,203)	(2,956,491)
Allocation of loss for the year attributable to financial instruments issued to investors	2,779,727	1,562,449
Loss for the year attributable to ordinary equity shareholders of the Company	(1,918,476)	(1,394,042)

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

10 Loss per share (continued)

(b) Weighted average number of ordinary shares in issue/deemed to be in issue

	2025	2024
Ordinary shares deemed to be in issue at 1 January	36,224,375	28,477,938
Effect of ordinary shares deemed to be in issue (Note 30(b))	2,841,407	2,112,110
Effect of increase in paid-in capital through transfer from capital reserve (Note 30)	–	1,982,905
Effect of the financial instruments issued to investors (Note 26)	(23,113,560)	(16,585,430)
Effect of share subdivision (Note 30(b))	143,569,998	143,887,707
Weighted average number of ordinary shares in issue/deemed to be in issue at 31 December	159,522,220	159,875,230

(c) Diluted loss per share

The 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 2025 and 2024 are the same as basic loss per share.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

11 Property and equipment

(a) Reconciliation of carrying amounts

	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Right-of-use assets RMB'000 (Note 11(b))	Total RMB'000
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	7,463	4,028	51,649	63,140
Disposals	(1,032)	–	–	(1,032)
At 31 December 2025	301,513	23,996	888,843	1,214,352
Accumulated depreciation:				
At 1 January 2025	66,952	5,560	213,369	285,881
Charge for the year	61,509	5,310	206,547	273,366
Written back on disposals	(720)	–	–	(720)
At 31 December 2025	127,741	10,870	419,916	558,527
Carrying amount:				
At 31 December 2025	173,772	13,126	468,927	655,825

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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

11 Property and equipment (continued)

(b) Right-of-use assets

The analysis of the carrying amounts of right-of-use assets by class of underlying assets are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Assets leased for own use, carried at depreciated cost:		
– Office premises	145,131	140,088
– Electronic equipment	323,796	483,737
	468,927	623,825

The analysis of expense items in relation to leases recognised in the Group's consolidated statement of profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation on right-of-use assets has been charged to the consolidated statement of profit or loss as follows:		
– Office premises	46,607	42,808
– Electronic equipment	159,940	133,444
Depreciation charge of right-of-use assets (Note 11(a))	206,547	176,252
Interest expenses on lease liabilities (Note 6(a))	32,795	30,931
Expenses relating to short-term leases	11,435	9,070

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 analysis of lease liabilities are set out in Note 21(d) and Note 25, respectively.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

12 Intangible assets

	Patent and domain name RMB'000	Software RMB'000	Total RMB'000
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	10,050	1,547	11,597
At 31 December 2025	74,035	8,728	82,763
Accumulated amortisation:			
At 1 January 2025	19,574	1,233	20,807
Charge for the year	9,304	1,689	10,993
At 31 December 2025	28,878	2,922	31,800
Carrying amount:			
At 31 December 2025	45,157	5,806	50,963

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

13 Goodwill

	2025 RMB'000	2024 RMB'000
As at 1 January and 31 December	39,379	39,379

Goodwill arose from the Group's acquisition of Beijing Lingxin Intelligent Technology Co., Ltd. ("Beijing Lingxin Intelligent") in 2023. 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. The calculation uses 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 amount are as follows:

	31 December 2025	31 December 2024
Annual revenue growth rate (i)	8% – 36%	8% – 35%
Annual gross profit margin (i)	56% – 58%	54% – 58%
Growth rate beyond the forecast period (ii)	2%	2%
Pre-tax discount rate (iii)	18%	18%

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.

