



北京中科聞歌科技股份有限公司

Beijing Zhongke WengeAI Science and Technology Co., Ltd.*

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

Stock Code : 1956

GLOBAL OFFERING

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinator,
Joint Bookrunner and Joint Lead Manager



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



* For identification purposes only

IMPORTANT

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



Beijing Zhongke WengeAI Science and Technology Co., Ltd.* 北京中科聞歌科技股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 14,834,600 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 741,800 H Shares (subject to reallocation)
Number of International Offer Shares	: 14,092,800 H Shares (subject to reallocation and the Over-allotment Option)
Offer Price	: HK\$60.70 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.0 per H Share
Stock code	: 1956

Sole Sponsor, Sponsor-Overall Coordinator, Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



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

ABCI 農銀國際

中國銀河國際
CHINA GALAXY INTERNATIONAL

Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers

天風國際
TF INTERNATIONAL

浦銀國際 SPDBI

建銀國際
CCB International

富途證券
FUTU Securities International

CMBI 招銀國際

Joint Bookrunners, Joint Lead Managers

老虎證券
TIGER BROKERS

利弗莫尔證券
LIVERMORE HOLDINGS LIMITED

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

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

The Offer Price will be HK\$60.70 per Offer Share unless otherwise announced. Applicants for Hong Kong Offer Share may be required to pay, on application (subject to application channels), the Offer Price of HK\$60.70 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and a Hong Kong Stock Exchange trading fee of 0.00565%.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinator (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Grounds for Termination" of this prospectus.

The Offer Shares have not been and will not be registered under the US Securities Act or any state securities law in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and may be offered and sold only outside the United States in an offshore transaction according to Regulation S under the US Securities Act.

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

ATTENTION

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.wenge.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

* For identification purposes only

June 17, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

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

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.wenge.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for Hong Kong Offer Shares, you may:

- (i) apply online through the **White Form eIPO** service at www.eipo.com.hk; or
- (ii) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf.

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

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above. See “How to Apply for Hong Kong Offer Shares” for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

IMPORTANT

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 200 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below.

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

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
200	12,262.44	3,000	183,936.48	25,000	1,532,803.99	100,000	6,131,215.96
400	24,524.87	4,000	245,248.64	30,000	1,839,364.79	120,000	7,357,459.15
600	36,787.29	5,000	306,560.80	35,000	2,145,925.58	140,000	8,583,702.34
800	49,049.72	6,000	367,872.96	40,000	2,452,486.38	160,000	9,809,945.52
1,000	61,312.16	7,000	429,185.12	45,000	2,759,047.18	180,000	11,036,188.71
1,200	73,574.60	8,000	490,497.28	50,000	3,065,607.98	200,000	12,262,431.90
1,400	85,837.02	9,000	551,809.44	60,000	3,678,729.56	250,000	15,328,039.88
1,600	98,099.46	10,000	613,121.60	70,000	4,291,851.16	300,000	18,393,647.86
1,800	110,361.88	15,000	919,682.39	80,000	4,904,972.75	370,800 ⁽¹⁾	22,734,548.74
2,000	122,624.32	20,000	1,226,243.19	90,000	5,518,094.35		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. If your application is successful, the brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy are paid to the Stock Exchange (in case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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

EXPECTED TIMETABLE

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement to be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.wenge.com.

Hong Kong Public Offering commences 9:00 a.m.
Wednesday, June 17, 2026

Latest time for completing applications under
White Form eIPO service through the
designated website at www.eipo.com.hk⁽²⁾ 11:30 a.m.
on Tuesday, June 23, 2026

Application lists of the Hong Kong Public
Offering open⁽³⁾ 11:45 a.m.
on Tuesday, June 23, 2026

Latest time to (a) completing payments of
White Form eIPO applications by effecting
internet banking transfer(s) or PPS payment
transfer(s) and (b) giving **electronic application**
instructions to HKSCC⁽⁴⁾ 12:00 noon
on Tuesday, June 23, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant and will submit an **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists of the Hong Kong
Public Offering close⁽³⁾ 12:00 noon
on Tuesday, June 23, 2026

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

- in the announcement to be posted on the websites of our Company at www.wenge.com⁽⁵⁾ and the Stock Exchange at www.hkexnews.hk, respectively. no later than 11:00 p.m.
on Thursday, June 25, 2026

EXPECTED TIMETABLE

- from the designated results of allocations
website at www.iporesults.com.hk
(alternatively: www.eipo.com.hk/eIPOAllotment)
with a “search by ID” function from from 11:00 p.m.
on Thursday, June 25, 2026
to 12:00 midnight
on Wednesday, July 1, 2026
- from the allocation results telephone enquiry
by calling +852 2862 8555 between 9:00 a.m. and
6:00 p.m. on Friday, June 26, 2026,
Monday, June 29, 2026,
Tuesday, June 30, 2026 and
Thursday, July 2, 2026

H Share certificates in respect of wholly or
partially successful applications to be
despatched or deposited into CCASS on or before⁽⁶⁾
Thursday, June 25, 2026

White Form e-Refund payment instructions/refund
cheques in respect of wholly or partially successful
applications (if applicable) or wholly or partially
unsuccessful applications to be despatched on or before⁽⁷⁾⁽⁸⁾
Friday, June 26, 2026

Dealings in the H Shares on the Main Board
of the Stock Exchange to commence at 9:00 a.m.
on Friday, June 26, 2026

Notes:

- (1) All dates and times refer to Hong Kong local dates and times, except as otherwise stated.
- (2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a “black” rainstorm warning signal, a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 2026, the application lists will not open or close on that day. See the section headed “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements” for further details.
- (4) Applicants who apply for Hong Kong Offer Shares through **HKSCC EIPO** channel should see the section headed “How to Apply for Hong Kong Offer Shares — A. Applications for Hong Kong Offer Shares — 2. Application Channels”.
- (5) None of the websites or any of the information contained on the websites forms part of this prospectus.

EXPECTED TIMETABLE

- (6) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.
- (7) **White Form e-Refund** payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applicants in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.
- (8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection. Any uncollected H Share certificates and/or refund cheques will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications. Any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should see "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of **White Form e-Refund** payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Further information is set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies".

The above expected timetable is a summary only. For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares", respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, our Company will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

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

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. In particular, we are a specialist technology company seeking to list on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. In addition, we have incurred operating loss since our inception, and we may continue to incur net loss and operating loss for the foreseeable future. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed before making their investment decisions. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Who We Are

We are an emerging enterprise AI technology and service provider in China, specializing in complex data analytics and AI-assisted decision-making.

Founded in 2017 by AI scientists from the Institute of Automation of Chinese Academy of Sciences, we focus on enterprise data analytics and decision intelligence, a practical application of AI that leverages data analytics to improve and accelerate an organization’s operational and strategic decision-making. Our founding commitment is to develop AI with advanced cognitive reasoning and decision-making capabilities.

We develop critical AI capabilities in-house, offering a portfolio of full-stack AI services. Our capabilities cover data governance, domain knowledge management, large language and multimodal model training, decision automation and evaluation, and low-code AI application development. Integrated tightly through a software platform, these capabilities enhance performance, reliability, and security of our enterprise offerings. This integrated approach reduces development costs and deployment time for our AI application and services, by unifying the foundational infrastructure, resolving cross-system compatibility issues, and eliminating the redundant work needed to stitch fragmented systems together, thereby accelerating the delivery of AI solutions. Concurrently, this optimized cycle lowers our unit development costs, by reducing per-project labor costs due to improved engineering productivity, and decreasing expenses associated with redundant external services, computing resources, and third-party tools.

We serve organizations in technology-intensive sectors across China, facilitating the AI-enabled digital transformation of domains such as public sector services, media and communications, and commercial enterprises essential to our society and economy. During the Track Record Period, we have provided AI services to over 650 enterprises and government entities.

According to CIC, enterprise large model-driven decision intelligence currently represents a small yet fast-growing subset of China’s enterprise AI industry. As measured by revenue, we ranked first in 2025 among China’s enterprise large model-driven decision intelligence service providers, with a market share of 10.2%. Furthermore, we were the eighth largest player in China’s enterprise large model market in 2025 with a market share of 2.2%, where we mainly competed with major Chinese AI incumbents.

SUMMARY

Our Core Technical Approach and Advantages

As organizations across industries encounter increasingly complex challenges in AI transformation, enterprise AI technology needs major innovations and breakthroughs. In response, we have developed a technical approach encompassing the following core components:

- ***Complex and Fragmented Enterprise Data Operation:*** We have developed object-oriented and ontology-based algorithms and frameworks to tackle complex enterprise data of multiple modalities. These technologies establish a data foundation for our platform, ensuring that data is prepared and structured for effective AI utilization.
- ***General-purpose and Specialized Fusion Model:*** While LLMs (artificial intelligence systems trained on extensive data to understand, process, and generate human-like language) have seen rapid development and widespread adoption, significant limitations remain, particularly hallucinations and the inability to incorporate domain-specific knowledge and reasoning. To address these limitations, we have developed fusion model, which integrates industry-specific data to provide more accurate, reliable and context-specific responses for business applications. This fusion model leverages intelligent router and knowledge alignment techniques to combine the strengths of general LLMs with industry-specific expertise.
- ***Decision Intelligence Framework:*** Traditional decision support and optimization technologies primarily rely on mathematical models and statistical data analysis, which are often not suitable for open decision-making scenarios involving complex, dynamic environments and uncertainty. To address these challenges, we have developed a decision intelligence framework that integrates artificial intelligence, decision science, game theory, and social computing. This framework bridges the gap between data, models, and actionable decisions, providing enhanced support for complex and dynamic decision-making needs.

Our Core Technology: DIOS as an Enterprise AI Platform

Central to our R&D efforts and AI service offering is our proprietary Decision Intelligence Operating System (“DIOS”), which integrates advanced technologies to transform raw data into actionable insights.

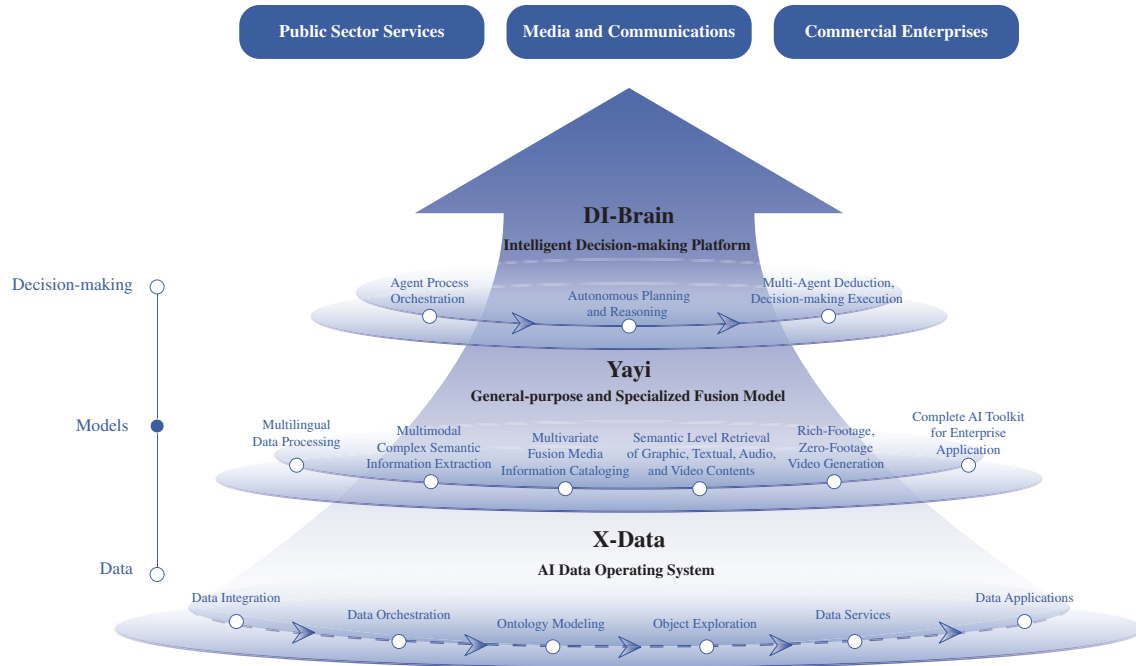
Supported by a reliable data infrastructure, fusion large models, multi-agent-based reasoning platform, and a low-code system integration module, DIOS delivers both general purpose and domain-specific AI services and helps clients build one-stop AI applications efficiently.

DIOS enables organizations to process and analyze vast multi-modal datasets (images, text, audio, video) in complex scenarios. By transitioning decision-making from human intuition to data-driven and AI-facilitated processes, we enhance operational efficiency and improve decision-making effectiveness.

By providing a scalable and adaptable technology platform, we help our customers achieve outcomes efficiently at scale.

SUMMARY

How DIOS Works: A Simplified Overview



DIOS integrates advanced technologies into a unified framework, comprising three core levels:

X-Data

At the core of our data infrastructure is X-Data, an enterprise-level platform for data integration and analytics. Modern organizations face challenges with fragmented, multi-modal data scattered across data silos, limiting analytical efficiency and value extraction. X-Data addresses these issues by providing a unified foundation with multi-mode storage, dynamic orchestration, and multi-cloud adaptability, aimed at delivering secure, scalable, and high-quality data support for the DIOS.

Yayi LLM

Yayi LLM, our proprietary large language model, is designed to significantly enhance the processing and understanding of enterprise data and overcome inefficient analytics. It excels in ultra-long text understanding, multimodal content comprehension, multilingual pre-training, complex information extraction, industry-specific data augmentation, enabling of external tools such as search engines, and intelligent task planning. On the cross-modal front, Yayi LLM enhances enterprise-grade video production, ensuring better control and completeness of generated content for end-to-end professional-grade workflows. Deployable on private clouds, Yayi LLM adapts to diverse industry needs, with continuously refined capabilities to empower real-world applications.

DI-Brain

DI-Brain is an AI agent development platform designed to streamline AI application development. It reduces technical barriers and accelerates industry deployment by minimizing coding requirements. The platform features problem understanding, customizable integration of various AI tools, and intelligent orchestration. Integrating function-call technology, DI-Brain supports AI application development, knowledge management, and automated problem solving, and facilitates integration with our Yayi LLM or third-party LLMs. Tailored to industry-specific scenarios, DI-Brain enables intelligent decision support, assisting users in transforming complex datasets into actionable decisions.

SUMMARY

How DIOS Delivers AI Services Efficiently

Enterprise AI services are typically delivered in two ways: (i) enhancing existing enterprise system modules which results in only incremental improvements; or (ii) applying general-purpose large models to create new services, which often leads to siloed adoption. Neither approach fully realizes the potential of enterprise computing.

In contrast, we have adopted a platform-based approach to maximize the value of AI technology while effectively controlling costs. With DIOS, our developers can configure and customize AI solutions in a low-code, extensible manner, seamlessly linking data, models, and decision-making. This platform-based approach provides us with a competitive advantage in delivering AI services at scale.

Real-World Impact: AI-driven Flood Prevention, Warning and Management System

Flooding has significantly burdened city governance and economy. In the past, flood response relied on manual data monitoring and human judgment, resulting in delays and inefficient resource allocation due to a lack of integrated situational awareness and scenario-based decision optimization.

Our AI-driven flood prevention, warning and management system, powered by *DIOS*, revolutionizes flood management in a district of a major city in China. This system integrates real-time data from cameras and hydrological sensors, including water depth and pipeline flow. It further analyzes extensive historical hydrological data based on past flooding patterns. By creating a digital twin, this system identifies risks, predicts trends, and generates optimal response plans for efficient coordination and resource deployment.

Our system establishes a continuous closed-loop cycle of monitoring, warning, decision support, response, and evaluation, reducing flood warning times to a few minutes. Our system empowers local governments to prepare for and respond to critical threats more effectively, safeguarding lives and infrastructure.

Our Industry and Market Opportunities

According to CIC, China's enterprise AI market reached RMB391.8 billion in 2025 and is expected to exceed RMB950 billion by 2030, representing a CAGR of 19.5%. The AI breakthrough at the end of 2022 made "large models" a global phenomenon, significantly enhancing machines' ability to capture and interpret complex semantic relationships.

Development of large model technologies and products in China began prior to 2020, but 2023 marked the first year of large-scale commercialization. Measured by revenue generated from enterprise large model solutions, the size of China's enterprise large model market reached RMB3.6 billion in 2023 and RMB18.1 billion in 2025. The market is projected to reach RMB138.2 billion by 2030, representing a CAGR of 50.2% from 2025 to 2030. The share of enterprise large models in the overall enterprise AI market is expected to grow rapidly from 4.6% in 2025 to 14.5% by 2030.

The size of China's enterprise large model-driven decision intelligence market is expanding rapidly. In 2025, the market reached RMB3.9 billion, accounting for 21.6% of the overall enterprise large model market. It is expected to grow to RMB37.5 billion by 2030, with its share rising to 27.1%. The CAGR from 2025 to 2030 is expected to be 57.2%, outpacing the growth of the overall enterprise large model market.

SUMMARY

China's enterprise large model-driven decision intelligence market is relatively fragmented. Based on 2025 revenue, the top five players accounted for a combined market share of 44.8%. We were the largest enterprise large model-driven decision intelligence provider in China, with a market share of 10.2%. Furthermore, we were the eighth largest player in China's enterprise large model market in 2025 with a market share of 2.2%, where we mainly competed with major Chinese AI incumbents.

Our Financial Performance

In 2023, 2024 and 2025, we achieved revenue of RMB249.7 million, RMB317.8 million and RMB405.3 million, respectively, while our gross profit margin was 44.0%, 50.4% and 51.2%, respectively. In 2023, 2024 and 2025, revenue contributions from our Benchmark Clients accounted for 76.6%, 70.0%, and 67.8% of total revenue, respectively, highlighting the strategic importance of these relationships to our growth. Our net loss was RMB259.8 million in 2023, RMB157.1 million in 2024 and RMB166.3 million in 2025, respectively.

OUR STRENGTHS

We believe we have the following competitive advantages that differentiate us from our competitors:

- An emerging enterprise AI technology and service provider in China;
- Enterprise AI services powered by an in-house platform;
- Proven industry scalability and specialty with customer loyalty;
- Market-leading R&D and technologies; and
- Strong shareholder support and founding team.

OUR STRATEGIES

We intend to pursue the following strategies:

- Advancing the next generation of DIOS;
- Deepening and broadening industry applications;
- Expanding service offerings;
- Pursuing international expansion; and
- Strengthening talent cultivation and incentive.

OUR FEE MODEL

During the Track Record Period, we mainly adopted a project-based model for charging fees, with certain occasions of subscription-based model. We primarily deliver enterprise AI services through (i) localized deployment, (ii) delivery of analytic reports, and (iii) provision of SaaS and DaaS. We also provide maintenance services of localized deployment. See "Business — Our Fee Model" and "Financial Information — Description of Major Components of Our Results of Operations". For AI services delivered through local deployments, we also offer maintenance services beyond the warranty period, with fees determined by the complexity of maintenance and charged on a periodic basis. For more details, see "Business — Our Fee Model".

SUMMARY

The following table sets forth our key operating data during the Track Record Period:

	As of or for the Year ended December 31,		
	2023	2024	2025
Number of customers served⁽¹⁾	262	342	404
<i>By use cases</i>			
– Public Sector Services	81	117	116
– Media and Communications	39	67	102
– Commercial Enterprises	131	157	184
<i>By delivery method</i>			
– Localized deployment	79	108	153
– Analytic reports	78	101	77
– SaaS	145	179	216
– Maintenance services	19	29	46
Benchmark Clients⁽²⁾	35	47	42
Number of new customers⁽³⁾	142	159	220
Average revenue per customer (RMB in thousand)⁽⁴⁾	953.0	929.1	1,003.3
<i>By use cases</i>			
– Public Sector Services	1,563.2	1,281.5	1,275.2
– Media and Communications	1,952.1	1,272.6	1,193.4
– Commercial Enterprises	276.6	477.3	702.2
<i>By delivery method</i>			
– Localized deployment	2,370.7	2,095.0	1,926.1
– Analytic reports	383.6	400.7	448.8
– SaaS	146.9	205.1	266.6
– Maintenance services	588.6	493.8	401.9
Customer retention rate⁽⁵⁾	54.1%	66.5%	55.4%
Net dollar retention rate⁽⁶⁾	66.1%	89.8%	139.5%
Average acquisition cost per customer (RMB in thousand)⁽⁷⁾	357.4	289.2	216.2
Average lead time (days)⁽⁸⁾	185.0	105.9	80.2
Backlog (RMB in thousand)⁽⁹⁾	168,688	133,486	288,873
Value of new contracts signed (RMB in thousand)⁽¹⁰⁾	284,082	304,424	529,431

- (1). Number of customers who have contributed to our revenue in the respective period, calculated on a consolidated basis. Under this methodology, the sum of customers across various use cases or delivery methods may not equal the overall number of customers. This is because customers who purchase services in multiple categories are counted within each of those categories, but only once in the overall customer count.
- (2). Customers who have contributed an aggregate revenue of more than RMB3.0 million during the Track Record Period.
- (3). Number of customers who contributed to our revenue for the first time in the respective period, calculated on a consolidated basis.
- (4). Calculated as the total revenue divided by the number of customers in the respective period.
- (5). Customer retention rate refers to the percentage of customers on a consolidated basis for the immediately preceding year which remained to be the company's customers for the current year.
- (6). Net dollar retention rate refers to the ratio of revenue contribution of a customer on a consolidated basis in the immediately preceding year to the revenue contribution of the same group of customers for the current year.
- (7). Average acquisition cost per paying user equals total marketing and sales fees (excluding share-based payment expenses) divided by number of customers (on a consolidated basis) in the given period.
- (8). Lead time refers to the period between the date of contract signing and the delivery and acceptance of AI services provide through localized deployment.
- (9). Backlog refers to total value of customer contracts that have been signed but not yet recognized as revenue as of the dates given.
- (10). Value of new contracts signed refers to total value of new customer contracts that was signed during the given period.

SUMMARY

The table below provides a summary for how each of our DIOS and AI services falls within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialist Technology Products	Specialist Technology Industry Acceptable Sectors:	Main Function Analysis
AI services powered by DIOS	Artificial intelligence (AI-empowered algorithm programming: image recognition, audio-visual learning, natural language processing (NLP), machine learning, and deep learning)	One key component of our AI service offering is Yayi LLM, a proprietary large language model. The training of Yayi LLM encompasses full-parameter fine-tuning, pre-training on customer-provided datasets, model distillation for varying parameter sizes, and end-to-end custom training for industry-specific applications for efficient analytics.
	Artificial intelligence (AI services: the design and provision of AI services used in different industry verticals)	Our AI services during the Track Record Period were primarily delivered by local deployment of software or combined with hardware. They were tailored to accommodate customers' needs from various industries.
	Cloud-based services (Software as a service (SaaS): the delivery of software applications over cloud infrastructure enabling companies to conduct their operations using the application)	A portion of our AI services are delivered via clouds in addition to localized deployment.

Our industry consultant, CIC, confirms, and our Directors are of the view, that based on the information above, each of our services falls within an acceptable sector of a Specialist Technology Industry, namely Artificial Intelligence and Cloud-based services as defined under Chapter 18C of the Listing Rules.

COMMERCIALIZATION AND PATH TO PROFITABILITY

We have demonstrated revenue growth during the Track Record Period, proving our ability to commercialize AI services effectively. Our revenue rose from RMB249.7 million in 2023 to RMB317.8 million in 2024, and further to RMB405.3 million in 2025. Gross profit was RMB109.9 million, RMB160.1 million, and RMB207.7 million for the respective years, with gross profit margins of 44.0%, 50.4% and 51.2%, respectively. During the Track Record Period, we have reported net and operating losses, and we expect these losses to persist in the near term. This is mainly due to our continued investments in research and development, as well as our efforts to rapidly expand our customer base and market presence. Despite these short-term losses, our leadership in enterprise large model-driven decision intelligence services, suite of full-stack AI solutions, R&D capabilities, and established customer base provide a sound foundation for sustainable business growth and long-term success. We anticipate that our path to profitability will be supported by several key drivers: (i) deepening our expertise in core industries and expanding into new sectors and customer segments, (ii) broadening and diversifying our product and service offerings, (iii) improving operational efficiency and leveraging economies of scale, (iv) strengthening our sales and marketing initiatives, (v) pursuing international market opportunities, and (vi) engaging in selective acquisitions and forming strategic partnerships. For further details, see “Business — Commercialization and Path to Profitability”.

SUMMARY

RESEARCH AND DEVELOPMENT

Our ability to create new technologies to solve complex practical problems is the tenet of our business. Therefore, we invest substantial resources in R&D activities. Our research and development expenses were RMB179.5 million, RMB131.0 million, and RMB187.5 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our R&D was primarily focused on the development of DIOS and its components.

As of December 31, 2025, our R&D team comprised 250 employees, accounting for 43.9% of our total workforce, including 66 individuals holding master's and doctoral degrees. As of December 31, 2025, our R&D team averages over eight years of experience in technology and AI. Our three co-founders are experts in the fields of AI, decision science, and social computing, recognized for their significant technical contributions and leadership in guiding the R&D of big data mining, semantic understanding, and multi-agent reasoning. Also see “Business — Our Strengths — Strong Shareholder Support and Founding Team.” Our R&D team includes over 30 experienced AI scientists. Among them, we have designated five individuals as representatives of our core R&D team members, each with an average of more than ten years of R&D experience in AI-related industries. All core members have been with us since 2020, and each specializes in a distinct area. For further details of our five representatives, see “Business — Research and Development”.

Each of our core service components, including X-Data, Yayi LLM, and DI-Brain, has been developed internally by our dedicated research and development team. The development, training, testing, and hosting of our AI services are supported by a variety of third-party resources, including cloud computing services, software systems, and hardware infrastructure.

- **Cloud Computing Services:** We leverage major cloud service providers such as Alibaba Cloud and Volcanic Cloud to support the scalability and reliability of our AI service offerings.
- **Open-Source Software Systems:** Our AI services utilize open-source software systems, such as PyTorch, DeepSpeed, Verl, CentOS, Kubernetes, and Docker-CE, which provide flexibility and cost efficiency in system development and deployment.
- **Open-Source Programming Languages:** The primary programming languages used in our AI development include Python and Java, both of which are widely adopted open-source solutions.
- **Hardware:** The development and operation of our AI services require robust hardware infrastructure, including GPUs, computer servers, network switches, and storage systems.

INTELLECTUAL PROPERTY

As of December 31, 2025, we owned 154 registered patents and 108 patent applications in China. As of the same date, we had 439 software copyrights, 151 registered trademarks and 10 registered domains in China. As of December 31, 2025, of all the 262 registered patents and patent applications in China, 212 were solely owned by us and 50 were co-owned, including 127 registered patents solely owned by us and 27 co-owned. As of the Latest Practicable Date, we had four registered patents co-owned with CASIA and two registered patents co-owned with CACMS. We did not co-own registered patents with CAS-affiliated institutions other than CASIA as of the same date. Each of the co-owners has valid title to such registered patents under PRC law, and there are no contractual tenure and material payment obligations associated with such co-owned registered patents and patent applications as of the Latest Practicable Date.

SUMMARY

CUSTOMERS AND SUPPLIERS

Our major customers are (i) media and multimedia companies, (ii) government agencies, and (iii) commercial enterprises. Revenue generated from our largest customer in each year or period during the Track Record Period accounted for 24.3%, 19.9% and 19.1%, respectively, of our revenue for the respective year or period. Revenue generated from our five largest customers in each year or period during the Track Record Period accounted for 48.0%, 32.5% and 37.6%, respectively, of our revenue for the respective year or period.

Our major suppliers are (i) providers of computing resources, (ii) providers of IT equipment, (iii) providers of software services. Purchase costs from our largest supplier in each year or period during the Track Record Period accounted for 7.1%, 8.0% and 8.0%, respectively, of our total purchases for the respective year or period. Purchase costs from our five largest suppliers in each year or period during the Track Record Period accounted for 25.4%, 26.8% and 24.0%, respectively, of our total purchases for the respective year or period.

RISK FACTORS

We are a specialist technology company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. We are in the early stage of commercialization and we have recorded operating loss for the three years ended December 31, 2025. Our business and the Global Offering involve certain risks as set out in “Risk Factors” in this prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks that we face include, among others: (i) AI technologies are constantly evolving. If we fail to continuously innovate our technology and provide useful solutions that meet the expectations of our customers, our business, financial condition and results of operations may be materially and adversely affected; (ii) If we do not successfully develop and deploy new technologies to address the needs of our customers or if our significant investment in research and development does not yield the expected results, our business, financial condition and results of operations may be materially and adversely affected; (iii) We experienced customer and supplier concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future; (iv) Actual or alleged failure to comply with data privacy, cybersecurity, and AI-related laws and regulations could damage our reputation, deter current and potential customers from using our AI services, and subject us to significant legal, financial and operational consequences; (v) Unauthorized use of our intellectual properties by third parties may harm our brands and reputation; (vi) We have experienced, and in the future may continue to experience, net operating cash outflows and an increase in trade receivables and prepayments, other receivables and other assets, which could expose us to liquidity risks; and (vii) We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, our Company was directly owned as to approximately 1.78%, 4.64%, 2.42%, 16.57%, 0.67%, 3.96% and 0.62% by Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai respectively.

Zhongke Sanshi is a limited company incorporated under the laws of PRC and owned as to approximately 75.87%, 13.43% and 10.70% by Dr. Wang, Prof. Zeng and Dr. Luo, respectively. Each of Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai, being limited partnerships established under the laws of PRC, was controlled and managed by Dr. Wang in the capacity of executive partner.

In June 2020, Dr. Wang, Dr. Luo and Prof. Zeng entered into an acting in concert agreement, pursuant to which, Dr. Wang, Dr. Luo and Prof. Zeng agreed to act in concert in the Company’s decision-making and in exercising their voting rights and management rights at the shareholders’ meeting and board of directors’ meeting of the Company respectively. If they could not reach a consensus, Dr. Wang’s opinion would be used as the opinion for unanimous action (“**Acting-in-Concert Arrangement**”).

SUMMARY

As Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai are controlled by Dr. Wang, and in view of the Acting-in-Concert Arrangement, Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai are, as of the Latest Practicable Date, collectively interested in, and are entitled to exercise control over, an aggregate of approximately 30.66% of the voting rights of our Company.

Immediately upon the completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised), Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai, by virtue of their shareholding together with the Acting-in-Concert Arrangement, will be entitled to exercise the voting rights of approximately 28.03% of the enlarged issued share capital of our Company, and therefore they will be our Single Largest Group of Shareholders upon Listing.

For further details, see “Relationship with the Single Largest Group of Shareholders”.

PRE-IPO INVESTMENTS

Up to the Latest Practicable Date, we have conducted ten rounds of Pre-IPO Investments. Special rights, including the Company Redemption Right and the Founders Redemption Rights had been granted to Pre-IPO Investors and all such special rights were terminated in compliance with Chapter 4.2 of the Guide for New Listing Applicants in particular, the Pre-IPO Investors explicitly agreed that the Company Redemption Right was irrecoverably terminated and shall be deemed *void ab initio*. See “History and Corporate Structure — Pre-IPO Investments” in this prospectus for further details. For details of the financial implication to the Company Redemption Right and the Founders Redemption Rights, please refer to note 31 and note 39(c) of the Accountants’ Report set out in Appendix I to this prospectus.

We entered into respective shareholders’ agreements (collectively, the “**Pre-IPO Investors Agreements**”) with various pre-IPO Investors (collectively, the “**Pre-IPO Investors**”) from 2018 to 2025 and issued ordinary shares thereto with a total consideration of approximately RMB1,215.0 million (collectively, the “**Pre-IPO Investments**”) with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the Pre-IPO Investors Agreements, we granted the Pre-IPO Investors with redemption rights.

There was no exercise of redemption rights granted by us throughout the Track Record Period.

On 18 June 2025, our Company and the Pre-IPO Investors, subsequently entered into supplemental agreements, agreeing that the redemption rights granted by us have been irrecoverably terminated and shall be void *ab initio*. Taking into account the legal and regulatory framework of the jurisdiction where we operate and the governing law of the supplemental agreements, the Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period. Had the redemption rights granted by us to the Pre-IPO Investors been accounted for as financial liabilities measured at the present value of the redemption amount prior to entering into the supplemental agreements:

- (i) The redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redemption financial liabilities . . .	1,120,434	1,349,011	—
Total current liabilities	1,314,367	1,536,031	257,544
Net current (liabilities)/assets	(590,912)	(771,862)	498,014
Net (liabilities)/assets	(524,918)	(719,454)	504,096

SUMMARY

- (ii) The finance costs associated with the redemption financial liabilities, the net loss for the year, basic and dilutive earning per share would have been:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial costs associated with the redemption financial liabilities . . .	77,299	78,577	41,560
Net loss attributable to ordinary equity holders of the parent (after taking into account the finance costs associated with the redemption financial liabilities) . .	(336,322)	(235,429)	(215,865)
Basic earnings per share	(2.24)	(1.56)	(1.37)
Dilutive earnings per share	(2.24)	(1.56)	(1.37)

For further details of the financial impacts, see note 31 and 39(c) of the Accountants' Report set out in Appendix I to this prospectus.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants' Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS accounting standards.