Based on the impairment testing carried out by the management of the Group, the recoverable amount of CGUs comprising was higher than its carrying amounts. The management of the Group have undertaken sensitivity analysis on the impairment test of goodwill and identified a reasonably also possible change in key parameters would not cause the carrying amount of the CGU to exceed its recoverable amount.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

14 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of company	Place and date of establishment	Particulars of registered and paid-up capital	Effective percentage of equity interests as at 31 December 2025 and 2024			Principal activities
			Held by the Group	Held by the Company	Held by a subsidiary	
Beijing Lingxin Intelligent (北京聆心智能科技有限公司) (i)	The PRC 19 November 2021	RMB5,052,631	100%	100%	–	Provision of large model-related services
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
Tianjin Knowledge Atlas Technology Co., Ltd. (天津智譜華章科技有限公司) (i)	The PRC 25 October 2024	Registered capital of RMB950,000,000 and paid-up capital of RMB250,000,000	100%	100%	–	Provision of large model-related services

Note:

- (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.

The Group does not have any subsidiary with material NCI during the year.

15 Interests in associates

	31 December 2025 RMB'000	31 December 2024 RMB'000
At the beginning of the year	201,198	13,047
Additions	83,000	170,000
Share of profits less losses of associates	54,982	21,254
Elimination of unrealised gains arising from downstream transactions with an associate	(1,099)	–
Disposal of an associate	–	(3,103)
At the end of the year	338,081	201,198

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

15 Interests in associates (continued)

The following list contains the particulars of the Group's material associates, all of which are unlisted entities:

Name of associate	Place of establishment	Particulars of registered and paid-up capital	The Group's effective interest		Principal activity
			31 December 2025	31 December 2024	
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	Registered capital of RMB136,842,105 and paid-up capital of RMB130,000,000	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	Registered capital of RMB934,350,000 and paid-up capital of RMB714,045,000	21.41%	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	Registered capital of RMB500,000,000 and paid-up capital of RMB120,000,000	25.00%	25.00%	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:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Gross amounts of Beijing Xinglian:		
Current assets	1,302,940	455,239
Current liabilities	(230)	(160)
Equity	1,302,710	455,079
The Group's effective interest	21.41%	35.68%
Carrying amount in the consolidated statements of financial position	278,849	162,352

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

15 Interests in associates (continued)

	2025 RMB'000	2024 RMB'000
Revenue	328,712	68,094
Net profit	305,708	62,653

Aggregate information of associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	59,232	38,846
Aggregate amounts of the Group's share of those associates' net loss	(2,615)	(1,098)

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 FVPL

	31 December 2025 RMB'000	31 December 2024 RMB'000
Investments in equity securities (i)	56,643	42,621
Wealth management products (ii)	320,644	–
	377,287	42,621

Notes:

- (i) 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 1.00% 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(e).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

17 Other non-current assets

	31 December 2025 RMB'000	31 December 2024 RMB'000
Input VAT deductible	260,458	148,708
Prepayments for computing service fee and others	209,178	166,893
Contract assets	15,254	12,477
	484,890	328,078
Less: current portion		
– Input VAT deductible (Note 19)	168,768	98,729
– Prepayments for computing service fee and others (Note 19)	116,295	127,371
– Contract assets (Note 20)	1,625	4,718
	286,688	230,818
	198,202	97,260

The prepayments for computing service fee 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.

18 Inventories and contract costs

	31 December 2025 RMB'000	31 December 2024 RMB'000
Purchased hardware and components	74,061	1,218
Contract fulfilment costs	53,356	32,979
	127,417	34,197
Less: write-down of inventories	(1,600)	(1,732)
	125,817	32,465

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

19 Trade and other receivables

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade receivables	339,198	100,170
Less: loss allowance (Note 31(a))	(35,990)	(9,035)
	303,208	91,135
Deposits	70,538	67,912
Receivables from disposal of investments in equity securities measured at FVPL (i)	7,098	45,216
Other receivables	52,029	263,805
	129,665	376,933
Less: loss allowance (Note 31(a))	(18,994)	(27,327)
	110,671	349,606
Financial assets measured at amortised cost	413,879	440,741
Input VAT deductible (Note 17)	168,768	98,729
Prepayments for computing service fee and others (Note 17)	116,295	127,371
	285,063	226,100
	698,942	666,841

Note:

- (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.

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

Notes to the Financial Statements

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19 Trade and other receivables (continued)

At the end of the reporting period, the ageing analysis of trade receivable (net of loss allowance), based on the invoice date, is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 3 months	243,484	74,191
3 months to 6 months	19,831	13,804
6 months to 1 year	31,406	1,444
1 year to 2 years	8,415	1,302
2 years to 3 years	72	394
	303,208	91,135

Further details on the Group's credit policy and credit risk are set out in Note 31(a).

20 Contract assets

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contract assets arising from performance under on-premise deployment contracts	16,077	12,943
Less: loss allowance (Note 31(a))	(823)	(466)
	15,254	12,477
Represented by:		
– current portion (Note 17)	1,625	4,718
– non-current portion	13,629	7,759
	15,254	12,477

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.

Notes to the Financial Statements

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21 Cash at bank and on hand and other cash flow information

(a) Cash at bank and on hand:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Cash at bank and on hand in the consolidated statements of financial position	2,259,147	2,269,222
Less: restricted deposits (Note)	(4,227)	(1,058)
Cash and cash equivalents in the consolidated statement of cash flows	2,254,920	2,268,164

Note:

As at 31 December 2025 and 2024, restricted deposits 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.

(b) Time deposits

	31 December 2025 RMB'000	31 December 2024 RMB'000
Time deposits	108,593	105,343
Represented by:		
– current portion	108,593	–
– non-current portion	–	105,343
	108,593	105,343

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% per annum (2024: 3.00% to 3.70% per annum).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

21 Cash at bank and on hand and other cash flow information (continued)

(c) Reconciliations of liabilities arising from financing activities

The table below details 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 statement 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 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	27	–	–	–	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	–	–	–	–
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	27	–	–	–	2,158	–	2,158
Total other changes	1,716	477,492	120,328	(77,631)	2,158	578,704	1,102,767
As at 31 December 2024	137,246	6,676,943	–	14,951	132,158	671,268	7,632,566

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(Expressed in RMB unless otherwise indicated)

21 Cash at bank and on hand and other cash flow information (continued)

(c) Reconciliations of liabilities arising from financing activities (continued)

		Financial instruments issued to investors	Other payables	Convertible bonds	Lease liabilities	Total
	Note	Bank loans RMB'000 (Note 24)	RMB'000 (Note 26)	RMB'000 (Note 22)	RMB'000 (Note 27)	RMB'000 (Note 25)
At 31 December 2024 and						
1 January 2025		137,246	6,676,943	14,951	132,158	671,268
Changes from financing cash flows:						
Proceeds from the issuance of financial instruments to investors		–	1,625,000	–	–	–
Payments of transaction costs for the issuance of financial instruments to investors		–	–	(46,228)	–	–
Proceeds from the issuance of convertible bonds	27	–	–	–	700,000	–
Proceeds from bank loans		689,059	–	–	–	–
Repayment for bank loans		(137,166)	–	–	–	–
Capital element of lease rentals paid		–	–	–	–	(177,774)
Interest element of lease rentals paid		–	–	–	–	(32,795)
Interest paid		(4,428)	–	–	–	–
Total changes from financing cash flows		547,465	1,625,000	(46,228)	700,000	(210,569)
Other changes:						
Net increase in lease liabilities		–	–	–	–	51,649
Finance costs	6(a)	4,741	–	31,277	–	32,795
Changes in the carrying amounts of financial instruments issued to investors	26	–	937,362	–	–	–
Convertible bonds converted into financial instruments issued to investors	27	–	833,522	–	(833,522)	–
Changes in fair value of convertible bonds	27	–	–	–	1,364	–
Total other changes		4,741	1,770,884	31,277	(832,158)	84,444
As at 31 December 2025		689,452	10,072,827	–	–	545,143
						11,307,422

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

21 Cash at bank and on hand and other cash flow information (continued)

(d) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for lease rentals paid are as follows:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	11,435	9,070
Within financing cash flows	210,569	178,318
	222,004	187,388