Selected Items from the Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income in 2023, 2024 and 2025, in absolute amount and as percentages of our total revenue.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	249,693	100.0	317,769	100.0	405,316	100.0
Cost of sales	(139,776)	(56.0)	(157,626)	(49.6)	(197,659)	(48.8)
Gross profit	109,917	44.0	160,143	50.4	207,657	51.2
Other income and gains . . .	37,414	15.0	31,314	9.9	49,158	12.1
Selling and marketing expenses	(118,185)	(47.3)	(107,661)	(33.9)	(94,074)	(23.2)
Administrative expenses . . .	(106,385)	(42.6)	(99,767)	(31.4)	(131,986)	(32.6)
Research and development expenses	(179,511)	(71.9)	(131,015)	(41.2)	(187,545)	(46.3)
Fair value gains on financial assets at fair value through profit or loss, net	2,104	0.8	68	0	—	—
Impairment losses on financial and contract assets, net	(3,593)	(1.4)	(7,852)	(2.5)	(6,918)	(1.7)
Other expenses	(245)	(0.1)	(1,599)	(0.5)	(1,165)	(0.3)
Finance costs	(1,500)	(0.6)	(933)	(0.3)	(2,697)	(0.7)

SUMMARY

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss before Tax	(259,984)	(104.1)	(157,302)	(49.5)	(167,570)	(41.3)
Income tax credit	198	0.1	207	0.1	1,307	0.3
Loss for the Year	(259,786)	(104.0)	(157,095)	(49.4)	(166,263)	(41.0)
Loss attributable to:						
Owners of the parent	(259,023)	(103.7)	(156,852)	(49.4)	(174,305)	(43.0)
Non-controlling interests . .	(763)	(0.3)	(243)	(0.1)	8,042	2.0

For details on the accounting treatment of special rights in relation to pre-IPO investments, see “— Pre-IPO Investments”, and note 31 and 39(c) of the Accountants’ Report set out in Appendix I to this prospectus.

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS accounting standards, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS accounting standards. We believe adjusted net loss (non-IFRS measure) facilitates comparisons of operating performance from period to period and company to company.

We believe adjusted net loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted net loss (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of our results of operations or financial condition as reported under IFRS accounting standards.

We define adjusted net loss (non-IFRS measure) as loss for the year by adding back share-based payment, which is non-cash in nature, and listing expenses, which arise from activities relating to the Global Offering. The following table (in absolute amounts and as percentages of total revenue for the year indicated) reconciles our adjusted net loss (non-IFRS measure) for the year presented in accordance with IFRS accounting standards, which is loss for the year:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Reconciliation of loss for the year to adjusted net loss (non-IFRS measure)						
Loss for the year	(259,786)	(104.0)	(157,095)	(49.4)	(166,263)	(41.0)
Add:						
Share-based payment . . .	74,267	29.7	41,868	13.1	44,513	11.0
Listing expenses	—	—	—	—	21,162	5.2
Adjusted net loss (non-IFRS measure) . . .	(185,519)	(74.3)	(115,227)	(36.3)	(100,588)	(24.8)

SUMMARY

Revenue

During the Track Record Period, we mainly generated revenue from our provision of AI services in the areas of (i) public sector services, (ii) media and communications, and (iii) commercial enterprises. In 2023, 2024 and 2025, our revenue was RMB249.7 million, RMB317.8 million and RMB405.3 million, respectively. The following table sets out a breakdown of our revenue by use cases in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
AI services						
Public Sector Services	126,621	50.7	149,937	47.2	147,924	36.5
Media and Communications	76,131	30.5	85,264	26.8	121,731	30.0
Commercial Enterprises	36,236	14.5	74,937	23.6	129,208	31.9
Others⁽¹⁾	10,705	4.3	7,631	2.4	6,453	1.6
Total	249,693	100.0	317,769	100.0	405,316	100.0

(1) Others mainly represent our maintenance and operation services providing ongoing technical support, and other miscellaneous services from ancillary activities, primarily including one-off external procurements of hardware or software for specific projects.

The following table sets out a breakdown of our revenue by delivery methods in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Localized deployment	187,289	75.0	226,261	71.2	294,690	72.7
Analytic reports	29,917	12.0	40,475	12.7	34,555	8.5
SaaS	21,304	8.5	36,714	11.6	57,583	14.2
Maintenance services	11,183	4.5	14,319	4.5	18,488	4.6
Total	249,693	100.0	317,769	100.0	405,316	100.0

For breakdown of our revenue by revenue recognition policies and by geographical markets, see “Financial Information.”

Gross profit and gross profit margin

The table below sets forth our gross profit and overall gross profit margin for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands, except for percentages)		
Gross profit	109,917	160,143	207,657
Gross profit margin (%)	44.0	50.4	51.2

SUMMARY

Loss for the year

We had net loss of RMB259.8 million, RMB157.1 million, and RMB166.3 million in 2023, 2024 and 2025, respectively, primarily because we are in the stage of expanding our business and operations in the rapidly growing AI market and are continuously investing in research and development.

Selected Items from the Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets			
Inventories	48,469	36,413	55,609
Trade and bills receivables	123,624	167,705	248,320
Contract assets	7,065	10,583	7,217
Prepayments, other receivables and other assets	17,271	28,203	56,639
Financial assets at fair value through profit or loss	–	70,921	26,106
Time deposits	–	–	10,845
Restricted cash	2,618	5,317	26,201
Cash and cash equivalents	524,408	445,027	324,621
Total current assets	723,455	764,169	755,558
Current liabilities			
Trade and bills payables	54,471	62,645	84,576
Other payables and accruals	54,960	65,025	81,573
Contract liabilities	62,993	44,337	46,423
Lease liabilities	18,643	11,320	11,616
Provision	2,866	3,693	4,439
Interest-bearing bank loans and other borrowings	–	–	28,917
Total current liabilities	193,933	187,020	257,544
Net current assets	529,522	577,149	498,014
Non-current assets			
Property, plant and equipment	27,046	21,836	15,094
Right-of-use assets	38,645	15,206	17,625
Other intangible assets	3,982	5,631	9,460
Prepayments, other receivables and other assets	3,828	2,577	3,040
Goodwill	–	–	50,834
Time deposit	10,191	10,519	–
Equity investments designated at fair value through other comprehensive income	–	–	10,000
Total non-current assets	83,692	55,769	106,053

SUMMARY

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current liabilities			
Deferred tax liabilities	525	317	30
Lease liabilities	17,173	3,044	6,866
Interest-bearing bank loans and other borrowings.	–	–	40,520
Put option liabilities	–	–	52,555
Total non-current liabilities	17,698	3,361	99,971
Net assets	595,516	629,557	504,096

For details on the accounting treatment of special rights in relation to pre-IPO investments, see “— Pre-IPO Investments”, and note 31 and 39(c) of the Accountants’ Report set out in Appendix I to this prospectus.

Our net assets increased from RMB595.5 million as of December 31, 2023 to RMB629.6 million as of December 31, 2024, primarily due to issue of new shares of RMB150.0 million and share-based payments of RMB41.9 million, partially offset by net loss of RMB157.1 million recorded in 2024. Our net assets then decreased to RMB504.1 million as of December 31, 2025, primarily due to net loss for the year of RMB166.3 million and put options over non-controlling interests of RMB51.2 million, partially offset by issue of new shares of RMB47.0 million and share-based payments of RMB44.5 million.

Our net current assets decreased from RMB577.1 million as of December 31, 2024 to RMB498.0 million as of December 31, 2025, primarily due to (i) a decrease of RMB44.8 million in financial assets at fair value through profit or loss, (ii) an increase of RMB28.9 million in interest-bearing bank loans and other borrowings, and (iii) an increase of RMB21.9 million in trade and bills payables.

Our net current assets increased from RMB529.5 million as of December 31, 2023 to RMB577.1 million as of December 31, 2024, primarily due to (i) an increase of RMB70.9 million in financial assets at fair value through profit or loss, and (ii) an increase of RMB44.1 million in trade and bills receivables, partially offset by a decrease of RMB79.4 million in cash and cash equivalents.

Selected Items from the Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flow for the year ended December 31, 2023, 2024 and 2025.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows used in operating activities	(182,834)	(134,869)	(187,995)
Net cash flows from/(used in) investing activities	665,735	(75,399)	(13,613)
Net cash flows (used in)/from financing activities	(8,120)	130,959	81,272
Cash and cash equivalents at beginning of year	49,619	524,408	445,027
Cash and cash equivalents at end of year	524,408	445,027	324,621

SUMMARY

We had net operating cash outflow of RMB182.8 million, RMB134.9 million, and RMB188.0 million in 2023, 2024 and 2025, respectively, primarily due to the significant amounts of cost of sales and operating expenses incurred for the provision of our AI services, carrying out R&D and selling and marketing activities, as well as administrative management. See “Financial Information — Liquidity and Capital Resources.”

Our cash burn rate, which includes net cash used in operating activities, capital expenditures, and lease payments, was RMB19.3 million, RMB13.4 million, and RMB17.2 million for 2023, 2024 and 2025, respectively. The elevated cash burn rate in 2023 primarily reflected significant investments in IT equipment to support our large model computing needs.

As of April 30, 2026, we held RMB861.0 million in cash and cash equivalents, unutilized banking facilities, time deposits and financial assets at fair value through profit or loss. We expect to receive estimated net proceeds of HK\$826.8 million from the Global Offering (assuming no exercise of the Pre-IPO Share Option and the Over-allotment Option and an Offer Price of HK\$60.70 per Offer Share).

Assuming a future average monthly cash burn rate of RMB17.2 million and that our workforce and capital investments remain in line with current assumptions, our available liquidity as of April 30, 2026 would be sufficient to fund our operations for approximately 50.1 months from April 30, 2026, lasting approximately to July 2030. Including 10% of the expected net proceeds from the Global Offering allocated to working capital, our financial runway would extend to approximately 54.3 months from April 30, 2026, lasting approximately to November 2030, and if the entire net proceeds are considered, to approximately 92.0 months from April 30, 2026, lasting approximately to December 2033. We will continue to monitor our cash flows and maintain financial flexibility through multiple channels. We do not expect to have next round of financing before the Global Offering.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that the Global Offering has been completed and 14,834,600 Shares are issued pursuant to the Global Offering with a total of 173,101,207 Shares expected to be in issue immediately after completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option is not exercised).

	Based on an Offer Price of HK\$60.70 per Offer Share
Market capitalization of our Shares ⁽¹⁾	HK\$10,507.2 million
Unaudited pro forma adjusted net tangible assets per offer share ⁽²⁾	HK\$7.81

(1) The calculation of the market capitalization is based on total 173,101,207 Shares expected to be in issue immediately after completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option is not exercised).

(2) The unaudited pro forma adjusted net tangible assets per Offer Share has been arrived at after adjustments referred to in “Appendix II — Unaudited Pro Forma Financial Information” and on the basis that total 173,101,207 Shares were in issue at the Offer Price of HK\$60.70, assuming that the Shares issued pursuant to the Global Offering were issued on December 31, 2025, which does not take into account (i) any Share which may be allotted and issued upon the exercise of the Pre-IPO Share Option and the Over-allotment Option, or (ii) any Share which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors.

For further details, see “Appendix II — Unaudited Pro Forma Financial Information — A. Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets.”

SUMMARY

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB64.1 million (equivalent to HK\$73.6 million), representing approximately 8.2% of the gross proceeds from the Global Offering, (based on the Offer Price of HK\$60.70 per Offer Share and no exercise of the Over-allotment Option). The estimated listing expenses consist of (i) underwriting-related expenses, including underwriting commissions, of approximately of RMB25.9 million (equivalent to HK\$29.8 million), and (ii) non-underwriting-related expenses of approximately RMB38.2 million (equivalent to HK\$43.9 million), comprising (a) sponsor fee of approximately RMB5.5 million (equivalent to HK\$6.3 million), (b) other fees and expenses, including but not limited to fees and expenses of legal advisors and Reporting Accountants, of RMB32.7 million (equivalent to HK\$37.6 million). Among the estimated listing expenses, approximately RMB29.1 million (equivalent to HK\$33.4 million) is directly attributable to the issue of our Offer Shares to the public and will be deducted from equity upon the completion of the Global Offering, approximately RMB21.2 million (equivalent to HK\$24.4 million) has been expensed during the Track Record Period, and approximately RMB13.8 million (equivalent to HK\$15.8 million) is expected to be expensed to profit or loss upon the Global Offering. Our Directors do not expect such expenses to materially influence our results of operations in 2026.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the net proceeds from the Global Offering will be approximately HK\$826.8 million, assuming an Offer Price of HK\$60.70 per Share, after deducting underwriting commissions and estimated offering expenses paid and payable by us in the Global Offering, taking into account any additional discretionary incentive fee. We intend to use the net proceeds from the Global Offering for the following purposes:

- approximately 60.0%, or HK\$496.1 million, will be used for continued investment in and enhancement of our foundational models and core research and development capabilities;
- approximately 20.0%, or HK\$165.4 million, will be used for expansion of our offerings, brand building, and broaden customer reach across industries;
- approximately 10.0%, or HK\$82.7 million, will be used to fund potential strategic investment and acquisition and our overseas expansion; and
- approximately 10.0%, or HK\$82.7 million, will be used for working capital and general corporate purposes.

DIVIDENDS

We did not make or declare any dividends in 2023, 2024 and 2025. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend payout ratio. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles. As advised by our PRC Legal Adviser, since we had accumulated losses as of December 31, 2025, we are currently unable to distribute dividends in accordance with PRC laws. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund.

SUMMARY

REGULATIONS ON GENERATIVE AI

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

See “Regulatory Overview — Regulations and Policies on Information Industry — Policies on Artificial Intelligence.”

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since December 31, 2025, our continued investment in enhancing services offerings, advancing R&D capabilities and deepening customer relationship has enabled our business to maintain its growth momentum.

In January 2026, D2 Intelligence, a wholly owned subsidiary of our Group, subscribed for 0.02% equity interest in Iluvatar CoreX for an aggregate consideration of approximately HK\$7.7 million. (“9903 Subscription”) The 9903 Subscription was completed and fully settled as of January 8, 2026. For more details, see “History and Corporate Structure — Investment after Track Record Period”.

Our Directors have confirmed that up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of our latest audited financial statements.