22 Trade and other payables

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade payables due to third parties	297,139	58,293
Payables for computing service fees	727,348	269,467
Payables for marketing and promotion services	42,812	89,052
Payables of staff costs	146,507	104,229
Other payables and accruals	54,437	43,767
Financial liabilities measured at amortised cost	1,268,243	564,808
Other taxes payables	39,774	22,304
Provisions for warranties	20,614	16,376
	1,328,631	603,488

As at the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 3 months	229,890	57,676
3 months to 6 months	46,448	57
6 months to 1 year	19,506	257
More than 1 year	1,295	303
	297,139	58,293

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

23 Contract liabilities

	31 December 2025 RMB'000	31 December 2024 RMB'000
Receipts in advance from customers	148,644	75,059

Movements in contract liabilities during the year are set out below:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	75,059	74,062
Increase in contract liabilities as a result of receipts in advance	118,198	46,930
Decrease in contract liabilities as a result of recognising revenue during the year	(44,613)	(45,933)
Balance at 31 December	148,644	75,059

The contract liabilities are expected to be recognised as revenue within one year.

24 Bank loans

(a) The Group's short-term bank loans comprise:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Short-term bank loans:		
– unsecured and unguaranteed	526,855	137,246
Add: current portion of long-term bank loans (Note 24(b))	77,981	–
	604,836	137,246

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

24 Bank loans (continued)

(b) The Group's long-term bank loans comprise:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Long-term bank loans:		
– unsecured and unguaranteed	162,597	–
Less: current portion of long-term bank loans (Note 24(a))	(77,981)	–
	84,616	–

(c) The analysis of the repayment schedules of long-term bank loans is as follow:

	31 December 2025 RMB'000	31 December 2024 RMB'000
After 1 year but within 2 years	9,402	–
After 2 years but within 5 years	75,214	–
	84,616	–

25 Lease liabilities

At the end of the reporting period, the lease liabilities are repayable as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Within 1 year	251,316	213,161
After 1 year but within 2 years	159,470	205,437
After 2 years but within 5 years	134,357	252,670
	293,827	458,107
	545,143	671,268

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

26 Financial instruments issued to investors

The movements of the financial instruments issued to investors during the year are set out below:

	2025 RMB'000	2024 RMB'000
At 1 January	6,676,943	3,179,864
Additions	2,458,522	3,028,220
Changes in the carrying amounts of financial instruments issued to investors	937,362	468,859
At 31 December	10,072,827	6,676,943

From 2019 onwards and during the year up to the listing of the Company's shares on the Stock Exchange on 8 January 2026, 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 2028 (i.e. the redemption rights).

In accordance with the accounting policies adopted by the Group (see Note 2(r)), the Group recognised these financial liabilities as "financial instruments issued to investors" in the consolidated statement of financial position, where changes in the carrying amounts of these financial instruments were charged to the consolidated statement of profit or loss for each reporting 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 had been terminated upon the listing of the Company's shares on the Stock Exchange on 8 January 2026 in which RMB23,405,000 had been transferred to the Company's share capital account and RMB10,068,751,000 had been transferred to the Company's share premium account.

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 had been transferred to the Company's share premium account upon the successful listing of the Company's shares on the Stock Exchange on 8 January 2026 in which with the amount of RMB23,405,000.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

27 Convertible bonds

	RMB'000
At 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 31 December 2025	–

In 2025 and 2024, 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.

In May 2025, the bond holders converted these convertible bonds into the Group's financial instruments issued to investors with terms and conditions similar to those mentioned in Note 26.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

28 Income tax in the consolidated statement of financial position

(a) Deferred tax assets/(liabilities) recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year 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 2024	(38,749)	38,668	(7)	(5,083)	5,171	–
(Charged)/credited 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	–
Credited/(charged) to the consolidated statement of profit or loss	22,360	(14,553)	(7,807)	663	(663)	–
At 31 December 2025	(72,653)	80,577	(8,012)	(3,757)	3,845	–

Reconciliation to the consolidated statement of financial position:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Net deferred tax assets in the consolidated statement of financial position	84,422	99,638
Net deferred tax liabilities in the consolidated statement of financial position	(84,422)	(99,638)
	–	–

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(u), as at 31 December 2025, the Group has not recognised deferred tax assets in respect of cumulative tax losses and deductible temporary difference of RMB8,891,725,000 as at 31 December 2025 (31 December 2024: RMB5,191,680,000), 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Share-based payments

(a) Equity awards

Since 2021, the Group has granted equity awards to directors of the Company and employees of the Group and individuals who contribute directly to the overall business of the Company 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:

	2025		2024	
	Weighted	Number of	Weighted	Number of
	average exercise price RMB	equity awards '000	average exercise price RMB	equity awards '000
Outstanding at the beginning of the year	2.96	1,895	3.60	1,161
Granted during the year	1.92	250	1.97	1,005
Forfeited during the year	1.88	(129)	2.00	(271)
Replaced by restricted shares during the year	2.90	(2,016)	–	–
Outstanding at the end of the year		–	2.96	1,895

No equity awards were exercised during the year (2024: none exercised).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Share-based payments (continued)

(a) Equity awards (continued)

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 in 2025 are as follows:

	2025
Fair value of each equity unit at measurement date	RMB279.45 – RMB299.70
Exercise price	RMB1.00 – RMB2.00
Expected volatility	53.25% – 54.62%
Expected dividends	–
Risk-free interest rate	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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

29 Share-based payments (continued)

(b) Restricted shares

In June 2025, the Group replaced all equity awards with restricted shares for the purpose of providing incentives to the directors of the Company and 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:

	2025 Number of restricted shares '000
Outstanding at the beginning of the year	–
Issuance of restricted shares in connection with the replacement of equity awards	2,016
Granted during the year	4,779
Forfeited during the year	(445)
Outstanding at the end of the year	6,350

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 during the year are as follows:

	2025
Fair value of each ordinary share at measurement date	RMB279.45 – RMB1,049.54
Subscription 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Capital and reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity during the year are set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

Note	Attributable to equity shareholders of the Company					Total equity-deficit RMB'000
	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	
Balance 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)(i) 5,764	–	(46,809)	–	–	(41,045)
Increase in paid-in capital through transfer from capital reserve	30(b)(i) 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 year ended 31 December 2025:						
Total comprehensive income for the year	–	–	–	–	(4,256,507)	(4,256,507)
Capital contributions from equity shareholders	30(b)(ii) 4,057	–	(4,057)	–	–	–
Conversion into a joint stock limited liability company	30(b)(i) –	(4,243,292)	–	–	4,243,292	–
Equity settled share-based transactions	29 –	–	–	562,052	–	562,052
Balance at 31 December 2025	40,281	(4,190,865)	(125,333)	592,457	(3,881,279)	(7,564,739)

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Capital and reserves (continued)

(b) Share capital/paid-in capital

(i) Paid-in capital

The paid-in capital of the Group as at 1 January 2024 and 31 December 2024 represented 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 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 31 December 2025	–

(ii) Share capital

	Number of shares '000	Share capital 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 31 December 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 RMB1.00 each.

On 13 June 2025, the shareholders of the Company resolved the share subdivision pursuant to which each of the issued and unissued shares with par value of RMB1.00 each be subdivided into 10 shares of the corresponding class with nominal value of RMB0.10 each, which was effective immediately prior to the completion of the Company's listing on the Stock Exchange on 8 January 2026. Accordingly, the number of the Company's ordinary shares were subdivided to 402,810,000.

On 8 January 2026, the Company completed its listing on the Stock Exchange and a total of 43,032,400 ordinary shares at HK\$116.2 were issued (including initial offering and the exercise of over-allotment option) (see Note 34).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

30 Capital and reserves (continued)

(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 issuance 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(t)(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(x).