We anticipate that we will continue to incur net loss for the year ending December 31, 2026, primarily because we are in the stage of expanding our business and operations in the rapidly growing AI market and are continuously investing in research and development.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

“AAAI”	Association for the Advancement of Artificial Intelligence
“AAAS”	American Association for the Advancement of Science
“Accountants’ Report”	The accountants’ report prepared by Ernst & Young, details of which are set out in Appendix I to this prospectus
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of associations of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix V to this prospectus
“Audit Committee”	the audit committee of the Board
“BIS”	U.S. Department of Commerce, Bureau of Industry and Security
“Board” or “Board of Directors”	the Board of Directors of our Company
“Board Diversity Policy”	the board diversity policy of our Company
“business day”	a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAC”	Cyberspace Administration of China (國家互聯網信息辦公室)
“CAS”	Chinese Academy of Sciences (中國科學院), an academic organisation directly under the supervision of the State Council
“CASIA”	Institute of Automation Chinese Academy of Sciences (中國科學院自動化研究所), an academic establishment founded in 1956 by CAS, with intelligent science and technology as the main orientation
“Capital Market Intermediaries”	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
“CCASS”	the Central Clearing and Settlement System operated by HKSCC

DEFINITIONS

“CCRC”	the China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心)
“China”, “Mainland China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this prospectus (unless otherwise indicated), Hong Kong, Macau and Taiwan
“CIC” or “China Insights Consultancy”	China Insights Industry Consultancy Limited, our industry consultant, an independent market research and consulting company
“CIC Report”	the industry report commissioned by our Company and independently prepared by CIC, summary of which is set forth in the section headed “Industry Overview” in this prospectus
“Commercial Company”	has the meaning ascribed to it under Chapter 18C of 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” or “our Company”	Beijing Zhongke WengeAI Science and Technology Co., Ltd. (北京中科聞歌科技股份有限公司), formerly known as Beijing Zhongke WengAI Science and Technology Co., Ltd.*; Beijing Zhongke Wenge Science and Technology Co., Ltd.* (北京中科聞歌科技股份有限公司), was incorporated in China on 20 March 2017 as a joint stock company with limited liability
“Company Law” or “PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Tenth National People’s Congress on October 27, 2005 and effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time, of which the latest amendment was on December 29, 2023 that has been effective since July 1, 2024
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Countries subject to International Sanctions”	any country or territory subject either to a general and comprehensive embargo or a more limited set of export, import, financial or investment restrictions under sanctions related laws or regulation of the Relevant Jurisdiction
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)

DEFINITIONS

“Cybersecurity Review Measures”	Cybersecurity Review Measures (《網絡安全審查辦法》), which took effect on February 15, 2022
“D2 Intelligence”	D2 Intelligence Limited (中科聞歌國際有限公司), a company incorporated in Hong Kong with limited liability on July 18, 2023, our indirect wholly-owned subsidiary
“D2 Intelligence HK”	D2 Intelligence HK Limited (香港聞歌有限公司), a company incorporated in Hong Kong with limited liability on August 9, 2023, our indirect wholly-owned subsidiary
“Data Security Law”	Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》), which took effect on September 1, 2021
“Designated Bank”	HKSCC Participant’s EIPO Designated Bank
“Directors”	the directors of our Company, including all executive, non-executive and independent non-executive Directors
“Domestic Unlisted Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.0 each, which is/are not listed on any stock exchange
“Dr. Luo”	Dr. Luo Yin, our executive Director, chief executive officer and one of the Single Largest Group of Shareholders
“Dr. Wang”	Dr. Wang Lei, our chairman of the Board, executive Director and one of the Single Largest Group of Shareholders
“EAR”	United States Export Administration Regulations, 15 C.F.R. Parts 730-774
“ECLs”	expected credit losses
“EIT”	enterprise income tax
“EIT Law”	Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Exchange Participant(s)”	a person (a) who, in accordance with the Rules of the Hong Kong Stock Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

DEFINITIONS

“FINI”	“Fast Interface for New Issuance,” an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new issues
“GDP”	gross domestic product
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“GHG”	greenhouse gas
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group,” “our Group,” “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
“Guide”	Guide for New Listing Applicants issued by the Stock Exchange in December 2023 (as amended, supplemented or otherwise modified from time to time)
“Guoke Zhi’an”	Guoke Zhi’an (Beijing) Technology Co., Ltd. (國科智安(北京)科技有限公司), a company established under the laws of the PRC with limited liability on July 18, 2019, our direct wholly-owned subsidiary until July 28, 2025, when we disposed our entire equity interest in it
“H Share(s)”	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.0 each, which are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Shareholder(s)”	holder(s) of H Share(s)
“Hainan Xinyi”	Hainan Xinyi Technology Center (Limited Partnership) (海南新移科技中心(有限合夥)), a limited partnership established under the laws of the PRC on April 21, 2025, one of the Single Largest Group of Shareholders
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“HKSCC Rules”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“HKSCC Systems”	CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars,” “HK dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Listing rules” or “Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Hong Kong Offer Shares”	the 741,800 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation and adjustment as described in “Structure of the Global Offering”)

DEFINITIONS

“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in “Structure of the Global Offering”) at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee), on and subject to the terms and conditions described in this prospectus, as further described in “Structure of the Global Offering — Hong Kong Public Offering”
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in “Underwriting — Hong Kong Underwriters”
“Hong Kong Underwriting Agreement”	the underwriting agreement dated June 16, 2026 relating to the Hong Kong Public Offering entered into by our Company, Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, the Sponsor-Overall Coordinator, and the Hong Kong Underwriters, as further described in the section headed “Underwriting” in this prospectus
“IEEE”	Institute of Electrical and Electronics Engineers
“IFRS”	IFRS accounting standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
“Independent Third Party(ies)”	any entity(ies) or person(s) who, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
“International Offer Shares”	the 14,092,800 H Shares being initially offered by our Company for subscription under the International Offering, subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus
“International Offering”	the offer of the International Offer Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act, including to professional investors in Hong Kong, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Sanctions”	all applicable laws and regulation to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted administered and enforced by the U.S. Government, the EU and its member states, UN or Government of Australia

DEFINITIONS

“International Sanctions Legal Advisors”	Hogan Lovells International LLP, our legal advisors as to U.S. regulatory laws and International Sanctions laws in connection with the Listing
“International Underwriter(s)”	the underwriter(s) of the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into by, among others, our Company, Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, the Sponsor-Overall Coordinator, and the International Underwriters on or around Wednesday, June 24, 2026
“Joint Bookrunners”	the joint bookrunners as named in “Directors and Parties involved in the Global Offering”
“Joint Global Coordinators”	the joint global coordinators as named in “Directors and Parties involved in the Global Offering”
“Joint Lead Managers”	the joint lead managers as named in “Directors and Parties involved in the Global Offering”
“Latest Practicable Date”	June 8, 2026 being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	listing of our H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	the date on which dealings in our H Shares first commence on the Main Board of the Hong Kong Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國發展和改革委員會)
“OFAC”	the U.S. Department of Treasury’s Office of Foreign Assets Control

DEFINITIONS

“Offer Price”	the final offer price per Offer Share in Hong Kong dollars (exclusive of a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and a Hong Kong Stock Exchange trading fee of 0.00565%) at which the Hong Kong Offer Shares are to be subscribed for pursuant to the Global Offering and to be determined in the manner described in “Structure of the Global Offering”
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares
“Overall Coordinators”	the overall coordinators as named in “Directors and Parties Involved in the Global Offering”
“Pathfinder SII(s)”	has the meaning ascribed to it in Chapter 2.5 of the Guide for New Listing Applicants issued by the Stock Exchange
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“People’s Congress”	the PRC’s legislative apparatus, including the National People’s Congress and all the local people’s congresses (including provincial, municipal and other regional or local people’s congresses) as the context may require, or any of them
“Personal Information Protection Law”	Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人資訊保護法》), which entered into effect on November 1, 2021
“PRC government” or “Central Government” or “State”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities or, where the context requires, any of them
“PRC Legal Advisors”	King & Wood, our legal advisor as to PRC laws
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Pre-IPO Incentive Plans”	the Pre-IPO Share Option Scheme and the Pre-IPO Employee Share Schemes
“Pre-IPO Investment(s)”	the pre-IPO investments in our Company undertaken by our Pre-IPO Investors, details of which are set out in “History and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Investor(s)”	the investor(s) who participated in our Pre-IPO Investments, details of which are set out in “History and Corporate Structure — Pre-IPO Investments” in this prospectus

DEFINITIONS

“Pre-IPO Employee Share Schemes”	the employee share schemes of our Company approved and adopted on December 14, 2020 and February 24, 2023, as amended from time to time, a summary of the principal terms of which is set forth in “Statutory and General Information — Pre-IPO Incentive Plans” in Appendix VI
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme of our Company approved and adopted on June 9, 2025, as amended from time to time, a summary of the principal terms of which is set forth in “Statutory and General Information — Pre-IPO Incentive Plans” in Appendix VI
“Prof. Zeng”	Professor Zeng Dajun, one of the Single Largest Group of Shareholders
“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
“public sector services”	the provision of AI products and solutions and related services to government agencies and public institutions, primarily through standardized, general-purpose commercial AI offerings, to support public administration, public service delivery, economic and industrial development, and public engagement and cultural promotion
“R&D”	research and development
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
“SAT”	the State Administration of Taxation of the PRC (國家稅務總局)
“SDN”	individuals and entities that are listed on the SDN List
“SDN List”	the list of Specially Designated Nationals, and Blocked Persons maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealings with U.S. persons
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“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 shares in the capital of our Company with a nominal value of RMB1.0 each
“Shareholders(s)”	holder(s) of the Share(s)
“Single Largest Group of Shareholder(s)”	Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai. For further details, see “Relationship with the Single Largest Group of Shareholders”
“SOE(s)”	state-owned enterprise(s)
“Sole Sponsor”	China International Capital Corporation Hong Kong Securities Limited
“Sophisticated Independent Investor(s)” or “SII(s)”	has the meaning ascribed to it under Chapter 18C.05 of the Listing Rules and in Chapter 2.5 of the HKEX Guide, and unless the context otherwise requires, refers to the Pre-IPO Investor(s) the details of which are set out in “History and Corporate Structure — Pre-IPO Investments — Background of our principal Pre-IPO Investors — Our Pathfinder SIIs” and “— Our other Sophisticated Independent Investors”
“Specialist Technology Company”	has the meaning ascribed to it under Chapter 18C of the Listing Rules
“Specialist Technology Industry”	has the meaning ascribed to it under Chapter 18C of the Listing Rules
“Specialist Technology Product(s)”	has the meaning ascribed to it under Chapter 18C of the Listing Rules
“Sponsor-Overall Coordinator”	China International Capital Corporation Hong Kong Securities Limited
“sq.m.”	square meters
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited
“State Council”	State Council of the People’s Republic of China (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the years ended December 31, 2023, 2024 and 2025
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	The Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	United States Securities Act of 1933, as amended
“VAT”	value-added tax
“Wenge Chongqin”	Chongqin Zhongke Wenge Technology Co., Ltd. (重慶中科聞歌科技有限公司), a company established under the laws of the PRC with limited liability on October 21, 2021, our direct wholly-owned subsidiary
“Wenge Ganglian”	Wenge Ganglian Technology Development (Shanghai) Co., Ltd. (聞歌港聯科技發展(上海)有限公司), a company established under the laws of the PRC with limited liability on November 15, 2023, our indirect wholly-owned subsidiary
“Wenge Hainan”	Hainan Zhongke Wenge Technology Co., Ltd. (海南中科聞歌科技有限公司), a company established under the laws of the PRC with limited liability on December 24, 2021, our indirect wholly-owned subsidiary
“Wenge Holdings”	Beijing Zhongke Wenge Holdings Co., Ltd. (北京中科聞歌控股有限公司), a company established under the laws of the PRC with limited liability on May 9, 2023, our direct wholly-owned subsidiary
“Wenge Hongcai”	Wenge Hongcai (Beijing) Technology Center (Limited Partnership) (聞歌鴻才(北京)科技中心(有限合夥)), an employee share platform and a limited partnership established under the laws of the PRC on April 30, 2025 with Ms. Zeng Duan, an employee of our Company, as executive partner.

DEFINITIONS

“Wenge Jiangcai”	Wenge Jiangcai (Tianjin) Technology Center (Limited Partnership) (聞歌匠才(天津)科技中心(有限合夥)), an employee share platform and a limited partnership established under the laws of the PRC on February 28, 2023, one of the Single Largest Group of Shareholders
“Wenge Media”	Beijing Zhongke Wenge Technology Media Co., Ltd. (北京中科聞歌科技傳媒有限公司), a company established under the laws of the PRC with limited liability on March 18, 2025, our direct wholly-owned subsidiary
“Wenge Nanjing”	Nanjing Zhongke Wenge Technology Co., Ltd. (南京中科聞歌科技有限公司), a company established under the laws of the PRC with limited liability on August 23, 2019, our direct wholly-owned subsidiary
“Wenge Shanghai”	Shanghai Zhongke Wenge Technology Co., Ltd. (上海中科聞歌科技有限公司), a company established under the laws of the PRC with limited liability on July 20, 2022, our direct wholly-owned subsidiary
“Wenge Shenzhen”	Shenzhen Zhongke Wenge Technology Co., Ltd. (深圳中科聞歌科技有限公司), a company established under the laws of the PRC with limited liability on May 8, 2018, our direct wholly-owned subsidiary
“Wenge Tianjin”	Tianjin Zhongke Wenge Technology Co., Ltd. (天津中科聞歌科技有限公司), a company established under the laws of the PRC with limited liability on February 23, 2023, our direct wholly-owned subsidiary
“Wenge Xi’an”	Xi’an Zhongke Wenge Technology Co., Ltd. (西安中科聞歌科技有限公司), a company established under the laws of the PRC with limited liability on July 2, 2018, our direct wholly-owned subsidiary
“Wenge Zhicai”	Wenge Zhicai (Tianjin) Technology Center (Limited Partnership) (聞歌智才(天津)科技中心(有限合夥)), an employee share platform and a limited partnership established under the laws of the PRC on February 28, 2023, one of the Single Largest Group of Shareholders
“White Form eIPO”	the application process for Hong Kong Offer Shares with applications issued in applicant’s own name and submitted online through the designated website of the White Form eIPO Service Provider at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited

DEFINITIONS

“Xinhua Hangzhou”	Hangzhou Xinyi Trading Co., Ltd. (杭州新移貿易有限公司), a company established under the laws of the PRC with limited liability on October 27, 2020, our indirect wholly-owned subsidiary
“Xinhua Media”	Xinhua All Media (Beijing) Information Technology Research Institute Co., Ltd. (新華全媒(北京)信息技術研究院有限公司), a company established under the laws of the PRC with limited liability on March 16, 2021, our indirect wholly-owned subsidiary
“Xinhua Mobile”	Zhejiang Xinhua Mobile Media Co., Ltd. (浙江新華移動傳媒股份有限公司), a company established under the laws of the PRC with limited liability on June 29, 2012, our indirect subsidiary owned as to 51%, 14.69%, 8.00%, 7.73%, 7.20%, 6.15% and 5.24% by Wenge Media, Mr. Yan Guangsheng (顏廣生), Ucap Cloud Information Technology Co., Ltd. (開普雲信息科技股份有限公司), Hangzhou Dulai Network Technology Co., Ltd. (杭州都來網絡科技有限公司), Beijing Linteng Tianhai Advertising Co., Ltd. (北京麟騰天海廣告有限公司), Yangpu Runhang Investment Partnership (Limited Partnership) (洋浦潤杭投資合夥企業(有限合夥)) and Hainan Xinyi Investment Center (Limited Partnership) (海南新移投資中心(有限合夥))
“Zhongke Cuicai”	Zhongke Cuicai (Tianjin) Science and Technology Center (Limited Partnership) (中科粹才(天津)科技中心(有限合夥)), an employee share platform and a limited partnership established under the laws of the PRC on December 11, 2020 with Mr. Wang Yigang, an employee of our Company, as executive partner
“Zhongke Huicai”	Zhongke Huicai (Tianjin) Science and Technology Center (Limited Partnership) (中科慧才(天津)科技中心(有限合夥)), an employee share platform and a limited partnership established under the laws of the PRC on December 11, 2020 with Mr. Wang Yigang, an employee of our Company, as executive partner
“Zhongke Quncai”	Zhongke Quncai (Tianjin) Science and Technology Center (Limited Partnership) (中科群才(天津)科技中心(有限合夥)), an employee share platform and a limited partnership established under the laws of the PRC on December 16, 2020 with Mr. Wang Yigang, an employee of our Company, as executive partner
“Zhongke Sanshi”	Beijing Zhongke Sanshi Technology Development Co., Ltd. (北京中科三石科技發展有限公司), a company established under the laws of the PRC on May 27, 2020, one of the Single Largest Group of Shareholders

DEFINITIONS

“Zhongke Wencai”	Beijing Zhongke Wencai Technology Center (Limited Partnership) (北京中科文才科技中心(有限合伙)), a limited partnership established under the laws of the PRC on January 30, 2024, our wholly-owned subsidiary
“Zhongke Yingcai”	Zhongke Yingcai (Tianjin) Science and Technology Center (Limited Partnership) (中科英才(天津)科技中心(有限合伙)), an employee share platform and a limited partnership established under the laws of the PRC on December 18, 2020 with Mr. Wang Yigang, an employee of our Company, as executive partner
“Zhongke Youcai”	Zhongke Youcai (Hainan) Science and Technology Center (Limited Partnership) (中科優才(海南)科技中心(有限合伙)), an employee share platform and a limited partnership established under the laws of the PRC on June 19, 2020 with Ms. Zeng Duan, an employee of our Company, as executive partner
“%”	per cent

In this prospectus, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

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

GLOSSARY OF TECHNICAL TERMS

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

“AAAI”	Association for the Advancement of Artificial Intelligence, an international non-profit scientific society founded in 1979 (originally as “American Association for Artificial Intelligence”), dedicated to promoting research, education, and the responsible use of artificial intelligence. AAAI organises the annual AAAI Conference on Artificial Intelligence — one of the top-tier academic conferences in the AI field — facilitating global exchange between researchers, practitioners, and policymakers in both theoretical and applied AI.
“ACL”	Association for Computational Linguistics, a premier international scientific and professional society focused on computational linguistics and natural language processing. Its flagship conference (ACL Annual Meeting) is one of the top tiers of peer-reviewed venues in NLP research.
“AI agent” or “agent”	a software system designed to perform tasks autonomously by interacting with its environment and making decisions to achieve specific goals.
“API”	Application Programming Interface, a set of rules, protocols, and tools that allows different software applications to communicate with each other.
“Benchmark Clients”	Customers who have contributed an aggregate revenue of more than RMB3.0 million in 2023, 2024 and 2025, or customers who, despite not meeting this threshold, are deemed strategically vital to our business.
“cross-modal”	interactions or relationships between different modalities, focusing on how information from one modality can be mapped, translated, or aligned with another
“annotation”	the process of labeling or tagging raw data (such as text, images, audio, or video) with relevant information or metadata to make it understandable and usable for machine learning models. It is a critical step in supervised learning, where models require annotated datasets to learn patterns and make accurate predictions.
“data governance”	the framework, policies, processes, and standards that ensure the proper management of an organization’s data assets. It focuses on defining roles, responsibilities, and rules to ensure data quality, security, compliance, and effective use of data across the organization.