(g) Dividends

The directors of the Company did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

(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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

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 and time deposits 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 and related services to settle progress billings, and cloud-based deployment customers to pay in advance under usage-based and related services contracts and periodic billings under subscription-based contracts and related services.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 22% (2024: 51%) 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 significant 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

Trade and other receivables and contract assets (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Within 3 months	5.02%	256,352	12,868
3 months to 6 months	12.24%	22,598	2,767
6 months to 1 year	19.80%	39,161	7,755
1 year to 2 years	53.58%	18,127	9,712
2 years to 3 years	94.14%	1,228	1,156
3 years and above	100.00%	1,732	1,732
		339,198	35,990

	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 31 December 2025, the expected loss rates for contract assets is 5.12% (2024: 3.60%).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

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, at the end of reporting period, loss allowance of RMB18,994,000 (2024: RMB27,327,000) has been recognised.

Movements in the loss allowance account in respect of trade and other receivables and contract assets during the year are as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	36,828	19,820
Impairment losses recognised	21,576	17,008
Written off as uncollectibles	(2,597)	–
Balance at 31 December	55,807	36,828

(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 and financings from investors to meet its liquidity requirements in the short and longer term.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk (continued)

The following table shows the remaining contractual maturities at the end of the 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 2025				Carrying amounts in the consolidated statement of financial position RMB'000
	Contractual undiscounted cash outflow				
	Within	More than	More than		
	1 year or on	1 year but	2 years but		
	demand	less than	less than		
RMB'000	2 years	5 years	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and other payables measured at amortised cost (Note 22)	1,268,243	–	–	1,268,243	1,268,243
Bank loans (Note 24)	618,887	12,034	77,780	708,701	689,452
Lease liabilities (Note 25)	278,136	171,363	137,751	587,250	545,143
	2,165,266	183,397	215,531	2,564,194	2,502,838

	As at 31 December 2024				Carrying amounts in the consolidated statement of financial position RMB'000
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and other payables measured at amortised cost (Note 22)	564,808	–	–	564,808	564,808
Bank loans (Note 24)	140,881	–	–	140,881	137,246
Lease liabilities (Note 25)	246,149	226,760	265,255	738,164	671,268
	951,838	226,760	265,255	1,443,853	1,373,322

In addition to the above, the Group was also exposed to liquidity risk arising financial instruments issued to investors at 31 December 2025 and 2024, and convertible bonds as at 31 December 2024, the payment terms of which are further disclosed in Note 26 and Note 27 respectively. All of the convertible bonds had been converted into financial instruments issued to investors in 2025, where all of the financial instruments issued to investors, in turn, have been transferred to the Company's share capital and share premium accounts upon the Company's listing on the Stock Exchange on 8 January 2026.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Financial risk management and fair values of financial instruments (continued)

(c) 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 table details the interest rate profile of the Group's borrowings at the end of the reporting period.

	At 31 December 2025		At 31 December 2024	
	Effective interest rate	RMB'000	Effective interest rate	RMB'000
Fixed rate borrowings:				
Bank loans (Note 24)	2.11%–2.80%	689,452	2.65%	137,246
Lease liabilities (Note 25)	3.50%–4.75%	545,143	4.75%	671,268
		1,234,595		808,514

(d) Currency risk

The currencies giving rise to currency risk are primarily United States dollars ("US\$"). The Group has no significant exposure to currency risk as substantially all of the transactions entered into by the Group's entities are denominated in their functional currencies.

(e) 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.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Financial risk management and fair values of financial instruments (continued)

(e) Fair values measurement (continued)

Fair value hierarchy (continued)

(i) Financial assets and liabilities measured at fair value

The following table presents 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 measurements as at		Fair value measurements as at	
	Fair value at 31 December 2025	31 December 2025 categorised into Level 3	Fair value at 31 December 2024	31 December 2024 categorised into Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Investments in equity securities	56,643	56,643	42,621	42,621
Wealth management products	320,644	320,644	–	–
Liabilities				
Convertible bonds	–	–	132,158	132,158

During the year, 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 and liabilities.

	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

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

31 Financial risk management and fair values of financial instruments (continued)

(e) Fair values measurement (continued)

Fair value hierarchy (continued)

(i) *Financial assets and liabilities measured at fair value (continued)*

Information about Level 3 fair value measurements (continued)

During the year, 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 2025 would have been decreased/increased by approximately RMB3,206,000 (2024: nil).

(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 2025 and 2024.

32 Material related party transactions

The Group entered into the following significant related party transactions during the year:

(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:

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	13,188	4,127
Discretionary bonuses	4,540	3,069
Contributions to defined contribution retirement plan	337	264
Equity-settled share-based compensation expenses	287,176	4,050
	305,241	11,510

Total remuneration was included in "staff costs" (see Note 6(b)).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

32 Material related party transactions (continued)

- (b) During the year, transactions with the following parties are considered as related party transactions:

Name of parties	Relationship with the Group
Beijing Xinglian Zhaoji Enterprise Management Partnership (Limited Partnership)	An equity shareholder
Beijing Doushen Zhichuang Technology Co., Ltd.	An associate
Beijing Sankuai Online Technology Co., Ltd.	A subsidiary of an equity shareholder
Beijing Zhiqi Wenhua Education Technology Co., Ltd.	An associate

- (c) Balances with related parties as at the end of the reporting period

	31 December 2025 RMB'000	31 December 2024 RMB'000
Trade in nature		
Trade and other payables	12,856	36,022

- (d) Transactions with related parties during the year

	2025 RMB'000	2024 RMB'000
Trade in nature		
Sales of services	32,888	—
Purchases of services	7,518	37,863
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 do not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

33 Company-level statement of financial position

		31 December 2025 RMB'000	31 December 2024 RMB'000
	Note		
Non-current assets			
Property and equipment		615,464	844,023
Intangible assets		15,522	18,726
Investments in subsidiaries	14	1,410,666	709,950
Interests in associates	15	338,081	201,198
Other non-current assets		198,202	92,920
Time deposits	21(b)	–	105,343
		2,577,935	1,972,160
Current assets			
Short-term investments measured at FVPL		106,762	42,621
Inventories and contract costs		42,240	31,172
Trade and other receivables		698,942	666,841
Accounts receivables due from subsidiaries		621,377	157,633
Contract assets		1,625	4,718
Time deposits	21(b)	108,593	–
Cash at bank and on hand		1,269,905	1,608,972
		2,849,444	2,511,957
Current liabilities			
Trade and other payables		1,328,631	603,488
Accounts payables due to subsidiaries		94,548	55,497
Contract liabilities		122,387	68,761
Bank loans	24	604,836	137,246
Lease liabilities		236,402	208,021
Financial instruments issued to investors	26	10,072,827	6,676,943
Convertible bonds	27	–	132,158
		12,459,631	7,882,114
Net current liabilities		(9,610,187)	(5,370,157)
Total assets less current liabilities		(7,032,252)	(3,397,997)

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

33 Company-level statement of financial position (continued)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities			
Bank loans	24	84,616	–
Lease liabilities		277,073	447,856
Deferred income		170,798	24,431
		532,487	472,287
NET LIABILITIES		(7,564,739)	(3,870,284)
CAPITAL AND RESERVES	30		
Share capital/paid-in capital		40,281	36,224
Reserves		(7,605,020)	(3,906,508)
TOTAL EQUITY – DEFICIT		(7,564,739)	(3,870,284)

Approved and authorised for issue by the board of directors on 31 March 2026.

Liu Debing
Executive Director

Zhang Peng
Executive Director

34 Non-adjusting events after the reporting period

On 8 January 2026, the Company completed its listing on the Stock Exchange and a total of 43,032,400 ordinary shares were issued (including initial offering and the exercise of over-allotment option) at the price of HK\$116.20. Total gross proceeds received were HK\$5,000,365,000 (equivalent to approximately RMB4,516,430,000).

35 Immediate and ultimate controlling party

The directors of the Company consider the immediate parent and the ultimate controlling party of the Company as at 31 December 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). These entities do not produce financial statements available for public use.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

36 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

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.