GLOSSARY OF TECHNICAL TERMS

“data management”	the operational processes, tools, and technologies used to collect, store, organize, maintain, and utilize data efficiently and effectively throughout its lifecycle. It focuses on ensuring that data is accessible, reliable, and available for decision-making and operational use.
“dataset(s)”	a structured collection of data that is organized into a meaningful format, typically for analysis, training, or processing by a machine learning algorithm.
“decision intelligence”	the design, integration, and orchestration of advanced AI technologies to systematically enhance, automate, and explain complex decision-making processes.
“digital transformation”	a fundamental process of integrating advanced digital technologies and data-driven strategies into an organization. This process aims to reshape operations, enhance customer value of data, and drive competitive advantage by leveraging digital tools to foster innovation and efficiency.
“EMNLP”	Empirical Methods in Natural Language Processing, a leading annual conference in natural language processing and machine learning research, organized by ACL and its SIGDAT group since 1996, recognized as one of the three primary high impact NLP conferences globally.
“end-to-end”	to describe a system or process that handles a complete task from initial raw input to final output in a single, integrated workflow, without requiring manual intervention or separate intermediate stages. In the context of our AI services, this often refers to our approach of utilizing a single, versatile large model to perform a complex series of tasks that would otherwise require a pipeline of multiple, specialized models.
“heterogeneous data”	data that is comprised of various types, formats, or structures, often originating from multiple sources. It includes a mix of structured, semi-structured, and unstructured data, such as combining numerical data from a database with text from documents and images from a media library.
“Knowledge Graph”	a structured framework that represents knowledge in the form of entities, their attributes, and the relationships between them, enabling machines to understand and infer information contextually. It enhances semantic understanding, facilitates data integration from various sources, and improves search relevance, making it crucial in applications like search engines, artificial intelligence, and data analytics.

GLOSSARY OF TECHNICAL TERMS

“LLM”	Large Language Model, a class of foundation AI models trained via self supervised machine learning on extremely large text datasets, capable of understanding and generating human language for a wide range of natural language processing tasks, especially text generation.
“multi-modal”	pertaining to the ability of an AI system to simultaneously process, understand, and reason with information from multiple different data types (modalities), such as text, images, audio, and video, within a single, unified framework
“Operator”	a fundamental building block within an AI system or workflow that performs a specific, predefined function. Examples include a data ingestion operator, a data transformation operator, or a model inference operator, which can be combined to create complex AI applications.
“Pre-training”	the initial phase of training a machine learning model, particularly in natural language processing (NLP) and deep learning. During this phase, a model is trained on a large dataset to learn general patterns, representations, and features of the data before being fine-tuned on a specific task.
“structured data”	information that is organized into a predefined format, typically in rows and columns within relational databases or spreadsheets, making it easily searchable and analyzable. It adheres to a strict schema or data model, such as numerical, categorical, or text values with clearly defined fields.
“supervised fine-tuning”	a process in machine learning where a pre-trained model is further trained using labeled data to specialize it for a specific task. This method ensures the model learns patterns and relationships from the labeled data to improve its performance on the desired task.
“TMM”	Testing Maturity Model, a structured framework, originally developed by the Illinois Institute of Technology, for assessing and improving the maturity of an organization’s software testing processes. It comprises five defined levels — from ad hoc test practices to optimized, tool supported, defect prevention operations.
“unstructured data”	information that does not have a predefined format or organized structure, making it difficult to store and analyze using traditional relational databases. It requires specialized tools and techniques, such as natural language processing (NLP) or machine learning, for effective analysis.

FORWARD-LOOKING STATEMENTS

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

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

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

RISK FACTORS

An investment in our Shares involves significant risks. You should carefully consider all of the information set out in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. Particularly, we are a Specialist Technology Company seeking to list on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. Our operations and the specialist technology industry in which we operate involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your investments in our Shares.

The following is a description of what we consider to be our material risks. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements.”

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

AI technologies are constantly evolving. If we fail to continuously innovate our technology and provide useful solutions that meet the expectations of our customers, our business, financial condition and results of operations may be materially and adversely affected.

The industries in which we operate are characterized by constant changes, including rapid technological evolution, frequent introductions of new solutions, continual shifts in customer demands and constant emergence of new industry standards and practices. To remain competitive, we need to constantly anticipate the emergence of new technologies and assess their market acceptance. We must also continue to stay abreast of the continuously evolving industry trends and rapid technological developments. We have invested and intend to continue investing significant resources in technologies to enhance our AI services. Nevertheless, we may not be able to leverage new technologies effectively or adapt our AI services to meet user needs or emerging industry standards, and our technological approach might not align with our future development plans or even become obsolete if we are unable to adapt in a cost-effective and timely manner to changing market conditions, whether for technical, legal, financial or other reasons. Our success will depend partially on our ability to continuously identify, develop, acquire, protect or license advanced and new technologies that are valuable to our AI services. Failure to do so could render our existing solutions and services obsolete and unappealing, thereby adversely affecting our business prospects.

Moreover, uncertainties regarding the timing and nature of the development of AI services or technologies, or modifications to existing solutions or technologies, could increase our research and development expenses. Any failure to deliver effective results with our AI services could reduce the demand for our AI services, result in user dissatisfaction, and adversely affect our business, financial condition, results of operations and prospects.

If we do not successfully develop and deploy new technologies to address the needs of our customers or if our significant investment in research and development does not yield the expected results, our business, financial condition and results of operations may be materially and adversely affected.

Our success depends on our ability to continuously innovate and develop new technologies, solutions, features, and capabilities that address the rapidly evolving needs of our customers. We invest substantial time and resources in research and development, with R&D expenses of RMB179.5 million, RMB131.0 million, and RMB187.5 million in 2023, 2024 and 2025, respectively, representing a significant portion of our total expenses. We expect these investments to continue increasing as we strive to lead technological advancement and remain competitive.

RISK FACTORS

However, research and development activities are inherently uncertain, and we may face difficulties with software development, design, marketing, or implementation of new solutions. There is no assurance that our investments will be successful, that customers will widely adopt our new products or features, or that we will realize a return on our R&D expenditures. If we are unable to upgrade our technologies in a cost-effective and timely manner, or if new technologies render our offerings obsolete or unattractive, our ability to recover related costs could be limited.

In addition, our significant investments in R&D may negatively impact our profitability in the short term and may not generate the results we expect. Failure to successfully commercialize our research and development results, or to keep pace with rapid technological changes, could result in a decline in our revenues, profitability, and market share, and could materially and adversely affect our business, financial condition, and results of operations.

Any flaws or inappropriate usage of AI technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have a negative impact on our business, reputation and the general acceptance of AI services by society.

AI technologies are still at a preliminary stage of development and are constantly evolving. Flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the analysis and decisions made by our AI services. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. If the analysis and decisions that our AI services assist in producing are deficient or inaccurate, we could be subject to potential legal liability, and ethical or reputational harm. Any flaws or deficiencies in our AI technologies and solutions, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

Similar to many disruptive innovations, AI technologies present risks and challenges that could affect user perception and public opinion. Any inappropriate, abusive or premature usage of AI technologies, whether actual or perceived, whether intended or inadvertent, and whether by us or by third parties, may dissuade prospective customers from adopting AI services, may impair the general acceptance of AI services by society, attract negative publicity and adversely impact our reputation. It may also violate applicable laws and regulations in China and other jurisdictions and subject us to legal or administrative proceedings, pressures from activists or other organizations and heightened scrutiny by regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations.

We experienced customer and supplier concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future.

During the Track Record Period, our major customers were (i) media and multimedia companies, (ii) government agencies, and (iii) commercial enterprises. Revenue generated from our largest customer in each year or period during the Track Record Period accounted for 24.3%, 19.9% and 19.1%, respectively, of our revenue for the respective year or period. Revenue generated from our five largest customers in each year or period during the Track Record Period accounted for 48.0%, 32.5% and 37.6%, respectively, of our revenue for the respective year or period. Our major suppliers are (i) providers of computing resources, (ii) providers of equipment and (iii) providers of software services. Purchase costs from our largest supplier in each year or period during the Track Record Period accounted for 7.1%, 8.0% and 8.0%, respectively, of our total purchases for the respective year or period. Purchase costs from our five largest suppliers in each year or period during the Track Record Period accounted for 25.4%, 26.8% and 24.0%, respectively, of our cost of sales for the respective year or period. There is no guarantee that we will be able to maintain our business relationship with our existing customers and suppliers or secure new contracts from them in the future. If we are unable to secure projects of comparable contract value and quantity from new customers, or obtain sufficient new business from existing customers in a timely manner or at all, our business, results of operations and financial condition would be materially and adversely

RISK FACTORS

affected, and it may cause material fluctuations in our revenue. In addition, should any of our major customers delay or default in making payments to us or at all, our cash flow and financial position would be adversely affected. Meanwhile, any significant increase in the prices charged by our suppliers will increase our costs and may adversely affect our results of operations if we are not able to pass on the increased costs to our customers in a timely manner or at all. The prices charged by our suppliers may be affected by factors beyond our control, such as inflation, regulatory developments and economic cycles. We cannot assure you that we will not experience any of the above factors in the future.

Actual or alleged failure to comply with data privacy, cybersecurity, and AI-related laws and regulations could damage our reputation, deter current and potential customers from using our AI services, and subject us to significant legal, financial and operational consequences.

In recent years, government authorities across the world have been increasingly focusing on privacy, data protection, and cybersecurity. In China, where our principal business operations are based, the PRC government has enacted a series of laws, regulations, and governmental policies on the protection of personal information, data security, cybersecurity, and AI governance in the past few years. We and our business partners are subject to these laws and regulations, and as a result, we are required to continuously upgrade our AI services and internal controls to help ensure compliance with such requirements.

We cannot assure you that our measures will always be deemed sufficient under applicable laws and regulations. Additionally, the effectiveness of our measures is subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations, or to address any privacy, cybersecurity, or data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential customers from using our AI solutions, and subject us to significant legal, financial and operational consequences.

In addition to government regulation, privacy advocates and industry groups have proposed, and may continue to propose, self-regulatory standards that may legally or contractually apply to us, or which we may elect to follow. We expect that there will continue to be new laws, regulations, and standards concerning cybersecurity, data protection, personal information protection, and AI governance, and we cannot predict their impact on our business.

Any failure or perceived failure to comply with applicable cybersecurity, data security, personal information protection, or AI governance laws, regulations, or standards could lead to regulatory investigations or enforcement actions, resulting in fines, penalties, or operational restrictions; negative publicity and reputational damage; legal proceedings initiated by government authorities or affected parties; and loss of customer trust, all of which could materially and adversely affect our business, financial condition, and results of operations.

Our business depends substantially on continuing efforts of our senior management and other key personnel, as well as a competent pool of talents who support our existing operations and future growth. If we are unable to retain, attract, recruit and train such personnel, our business may be materially and adversely affected.

Our future success depends heavily on continuing efforts of our senior management, many of whom are difficult to replace. In particular, we rely on the expertise, experience and vision of our senior management, as well as other members of our senior management team. If any of our senior management becomes unable or unwilling to continue to contribute his or her services to us, we may not be able to replace such individual easily, or at all. As a result, our business may be severely disrupted, and our financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Additionally, our future success also depends on our ability to attract, recruit and train a large number of qualified employees and retain existing key employees. In order to compete for talents, we may need to offer higher compensation, better training and more attractive career opportunities and other benefits to our employees, which may be costly and burdensome. We cannot assure you that we will be able to attract or retain a qualified workforce necessary to support our future growth. Furthermore, any disputes between us and our employees or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

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

Our ability to renew or expand our customer base, as well as increase the spending by our customers depends on a number of factors, including our ability to offer more intelligent solutions that address the needs of our customers at competitive prices, the strength of our technologies, and the effectiveness of our sales and marketing efforts. There is no assurance that our customers will repurchase from us within a short period of time, or at all. As a result, we may fail to retain our existing customers. If we fail to retain existing customers or attract new customers, we may not be able to increase our revenue as quickly as we anticipate, or at all.

As we have been and will continue expanding our customer base and diversifying the industries we cover, we may fail to provide customers with solutions that meet their specific demands, and we may fail to provide customer support to the level expected by our customers. Such failures could result in user dissatisfaction, decreased overall demand for our AI services and loss of expected revenue. In addition, our inability to meet customer service expectations may damage our reputation and could consequently limit our ability to retain existing customers and attract new customers, which would materially and adversely affect our business and the results of operations.

A significant portion of our customers include PRC government entities or PRC state-owned enterprises, which have more stringent data security requirements. If we fail to comply with their requirements, or if our relationships with these customers deteriorate, our business could be adversely affected.

Since our customers include PRC government entities and PRC state-owned enterprises, which normally have more stringent data security requirements, the current measures may not be effective in fulfilling their standard. For instance, our information systems could be breached through hacking activities, or they could be leaked due to any theft or malfunction. Any change in such laws, rules and regulations that impose more stringent data protection requirements could affect our ability to process customers' data or subject us to liability for the protection of such data. In addition, we may not be able to perform our obligations under contracts with customers in a satisfactory manner or at all, in particular customers with high data security requirements, due to changes in our qualification, certification and/or eligibility to provide relevant services, which may subject us to commercial disputes and other proceedings and liabilities, and affect our relationship with such customers. Failure to protect customers' information, any restriction on or liability as a result of our process of data, or inability to continually provide services that meet such customers' requirements could have a material adverse effect on our business and reputation.

RISK FACTORS

If the data used by our customers are out of date, inaccurate or lacking credible information, the performance of our AI services will be adversely affected, which could adversely impact our business.

Low quality or inaccurate data could materially affect the performance of our AI services. We cannot guarantee the accuracy and timeliness of the various sources of data that our customers use in utilizing our AI services for various reasons. For example, since the information available may be limited, the datasets for training our models may be out of date, inaccurate or lacking credible information. In such events, our AI services may not be able to generate satisfactory results. Consequently, there may be negative conceptions about our AI services, which could adversely affect our reputation, business operations and financial performance.

Our AI services are complex and have a lengthy implementation process, and any failure of our products to satisfy our customers or perform as desired could harm our business, results of operations, and financial condition. Our business operations could be harmed by real or perceived material defects or errors in our AI services.

Our AI services are complex and may be deployed in various network environments. Inability to meet the unique needs of our customers may result in customer dissatisfaction and/or damage to our reputation, which could harm our business. However, the proper use of our AI services requires training of the customer and the ongoing after-sales services of our technical personnel over the contract term. In addition, if our customers do not use our AI services correctly or as intended, inadequate performance or outcomes may result. When our customers rely on our AI services to assist in making important decisions, the incorrect or improper use or configuration of our products, failure to properly train customers on how to efficiently and effectively use our products, or failure to properly provide implementation, analytical, or maintenance services to our customers may result in contract terminations or non-renewals, negative publicity, or legal claims against us.

Our use of open-source technology could impose limitations on our business operations.

We use open-source software in some of our AI services and expect to continue to use open-source software in the future. Since the terms of many open-source licenses have not been thoroughly interpreted by courts, there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our AI services. In such an event, we may be required to seek licenses from third parties to continue commercially offering our software, which could adversely affect our business and revenue. We may also face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software, derivative works, or our proprietary source code that was developed using such software. Open-source software may in future charge us for a fee, in which case our financial conditions will be burdened. In the cases above, we may be required to make additional research efforts or switch to another open-source software. Any requirement to re-engineer our R&D component or services could disrupt our operations, cause delays to our development roadmap and divert R&D resources from other R&D and operational objectives.

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

Our business is subject to regulatory oversight by regulatory authorities where we operate. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings, we may be subject to various penalties, such as confiscation of the revenue that was generated through the affected operations, the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may materially and adversely affect our business, financial condition and results of operations.

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

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. Our technology infrastructure may be vulnerable to damage or interruption caused by telecommunication failures, power loss, human error or other accidents. Furthermore, our infrastructure is also vulnerable to damages from fires, floods, earthquakes and other natural disasters, power loss and telecommunications failures. Any network interruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could reduce our user satisfaction, which in turn could adversely affect our reputation, business and financial condition.

The occurrence of unanticipated problems that affect our technology infrastructure could result in interruptions in the availability of our AI services. It may be difficult for us to respond to such interruptions in a timely manner, or at all. Such interruptions may affect the ability of customers to use our AI services, which would damage our reputation, reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead our customers to seek alternative solutions.

Our investments or acquisitions may have a material adverse effect on our business, reputation, financial condition and results of operations.

As part of our business strategy, we may acquire or make investments in other companies, products, or technologies to enhance the features and functionality of our AI services, and accelerate the expansion of our network of strategic partners. We may not be able to find suitable acquisition or investment candidates and we may not be able to complete acquisitions and investments on favorable terms, if at all. If we do complete acquisitions and investments as we expect, there is a risk that such transactions may ultimately not be successful. We may not ultimately strengthen our competitive position or achieve our goals or realize the anticipated cost savings, synergies, or operational efficiencies; and any acquisition and investment we complete could be viewed negatively by customers or investors. In addition, we face significant integration risks. If we fail to successfully integrate such acquisitions, or the technologies and personnel associated with such acquisitions, into our Company, the revenue and operating results of the combined company could be adversely affected.

Acquisitions and investments may disrupt our ongoing operations, divert management from their primary responsibilities, subject us to additional liabilities, increase our expenses, and adversely impact our business, financial condition, operating results, and cash flow. Furthermore, we are reexposed to valuation risks, which may arise from overpaying for target companies, relying on inaccurate valuation assumptions, or assuming undiscovered liabilities. We may not accurately forecast the financial impact of an acquisition or investment transaction, including accounting charges. We would have to pay cash, incur debt, or issue equity securities to pay for any such acquisition and investment, each of which may affect our financial condition or the value of our capital stock and could result in dilution to our shareholders. See “History and Corporate Structure — Major Acquisitions, Disposals and Mergers.”

Our warranty policies may adversely affect our results of operations.

We offer warranty for our AI services for some of our customers. Warranty coverage varies case by case depending on the AI services. We may also be required by law to adopt new or amend existing warranty policies from time to time. However, these policies also subject us to additional costs and expenses which we may not recoup through increased revenue. We cannot assure you that our warranty policy will not be misused by our customers, which may significantly increase our

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costs and may materially and adversely affect our business and results of operations. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new customers at a desirable pace, which may materially and adversely affect our results of operations.

Failure of our customers, suppliers and partners to meet their contractual obligations, or penalties and their negative changes could adversely affect our business.

We have entered into various agreements and business relationships with customers, suppliers, partners, and other third parties. The failure of these parties to meet their contractual obligations to us could adversely affect our business. Disagreements or disputes with such parties could also lead to delays, termination of research, development or commercialization activities involving our technologies or products, or result in litigation or arbitration.

Moreover, some of our business partners, suppliers, customers, and other third parties may be subject to regulatory penalties or legal liabilities due to their own noncompliance or infringement of third-party rights. Such actions may directly or indirectly impact our business, financial condition, results of operations, and reputation. We cannot assure you that we will be able to identify or address all irregularities or noncompliance in the business practices of these parties in a timely or effective manner. Any of the foregoing could materially and adversely affect our business, financial condition, and results of operations.

Our limited insurance coverage could expose us to significant costs and business disruption.

We believe we maintain insurance policies in line with industry standards. We do not maintain business interruption insurance, key-man life insurance or litigation insurance. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If such risk materializes, we may also suffer substantial losses as we do not have insurance coverage.

RISKS RELATED TO THE COMMERCIALIZATION OF OUR AI SERVICES

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

We were founded in 2017 and our limited operating history makes it difficult to evaluate our future prospects, including our ability to plan for future growth and to make profit. We may encounter risks and difficulties frequently experienced by rapidly growing companies in constantly evolving industries, including the risks described in this document. If we do not address these risks successfully, our business may be harmed. Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market.

We have limited experience in the commercialization of our AI services.

We have relatively limited experience in launching, commercializing, sales and marketing of our AI services. For example, we have limited experience in building a commercial team, conducting comprehensive market analysis, obtaining licenses and approvals, or managing the sales force for our AI services. Therefore, our ability to successfully commercialize our new AI services may involve more inherent risks, take longer, and cost more than it would if we were a company with more experience in sales and marketing. In particular, the commercialization of new AI services requires additional resources. The success of our sales and marketing efforts depends on

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our ability to attract, motivate and retain qualified and professional employees in our commercialization team who have, among other things, adequate industry knowledge to communicate effectively with industry professionals, sufficient experience in sales and marketing of our cutting-edge AI services, and extensive industry connections with potential customers as well as academic and research institutions. Furthermore, competition for experienced sales and marketing personnel is intense. If we are unable to attract, motivate and retain a sufficient number of qualified sales and marketing personnel to support our business, the commercialization of our AI services may be adversely affected. Our business, results of operations, and prospects may also be adversely affected if our investment and efforts to expand our sales force do not generate a corresponding increase in revenue.

If we fail to efficiently manage the expansion of our business, our costs and expenses may increase faster than planned, and we may not successfully attract a sufficient number of customers in a cost-effective manner, respond timely to competitive challenges, provide quality services, or otherwise execute our business strategies. A failure in any of these areas could make it difficult for us to meet market expectations for our AI services, and could damage our reputation and business prospects. Our inability to successfully manage our growth and expand our operations could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We face intense competition in our markets, and we may lack sufficient financial or other resources to maintain or improve our competitive position.

The markets for our AI services are very competitive, and we expect such competition to continue or increase in the future. A significant number of companies are developing products that currently, or in the future may, compete with some or all aspects of our AI services. We may not be successful in convincing our potential customers to deploy our AI services in lieu of or other competitive AI services. In addition, our competitors include large AI services providers, software companies, and system integrators, and we may face competition from emerging companies as well as established companies who have not previously entered this market. Additionally, we may be required to make substantial additional investments in research, development, services, marketing, and sales in order to respond to competition, and there can be no assurance that we will be able to compete successfully in the future.

Our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as:

- Greater name recognition, longer operating histories, and larger customer bases;
- Larger sales and marketing budgets and resources;
- Broader and deeper relationships with suppliers and customers;
- Larger and more mature intellectual property portfolios; and
- Greater financial, technical, and other resources to provide services, to make acquisitions, and to develop and introduce new products and capabilities.

As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies or customer requirements than we can. The above factors may also result in continued pricing pressures, which may lead to price reductions in certain of our services, and may materially and adversely affect our profitability and market share. Therefore, even if our AI services are better than those of our competitors, current or potential customers may accept competitive products or services in lieu of ours.

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

We have developed industry-oriented AI services in multiple industry verticals, including but not limited to media and publicity, social governance, and financial services area. In the future, we may expand into more industry verticals which we are not familiar with and there is no guarantee that such efforts will be successful or beneficial to us. For example, sales to a new customer have often led to additional cost in marketing efforts such as when we try to tap into energy, healthcare, publishing, and other industries. In addition, as we expand into new and emerging markets and some heavily regulated industry verticals, we will likely face additional regulatory scrutiny, risks, and burdens from the regulators which supervise those markets and industries. While this expansion approach within new commercial markets and verticals has proven successful in the past, it is uncertain we will achieve the same success in the future and our business, prospects and growth momentum could be negatively impacted.

RISKS RELATING TO LEGAL AND COMPLIANCE REQUIREMENTS

Unauthorized use of our intellectual properties by third parties may harm our brands and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business.

We regard our copyrights, trademarks, trade secrets and other intellectual properties as critical to our success and rely on a combination of trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual properties to protect these rights. We cannot assure you that these protection approaches can always effectively prevent disclosure of confidential information and provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties. Policing unauthorized use of our proprietary technology, trademarks and other intellectual property can be difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources and could disrupt our business, as well as materially and adversely affect our financial condition and results of operations.

We may be subject to intellectual property infringement claims, which could be time-consuming or costly to defend and may result in diversion of our financial and management resources, and indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. We may from time to time be subject to such proceedings and claims. We cannot assure you that holders of patents purportedly relating to some aspect of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. Further, the application and interpretation of China's patent laws and the procedures and standards for granting patents in China are still evolving and may change from time to time in the future, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time-consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or an injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

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We could be adversely affected as a result of any sales we make to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Kingdom, the United Nations, Australia and other relevant sanctions authorities.

The United States and other jurisdictions or organisations, including the European Union, the United Kingdom, the United Nations and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organisations within such countries.

During the Track Record Period, we have provided information and AI services related to media data sharing, and network service maintenance to certain customers that have been designated by the BIS to the Entity List, including one customer that has also been designated by OFAC as an SDN. Please refer to “Regulatory Overview — Sanction Laws and Regulations — U.S.” for the sanctions and export control regulations applicable to such customer. The Provision of “material assistance” to the said customer (and any entity owned by it at 50% or greater level) could create exposure under U.S. secondary sanctions. Based on review of all our transaction records since April 24, 2019, the transactions were denominated in RMB, with the transactions involving the aforementioned SDN customer totalling approximately RMB5.3 million, including approximately RMB0.7 million during the Track Record Period. As advised by our International Sanctions Legal Advisors, given the nature of the transactions involving the said customer, including that we were not engaged in any exports or transactions of any items subject to the EAR to the said customer and the export control restrictions applicable to the said customer being designated on the Entity List maintained by the BIS were not implicated and as such, these transactions do not represent a violation of the International Sanctions and U.S. export controls. Furthermore, in light of the transactions with the said customer and the fact that all such transactions were of relatively small amount and did not involve any U.S. person, U.S. processing banks or any other U.S. nexus, as advised by our International Sanctions Legal Advisor, it is unlikely for our Group to be viewed as provision material assistance to the said customer and hence it is unlikely that such transactions will induce the exercise of discretionary authority under secondary U.S. sanctions. We have completed all contracts and have not undertaken any further business with this customer, as of December 2024 and also taken actions to enhance our internal control measures to prevent future occurrence. These actions include implementing a comprehensive group-wide sanctions compliance policy that aligns with global standards; adopting enhanced screening and due diligence procedures for all new and existing counterparties, including customers, suppliers, and partners; and providing training to our senior management and key employees to ensure a thorough understanding of the relevant policies and their obligations.

During the Track Record Period, we procured certain PRC ICs chips that meet the parameters for the control under ECCN 3A090 from an affiliated entity of Supplier B, one of our top five suppliers in 2023 and 2024, respectively. On May 13, 2025, the BIS issued a Guidance on Application of General Prohibition 10 (“**GP10**”) to PRC Advanced-Computing ICs (“**Guidance**”), alerting industry to the risks of using PRC advanced computing ICs and warning that the use of such PRC advanced computing ICs risks violating U.S. export controls and may subject companies to BIS enforcement action. As advised by our International Sanctions Legal Advisor, our historical procurements of the aforementioned procured chips before May 13, 2025 when we had no knowledge that such chips are subject to presumption of GP10 restrictions is unlikely to represent a violation of the relevant GP10 rule BIS quoted because the “knowledge” element is not established.

We had not made any subsequent procurement of any chips meeting the ECCN 3A090 parameter specified in the Commerce Control List since the issuance of the Guidance (i.e., on or after May 13, 2025). We held no inventory balance of the aforementioned chips as of December 31, 2025. Furthermore, none of our AI models have met the “parameters” of AI models trained utilizing 10^{26} or more “operations”, as specified under the ECCN 4E091 in the Commerce Control List. Other than the use of the aforementioned procured chips, we have not utilized any U.S. technology, items or involves any transfer, exports, or sales of any products subject to the EAR, during the Track

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Record Period. None of the aforementioned procured chips was used in any provision of services or any transactions with any of the customers that have been designated by the BIS to the Entity List. Therefore, as advised by our International Sanctions Legal Advisors, the historic procurement of these PRC 3A909 ICs chips do not represent a violation of the applicable U.S. export controls.

To mitigate export control risks, we have implemented a supply chain localization strategy to maintain compliance as to procurement. Our Directors are of the view, we can source chip models at comparable price and quality under our supply chain localization strategy, and such supply chain diversification does not have material adverse impact to our financial performance, business operation or product offering, based on (i) during the Track Record Period, over 90% of our AI inference and training tasks during our business were conducted based on third-party cloud computing resources; we are not dependent on hardware or hardware suppliers in carrying out our research and development and other operations; (ii) for the portion of our tasks currently not handled by cloud resources, we have located and already completed the adaptation for our major AI services to run viable domestic chip models sourced under our supply chain localization strategy; (iii) the domestic chip models sourced under our supply chain localization strategy are adequate in providing commercially viable solutions for our needs. As a result, the price-to-performance ratio for our specific use cases in our operations is generally comparable under our current procurement portfolio. We will continue to utilize flexible cloud computing resources and implement a diversified procurement strategy to reduce reliance on any single hardware supplier. However, we cannot guarantee that future changes in U.S. export control laws or other regulatory actions will not impose restrictions on other GPUs and hardware which intend to source, which could limit our access to critical computing resources. Any such restrictions may adversely impact our R&D capabilities, operational efficiency, and competitiveness.

Outbound Investment Restrictions

On August 9, 2023, the U.S. President issued Executive Order 14105 Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Order**”), which identifies the PRC (including Hong Kong and Macau) as a country of concern. Pursuant to this Order, the U.S. Department of the Treasury issued the Outbound Investment Security Program (“**OISP**”) regulations, which became effective on January 2, 2025. The OISP regulations, among other things, prohibit U.S. Persons from engaging in certain transactions with, and require notification for other transactions with, “Covered Foreign Persons”. A “Covered Foreign Person” is generally defined as a “Person of a Country of Concern” that engages in a “Covered Activity”.

We have engaged Hogan Lovells International LLP, our International Sanctions Legal Advisor, to advise us on the implications of the OISP regulations on our Group. We have provided and certified certain factual information to our International Sanctions Legal Advisor regarding our Group’s business and operations, based on which, our International Sanctions Legal Advisor has advised that our Group should be considered a “Person of a Country of Concern” because the Company is headquartered in China, which is designated as a “country of concern”. Notwithstanding that our Group designs and develops “AI systems”, our artificial intelligence system is not designed for any end use, such as military end use, government intelligence or mass surveillance end use, or for the use of cybersecurity applications, digital forensic tools, penetration test tools, or the controls of robotic systems, which are listed and restricted under § 850.217 (d)(1)-(2) or § 850.224 (j)(1)-(2) for activities subject to restrictions related to the artificial intelligence system sector of the Final Rule, nor trained with a restricted quantity of computing power under the Final Rule (i.e., trained using a quantity of computing power greater than 10^{23} computational operations or more), and as advised by our International Sanctions Legal Advisor based on its interpretations of the OISP regulations, we are not a “Covered Foreign Person” under the OISP regulations, because our Group comprises “Persons of a Country of Concern” that are not engaged in any “Covered Activities”. Therefore, investments in our Group, including by U.S. Persons in the Global Offering and transaction of shares after listing, are not expected to be subject to the prohibition or notification requirements under the OISP regulations.

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As advised by our International Sanctions Legal Advisor, no publicly available precedent exists for application of the OISP regulations by Treasury or any court or other regulatory, judicial or other legal authority, and regulations are subject to change or repeal at any time, including by the U.S. President, the U.S. Treasury Department, or the U.S. Congress, particularly given the recent change in the U.S. presidential administration. Any evolution in our activities or the applicable regulations could change the above analysis.

Sanctions and export control laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of sanctioned persons. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions or export controls. We cannot provide any assurance that our future business will be free of sanctions or export controls risks or that our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions. Our business and reputation could be adversely affected if the authorities of U.S., the EU, the U.K., the UN, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions or export controls that they impose or provides a basis for a sanctions designation of us.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent the disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our intellectual property and know-how. Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality, non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, non-compete covenants in a way that benefits us. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

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

Pursuant to relevant PRC laws and regulations, employers are obligated to directly and duly contribute to the social insurance and housing provident fund for their employees. During the Track Record Period, we have not paid social insurance and housing provident fund contributions for certain of our employees in full amount in accordance with laws and regulations related to social insurance and housing provident funds. In addition, our newly acquired subsidiary, Xinhua Mobile Group, did not make full contributions to social insurance and housing provident funds for certain employees as required under the relevant PRC laws and regulations. In addition, since Xinhua Mobile Group has not established a local branch in certain cities, it is unable to open social insurance and housing fund accounts for certain employees based in these cities and entrusts third-party agency to pay social insurance and housing fund contributions under the name of Xinhua Mobile Group. As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, if the

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employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement.

Furthermore, the Interpretation II of the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "New Judicial Interpretation") was enacted by the Supreme People's Court on July 31, 2025 and effective as of September 1, 2025. According to the New Judicial Interpretation, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People's Court shall support such claims. See "Regulatory Overview — Regulations Relating to Employment and Social Security" for details. Our PRC Legal Advisor has advised us that the New Judicial Interpretation does not expand the scope of penalties or repeal the provisions of existing laws and regulations and the risk of us being materially affected by the issue of social insurance and housing provident fund payment is relatively low, provided that we pay the unpaid amount for social insurance and housing provident fund in full amount in a timely manner if we receive notices to rectify the non-compliance from the relevant PRC authorities.

We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations including those relating to obligations to make full social insurance payments and contribute to the housing provident funds. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our financial condition and results of operations may be adversely affected.

We may be involved in legal proceedings and commercial disputes, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to claims and various legal and administrative proceedings, and, as a result, penalties and new claims may arise in the future. In addition, agreements we entered into sometimes include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party.

Regardless of the merit of particular claims, legal and administrative proceedings, such as litigations, injunctions and governmental investigations, may be expensive, time-consuming or disruptive to our operations and distracting to management. In recognition of these considerations, we may enter into new or further licensing agreements or other arrangements to settle litigation and resolve such disputes. No assurance can be given that such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements may also significantly increase our operating expenses.

New legal or administrative proceedings and claims may arise in the future and the current legal or administrative proceedings and claims we face are subject to inherent uncertainties. If one or more legal or administrative matters were resolved against us or an indemnified third party for amounts in excess of our management's expectations or certain injunctions are granted to prevent us from using certain technologies in our AI services, our business and financial conditions could be materially and adversely affected. Further, such an outcome could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, remedial corporate measures, injunctive relief or specific performance against us that could materially and

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adversely affect our financial condition and operating results. For further details regarding our legal proceedings and compliance matters, see the sections headed “Business — Legal Proceedings and Compliance” and “Business — Licenses, Permits and Certificates.”

We face certain risks relating to the properties that we lease, which may disrupt our operations and relocation costs.

As of the Latest Practicable Date, we leased and occupied 25 properties across Beijing, Shanghai, Shenzhen and other cities in China with an aggregate gross floor area of approximately 11,043 square meters, which are mainly used as office space. Any limitations on the leased properties, or lessors’ title to such properties, may impact our use of the offices, or in extreme cases, result in relocation, which may in turn adversely affect our business operations.

Pursuant to applicable PRC laws and regulations, all lease agreements are required to be registered with the local land and real estate administration bureau. As of the Latest Practicable Date, 19 of our leased properties in China had not been registered with the relevant PRC government authorities. Although failure to do so does not in itself invalidate the leases, we may be subject to fines if we fail to rectify within the prescribed time period after receiving notices from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

As of the Latest Practicable Date, the actual land use of one of our leased properties was office, which is inconsistent with the approved land use as specified in their land use right certificate. If the owners of these properties are required by relevant authorities to rectify such land use, we may have to relocate and bear relocation costs and other additional expenses.

RISKS RELATING TO OUR FINANCIAL PERFORMANCE

We have experienced, and in the future may continue to experience, net operating cash outflows and an increase in trade receivables and prepayments, other receivables and other assets, which could expose us to liquidity risks.

In 2023, 2024 and 2025, we had net cash outflows from operating activities of RMB182.8 million, RMB134.9 million, and RMB188.0 million, respectively. For a detailed analysis of our net cash outflows from operating activities, see “Financial Information — Liquidity and Capital Resources — Cash Flows.” Our operating cash outflow was largely due to the increases in trade and bills receivables and increases in our prepayments, other receivables, and other assets. A large portion of our current assets consists of trade receivables. As of December 31, 2023, 2024 and 2025, our trade and bills receivables totaled RMB123.6 million, RMB167.7 million and RMB248.3 million, respectively, accounting for 17.1%, 21.9% and 32.9% of our total current assets, respectively. Our trade and bills receivables continued to increase were primarily due to: (i) the general growth of our AI services, the customers of which were mostly post-paid; and (ii) our strategies to offer long collection period to new customers, particularly for customers which operate in commercial enterprises use case. The large amount of trade receivables may expose us to liquidity risks when we are unable to collect these payments. The current portion of our prepayments, other receivables and other assets, amounted to RMB17.3 million, RMB28.2 million and RMB56.6 million as of December 31, 2023, 2024 and 2025, respectively. They primarily consisted of advances to our suppliers and other tax recoverable. If our business continued to expand in the future, we may be required to provide more prepayment and deposits to suppliers, which burdens our liquidity.

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We are subject to credit risks related to our trade and bills receivables and prepayments, other receivables and other assets. If we fail to collect trade receivables from our customers in a timely manner, our business, results of operations, and financial condition may be materially and adversely affected.

During the Track Record Period, our trade and bills receivables continued to increase. As of December 31, 2023, 2024 and 2025, our trade and bills receivables totaled RMB123.6 million, RMB167.7 million and RMB248.3 million, respectively. During the Track Record Period, we generally grant our customers a credit period ranging from three days to six months. During the Track Record Period, there were no material changes to the general credit terms offered to our customers. In 2023, 2024 and 2025, our trade and bills receivables turnover days were 148 days, 178 days and 200 days, respectively. We recorded loss allowance for impairment of trade and bills receivables of RMB6.3 million, RMB13.1 million and RMB16.1 million as of December 31, 2023, 2024 and 2025, respectively. Furthermore, we may experience low subsequent settlement rates of our trade receivables. We face the risk of prolonged collection cycles caused by the seasonal nature of our customers' payment practices, including their internal annual budgeting processes. There is no assurance that our customers will settle their outstanding balances promptly or at all, and we cannot assure you that all our customers are creditworthy and will not default on us in the future. As a result, we are exposed to credit risk in relation to our trade receivables. As we plan to continue expanding our business, we cannot guarantee that our trade receivables will not continue to increase in the future, which may adversely affect our liquidity.

Our prepayments, other receivables and other assets, amounted to RMB21.1 million, RMB30.8 million and RMB59.7 million as of December 31, 2023, 2024 and 2025, respectively. There is no guarantee that suppliers and other third parties will perform their obligations or do so in a timely manner, and we are subject to credit risk in relation to prepayments, other receivables and other assets. We cannot assure you that our past provisioning practice in connection with our trade receivables and prepayments, other receivables and other assets will not change in the future or that our provision levels will be sufficient to cover defaults in these line items. If we need to make additional impairment allowances in the future, our business, cash flows, and results of operations may be adversely affected.

Seasonality may cause fluctuations in our results of operations.

Our revenue, operating results and other key operating and performance metrics are subject to seasonal fluctuations and generally experience an increase during the second half of the year, particularly in the fourth quarter. Typically, since the financial year of most of our enterprise customers and government customers ends on December 31 of the calendar year, our sales peak in the fourth quarter and most of our revenue are generated in this period, because our customers generally complete the inspection and recognition of progress of projects by the fourth quarter. Our quarterly results may not be comparable to the corresponding periods of prior years, and you may not be able to predict our annual results of operations based on a quarter-to-quarter comparison of our results of operations. Due to our limited operating history, the seasonal trends that we have experienced in the past may not fully apply to, or be fully indicative of, our future operating results. If our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a material impact on our revenue, cash flow and operating results from period to period.

We have incurred significant net losses and recorded operating cash outflows during the Track Record Period, and may not be able to achieve or subsequently maintain profitability in the near future.

Since our inception, we have incurred net losses. In 2023, 2024 and 2025, we had losses for the year of RMB259.8 million, RMB157.1 million and RMB166.3 million, respectively. We may continue to incur net losses in the short term, as we are in the stage of expanding our business and operations in the rapidly growing AI market and are continuously investing in research and development. We may not be able to achieve or subsequently maintain profitability in the near future. We believe that our future revenue growth will depend on, among other factors, our ability

RISK FACTORS

to develop new technologies, enhance customer experience, establish effective commercialization strategies, effectively and successfully compete, and develop new products. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. Our costs and expenses may continue to increase in future periods, as we continue to expand our business and operations and invest in research and development activities. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses and may not be able to achieve or subsequently maintain profitability.

We recorded net cash used in operating activities of RMB182.8 million, RMB134.9 million, and RMB188.0 million in 2023, 2024 and 2025, respectively. See “Financial Information — Liquidity and Capital Resources — Cash Flows.” We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as offering and issuing securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. As a result, our business, results of operations and financial condition may be adversely affected.

We may not be able to sustain our historical growth rates or to keep pace with the overall growth of the AI market in China. If we fail to manage future growth effectively, our business, financial condition, results of operations, and reputation could be materially and adversely affected.

We have achieved significant growth during the Track Record Period, with our total revenue increasing by 27.3% from RMB249.7 million in 2023 to RMB317.8 million in 2024, and further by 27.5% to RMB405.3 million in 2025. However, our historical growth rates may not be indicative of future performance, and there is no assurance that we will be able to sustain similar growth going forward. Our future growth may be affected by a variety of factors, including China’s overall economic conditions, the pace of digitalization and adoption of AI technologies, advances in the AI industry, the availability of skilled AI experts, enterprise awareness and willingness to deploy AI applications, our ability to innovate and invest in technology, attract and retain customers, deliver value through our services, and manage costs and operating leverage.

In addition, the market for our AI services is rapidly evolving. According to CIC, the size of China’s enterprise AI market reached RMB391.8 billion in 2025 and is expected to exceed RMB950 billion by 2030, representing a CAGR of 19.5%. However, there is no assurance that our growth will keep pace with the overall growth of the AI market in China. Our ability to achieve comparable growth is subject to a number of factors, including, among others, our capacity to continuously develop and enhance our AI services, the potential for flaws or misuse of AI technologies by third parties, our ability to protect our intellectual property rights, and our continued success in commercializing our AI services. Any failure with respect to these or other factors could materially and adversely affect our business and financial performance, and may cause us to lag behind the broader development of the AI market in China.

We have received substantial government subsidies annually due to the PRC government’s support of the AI industry. These subsidies may be changed or eliminated in the future.

Due to the PRC government’s support of the AI industry, we benefit from government economic incentives. We recognized government grants and subsidies of RMB24.3 million, RMB22.2 million, and RMB45.2 million as other income in 2023, 2024 and 2025, respectively. However, the timing, amount and conditions of government economic incentives are within the discretion of governmental authorities. In addition, governmental authorities may require us to perform certain contractual obligations before we could receive government subsidies. However,

RISK FACTORS

there can be no assurance that we could fully satisfy these conditions or perform such obligations, and it is possible that such governmental authorities may stop subsidizing us. Any reduction, elimination, repayment or other negative trend in economic incentives resulting from our failure to perform such obligations could adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and there can be no assurance that an active market would develop or be sustained after the Global Offering. You may not be able to resell our H Shares at or above the price you pay, or at all.

Prior to the completion of the Global Offering, there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after the completion of the Global Offering. The Offer Price is the result of negotiations between our Company, the Overall Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our H Shares will be traded following completion of the Global Offering. The market price of our H Shares may drop below the Offer Price at any time after completion of the Global Offering.

You will incur immediate and substantial dilution upon the purchase of our Shares, and may experience further dilution if we issue additional shares in the future.

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

We have granted, and may continue to grant, share-based awards, which may further increase our share-based payments expenses, adversely affect our financial performance, and dilute existing Shareholders' stake.

We recorded share-based payments expenses of RMB74.3 million, RMB41.9 million, and RMB44.5 million in 2023, 2024 and 2025, respectively. We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based payment expenses may increase, which may further increase our share-based payments expenses, adversely affect our financial performance, and dilute existing Shareholders' stake.

Future sales or market perception of sales of a substantial number of our H Shares on the public market could adversely affect the trading price of our H Shares.

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

RISK FACTORS

You should read the entire prospectus carefully and should not rely on any information contained in press, media or internet regarding us and the Global Offering.

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

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our Shares and trading volume could decline.

The trading market of our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume of our H Shares to decline.

Certain information and statistics in this prospectus are derived from official government sources.

This prospectus contains information and statistics relating to the artificial intelligence industry, our business operations, and the markets in which we operate, which are derived from third-party sources, including official government sources. While we believe such sources are appropriate and have taken reasonable care in extracting and reproducing such data, the information from official government sources has not been independently verified by us, the Sole Sponsor or any other parties involved in the Global Offering. We cannot guarantee the accuracy, completeness or reliability of such information and statistics from official government sources. Data collection and analysis methods used in such sources may be flawed, inconsistent or outdated, and the underlying assumptions may differ from those adopted in other markets or by other sources. As such, such information or statistics presented in this prospectus may not be comparable to similar statistics published elsewhere, and should not be unduly relied upon when making investment decisions.

We cannot assure you that we will declare and distribute any amount of dividends in the future, and you may have to rely on price appreciation of our Shares for returns on your investment.

We intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

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Our Board has the discretion to pay interim dividends and to recommend to shareholders to pay final dividends. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares, and you may even lose your entire investment in our Shares.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

Non-Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares (“Non-Chinese Resident Individual Holders”), are subject to Chinese individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知(國稅函[2011]348號)) dated June 28, 2011 and issued by the State Tax Administration (the “SAT”), the tax rate applicable to dividends paid to Non-Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non-Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non-Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (the “Individual Income Tax Law”) and its implementation regulations, Non-Chinese Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, none of the aforesaid provisions had expressly provided whether individual income tax shall be levied from non-mainland China resident individual holders on the transfer of shares in mainland China resident enterprises listed on overseas stock exchanges.

Under the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the “EIT Law”) and its implementation regulations, a non-Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interest in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between China and the jurisdiction in which the non-Chinese resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No. 897) (關於中國居民企業向境外H股非居民企業股東派發股息代扣繳企業所得稅有關問題的通知(國稅函[2008]897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non-Chinese resident enterprise holders of H Shares (including HKSCC Nominees). Non-Chinese resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the Chinese tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the Chinese tax authorities’ approval.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must ordinarily reside in Hong Kong. Given that (i) our business operations are principally located, managed and conducted in the PRC and will continue to be principally based in the PRC; (ii) most of our Group's executive Directors and senior management team principally reside in the PRC and will continue to reside in the PRC; and (iii) the management and operation of our Group have mainly been under supervision of the executive Directors of our Company and senior management, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's business, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules.

Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange. Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules, subject to the following conditions to maintain regular and effective communication between the Stock Exchange and ourselves:

- (a) **Authorized Representatives:** We have appointed Dr. Luo and Mr. Lam Kang Chi ("**Mr. KC Lam**") as our authorized representatives ("**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by the Stock Exchange, and if required, will be able to meet with the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time.
- (b) **Directors:** When the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. To enhance communication between the Stock Exchange, our Authorized Representatives and our Directors, we have implemented the following measures: (a) each Director will provide his/her mobile telephone number, office phone number, e-mail address and/or facsimile number (to the extent applicable) to the Authorized Representatives; (b) in the event that a Director expects to travel or is otherwise out of office, he or she will provide the telephone number of the place of his or her accommodation to the Authorized Representatives; and (c) we have provided the telephone number, e-mail address and/or facsimile number of each Director to the Stock Exchange. Each of our other Directors who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit and will be able to meet with the Stock Exchange within reasonable period of time.
- (c) **Compliance Advisor:** We have appointed Fosun International Capital Limited as our compliance advisor ("**Compliance Advisor**") pursuant to Rule 3A.19 of the Listing Rules, who will provide us with professional advice on continuing obligations under the Listing Rules and act as our additional channel of communication with the Stock Exchange during the period from the Listing Date to the date on which our Group complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Advisor will be available to answer inquiries from the Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

According to Rule 3.28 of the Listing Rules, our Company must appoint an individual, who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

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

We have appointed Mr. Ma Li (“**Mr. Ma**”) and Mr. KC Lam, as the joint company secretaries of our Company. See “Directors and Senior Management — Joint Company Secretaries” for further biographical details of Mr. Ma and Mr. KC Lam.

Mr. KC Lam is a fellow member of The Hong Kong Chartered Governance Institute. He fully meets the qualification requirements stipulated under Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

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

- (a) Mr. Ma will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Hong Kong legal advisors on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (b) both Mr. Ma and Mr. KC Lam have confirmed that each of them will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investors relation as well as the functions and duties of the company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;
- (c) Mr. KC Lam will assist Mr. Ma to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as our company secretary;
- (d) Mr. KC Lam will communicate regularly with Mr. Ma on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Mr. KC Lam will work closely with, and provide assistance to, Mr. Ma in the discharge of his duties as a company secretary, including organizing our Board meetings and Shareholders' general meetings;
- (e) upon expiry of Mr. Ma's initial term of appointment for an initial period of three years from the Listing Date as the company secretary of our Company, our Company will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Ma's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules;
- (f) our Company has appointed Fosun International Capital Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange and provide professional guidance and advice to our Company and Mr. Ma as to the compliance with the Listing Rules and all other applicable laws and regulations; and
- (g) the waiver will be revoked with immediate effect if there are material breaches of the Rules 3.28 and 8.17 of the Listing Rules by our Company or if Mr. KC Lam cease to provide assistance to Mr. Ma during the waiver period.

Before the end of the three-year period, we shall liaise with the Stock Exchange to revisit the situation in the expectation that we should then be able to demonstrate to the Stock Exchange's satisfaction that Mr. Ma, having had the benefit of Mr. KC Lam's assistance for three years, would then have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors (including any proposed director who is named as such in this prospectus) collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this prospectus or any statement herein misleading.

FILING PROCEDURES WITH THE CSRC

We filed with the CSRC for the application to list our H Shares on the Stock Exchange and the Global Offering on June 27, 2025. The CSRC subsequently confirmed our completion of filing application procedures on March 24, 2026. In completing such filing, the CSRC accepts no responsibility for our financial soundness, nor for the accuracy of any of the statements made or opinions expressed in this prospectus. No other filings are required to be completed before the listing of the H Shares on the Stock Exchange.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

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

The listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Overall Coordinator. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters on a conditional basis, with one of the conditions being that the Offer Price is agreed between the Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and us. The International Offering is managed by the Overall Coordinator. The International Underwriting Agreement is expected to be entered into on or around Wednesday, June 24, 2026.

The H Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinator, the Global Coordinator, the Bookrunner, the Lead Manager, the CMI, the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

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

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering", and the procedures for applying for the Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares".

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

RESTRICTIONS ON OFFER AND SALE OF THE H SHARES

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

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

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Pre-IPO Share Option and the Over-allotment Option) and the Conversion of Domestic Sharers into H Shares, on the basis that, among other things, we satisfy the requirement under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected market capitalization at the time of Listing, which, based on the Offer Price, exceeds HK\$6 billion.

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

COMMENCEMENT OF DEALINGS IN THE H SHARES

Dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, June 26, 2026. The H Shares will be traded in board lots of 200 H Shares each. The stock code of the H Shares will be 1956.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the Global Offering, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the approval for the listing of, and permission to deal in, the H Shares and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

PROFESSIONAL TAX ADVICE RECOMMENDED

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

H SHARE REGISTER AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offering will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC. Dealings in the H Shares registered on our H Share register of members will be subject to Hong Kong stamp duty. See "Statutory and General Information — 5. Other Information — H. Taxation of Holders of H Shares" in Appendix VI. For further details of Hong Kong stamp duty, please seek professional tax advice.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

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

Cash dividends to domestic investors of H-share "Full Circulation" shall be distributed through CSDC. An H-share listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen subsidiary of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

EXCHANGE RATE CONVERSION

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

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

HK\$1.00: RMB0.8705

US\$1.00: RMB6.8198

US\$1.00: HK\$7.8345

The US\$ to RMB and HK\$ to RMB exchange rates were quoted by the China Foreign Exchange Trade System and National Interbank Funding Center of the People's Bank of China prevailing on June 8, 2026.

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

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

ROUNDING

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

LANGUAGE

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

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Wang Lei (王磊)	No. 302, 3rd Floor Gate 1, Building 3 Zaojun Lane West Haidian District Beijing, China	Chinese
Luo Yin (羅引)	Room 1409, Building 1 Shuangyushu Lane West Haidian District Beijing, China	Chinese
Qu Baoyu (曲寶玉)	402, 4th Floor Door 2, Building 4 No. 5 Qinghe Xiaoying East Road Haidian District Beijing, China	Chinese
Cao Jia (曹家)	Room 201, Unit 6, Building 16 Changsheng Garden, District 2 Changping Town, Changping District Beijing, China	Chinese
Zhang Xina (張西娜)	6-104, 1/F, No. 334 Zhongguancun Haidian District Beijing, China	Chinese
Non-executive Director		
Zhou Jun (周軍)	Room 502, Unit 1 Building 70, Huayan Lane North Chaoyang District Beijing, China	Chinese
Independent non-executive Directors		
Xu Huansheng (徐歡生)	Flat H, 26th Floor Block 5B, Cullinan West 28 Sam Mong Road Sham Shui Po, Kowloon	Chinese
Gu Fenling (顧奮玲)	901, Unit 4 Floor 9, Building 5 No. 2 Yueyuan District Fengtai District Beijing, China	Chinese
Jiang Xianling (蔣先玲)	No. 2102, Building 115 Wangjing Garden Chaoyang District Beijing, China	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

**Sole Sponsor and Sponsor-Overall
Coordinator**

**China International Capital Corporation
Hong Kong Securities Limited**
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Overall Coordinators

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Hong Kong Securities Limited**
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Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
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Hong Kong

**China Galaxy International Securities
(Hong Kong) Co., Limited**
20/F Wing On Centre
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Hong Kong

Joint Global Coordinators

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Hong Kong Securities Limited**
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ABCI Capital Limited
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50 Connaught Road
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**China Galaxy International Securities
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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

TFI Securities and Futures Limited

16/F, Two Pacific Place
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SPDB International Capital Limited

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

CCB International Capital Limited

12/F, CCB Tower
3 Connaught Road Central
Central
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Futu Securities International (Hong Kong) Limited

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No. 95 Queensway
Admiralty
Hong Kong

CMB International Capital Limited

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Central
Hong Kong

Joint Bookrunners

**China International Capital Corporation
Hong Kong Securities Limited**

29/F, One International Finance Centre
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ABCI Capital Limited

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**China Galaxy International Securities
(Hong Kong) Co., Limited**

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Central
Hong Kong

Livermore Holdings Limited

Unit 1214A, 12/F Tower II
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833 Cheung Sha Wan Road
Kowloon
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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Lead Managers

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29/F, One International Finance Centre
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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Capital Market Intermediaries

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23/F
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Livermore Holdings Limited

Unit 1214A, 12/F
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ABCI Securities Company Limited

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China Galaxy International Securities**(Hong Kong) Co., Limited**

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DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CCB International Capital Limited

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Admiralty
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CMB International Capital Limited

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Tiger Brokers (HK) Global Limited

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Hong Kong

Livermore Holdings Limited

Unit 1214A, 12/F
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833 Cheung Sha Wan Road
Kowloon
Hong Kong

Legal Advisors to our Company

As to Hong Kong and U.S. laws:

King & Wood

13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law:

King & Wood

18th Floor, East Tower
World Financial Center
1 Dongsanhuan Zhonglu
Chaoyang District
Beijing, China

As to U.S. regulatory laws and International Sanctions laws:

Hogan Lovells International LLP

11th Floor, One Pacific Place
88 Queensway
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

**Legal Advisors to the Sole Sponsor
and the Underwriters**

As to Hong Kong and U.S. laws:

Baker & McKenzie

14th Floor, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

As to PRC law:

ALLBRIGHT LAW OFFICES

11, 12/F, Shanghai Tower
No. 501 Middle Yincheng Road
Pudong New Area
Shanghai, China

**Reporting Accountants and
Independent Auditor**

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Industry Consultant

China Insights Industry Consultancy Limited

10/F, Block B
Jing'an International Center
88 Puji Road
Jing'an District
Shanghai, PRC

Receiving Bank

CMB Wing Lung Bank Limited

45 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

Registered Office	Room 717, 7th Floor Building 9, North 4th Ring Road West Haidian District Beijing, China
Head Office and Principal Place of Business in the PRC	Room 717, 7th Floor Building 9, North 4th Ring Road West Haidian District Beijing, China
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai, Hong Kong
Company's Website	<u>www.wenge.com</u> <i>(The information contained in the website does not form part of this prospectus)</i>
Joint Company Secretaries	Ma Li (馬力) Room 717, 7th Floor Building 9, North 4th Ring Road West Haidian District Beijing, China Lam Kang Chi (林庚墀) (FCG, HKFCG) 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai, Hong Kong
Authorized Representatives	Luo Yin (羅引) Room 1409, Building 1 Shuangyushu Lane West Haidian District Beijing, China Lam Kang Chi (林庚墀) (FCG, HKFCG) 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai, Hong Kong
Audit Committee	Gu Fenling (顧奮玲) (<i>Chairperson</i>) Xu Huansheng (徐歡生) Jiang Xianling (蔣先玲)
Remuneration Committee	Xu Huansheng (徐歡生) (<i>Chairperson</i>) Jiang Xianling (蔣先玲) Qu Baoyu (曲寶玉)
Nomination Committee	Jiang Xianling (蔣先玲) (<i>Chairperson</i>) Wang Lei (王磊) Xu Huansheng (徐歡生)

CORPORATE INFORMATION

Compliance Advisor

Fosun International Capital Limited

Suite 2101-2105
21/F, Champion Tower
3 Garden Road
Central
Hong Kong

H Share Registrar

**Computershare Hong Kong Investor
Services Limited**

Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

INDUSTRY OVERVIEW

The information and statistics set out in this section of this prospectus were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy Limited (“CIC”). We engaged CIC to prepare an independent industry report in connection with the Global Offering (the “CIC Report”). The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the CMI, the Underwriters or any other party involved in the Global Offering, and no representation is given as to its accuracy. Accordingly, the information from official government sources contained herein may not be accurate.

OVERVIEW OF CHINA’S ENTERPRISE AI MARKET

AI, as the core driver of today’s intelligent world, is reshaping human society. AI integrates a range of core technologies that enable machines to understand, learn, and make decisions. These technologies, among others, include machine learning algorithms that help AI identify patterns from dataset; natural language processing for interpreting and generating human language; computer vision for analyzing images and video, etc.

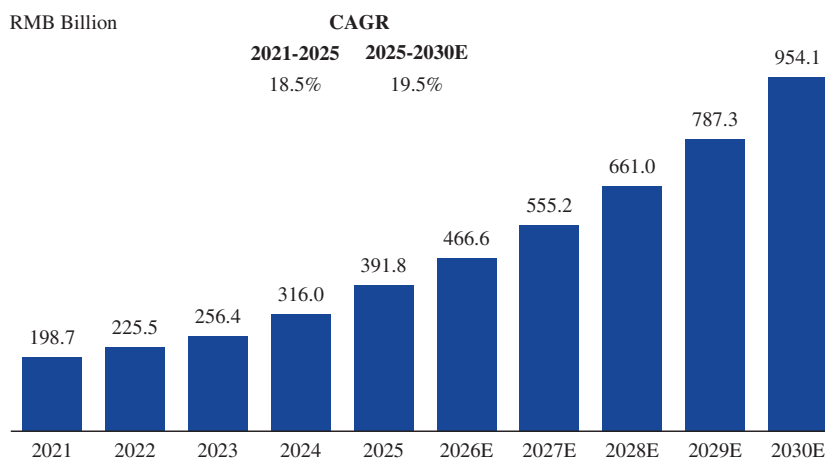
The AI industry value chain consists of upstream AI infrastructure providers, midstream AI solution and service providers, and downstream end-users. Infrastructure providers supply computing power, storage and other core components essential for AI development. AI solution and service providers focus on the development of AI models and platforms, and deliver solutions and services to end-users across a wide range of industries, such as finance, healthcare, manufacturing, retail, transportation, media, and public sectors, among others.

Based on different application scenarios and end-user needs, AI can be categorized into enterprise-level AI and individual-user AI. Enterprise-level AI, tailored for complex and large-scale enterprise use, not only helps organizations to efficiently handle sophisticated tasks, but also equips them with data-driven insights, logical reasoning and low-bias decision-making capabilities. This empowers organizations to solve a wide range of complex problems with greater precision and speed, thereby improving both the efficiency and quality of social productivity.

China is at the forefront of global AI development. The country remains a key innovator in the era of large models and is home to a number of AI companies with world-leading technologies. Chinese enterprises also demonstrate a high level of adoption and willingness to invest in AI, making China one of the largest enterprise AI markets in the world. The size of China’s enterprise AI market reached RMB391.8 billion in 2025 and is expected to exceed RMB950 billion by 2030, reflecting a CAGR of 19.5%, according to CIC.

INDUSTRY OVERVIEW

Size of China's AI market, 2021-2030E



Source: CIC

Challenges to Enterprises in the AI Era

The potential for AI to transform both the public and private sectors is significant. However, transformational efforts are often hindered by substantial operational challenges, including:

- **Enterprise Data Are Not Ready for AI Utilization.** Modern organizations possess large volumes of unstructured, multi-modal data, which is frequently siloed and not structured for effective AI utilization. The primary challenge is to transform fragmented enterprise data into a unified data store that is semantically coherent and contextually rich, which is essential for training advanced models and enabling reliable decision-making.
- **General-Purpose Models Do Not Meet Enterprise-Specific Needs.** While general-purpose large models offer broad capabilities, they often lack the domain-specific knowledge required for enterprise applications. Adapting these models to address specific industry terminologies, complex operational workflows and regulatory requirements present a significant challenge. As a result, deployment of AI in specialized sectors requires significant resources and expertise.
- **Decision Intelligence Does Not Provide Critically Needed Capabilities in Context-Rich Settings.** While AI has advanced information processing and content generation abilities, enterprises require decision intelligence capabilities such as strategic planning and explainable reasoning in complex scenarios. The lack of a unified framework for integrating real-time data, domain knowledge, and model capabilities currently limits effective support for complex business decision-making.

OVERVIEW OF CHINA'S ENTERPRISE LARGE MODEL MARKET

Large Models are the New Paradigm of AI

In 2012, deep learning laid the foundation for the widespread commercialization of AI services. The field achieved another milestone breakthrough at the end of 2022, as “large models” rapidly became a globally recognized concept. Large models refer to high-capacity AI trained on vast datasets, which significantly enhance machines’ ability to accurately capture and understand complex semantic relationships, bringing their semantic understanding and generation capabilities closer to the human level.

With rapid technological advancement in recent years, the boundaries of large model capabilities have extended far beyond natural language processing. Today, they can handle not only text but also other modalities of data such as images, videos and audio.

INDUSTRY OVERVIEW

Compared to traditional AI that relies on pre-defined features and are usually designed to address specific tasks, large models offer the following significant advantages and have emerged as the new paradigm of AI:

Understanding Complex Semantics and Generating Fluent Natural Language: Large models, with billions of parameters, can detect and extract subtle, hard-to-detect patterns and relationships from massive datasets. This enables them to comprehend complex semantics, such as emotions and contextual nuances. They can also generate fluent natural language, achieving human-level performance in text coherence, grammatical accuracy, and semantic consistency. As a result, large models are bridging the gap between machine and human understanding, expression, and cognition.

Multi-modal Data Processing: Large models can be pre-trained on multi-source, heterogeneous data, and construct a unified semantic space. Common data types include text, images, audio, and video, often combined in multimodal training. The sources generally fall into three categories: (i) publicly available datasets, such as Common Crawl, RedPajama-Data, Wikipedia, or open academic corpora; (ii) licensed, curated or domain-specific datasets obtained from data vendors to improve quality and reduce bias; and (iii) synthetic or augmented data generated by existing models to expand training diversity. This allows large models to accurately understand complex, multi-modal information and generate coherent outputs that match multi-modal contexts, advancing perception and cognitive abilities for machines.

Comprehensive General Knowledge Coverage: Traditional AI are often constrained by the narrow data and knowledge boundaries of specific tasks, which hinders their ability to generalize in other tasks. In contrast, large models are pre-trained on vast and cross-domain knowledge, including science, culture, economics, among others, creating a sound foundation of understanding general knowledge. With further fine-tuning on industry-specific data, large models can develop specialized capabilities while maintaining broad adaptability, demonstrating strong versatility and generalization across a wide range of use cases.

Smooth Human-Machine Interaction: Traditional AI systems rely heavily on preset rules and structured inputs, which often requires users to adapt to the machine. Large models, however, are reshaping the paradigm of human-machine interaction. They can better interpret users' underlying needs, understand implicit intentions in complex instructions, and, thanks to their multi-modal capabilities, enable natural interaction using written language, colloquial expressions, gestures, and more. This significantly lowers the barrier to smooth interaction, making communication more natural, efficient, and intuitive.

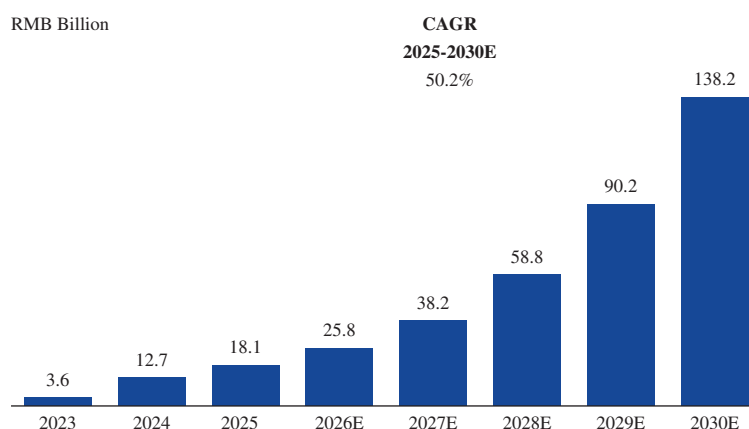
Notably, commercializing large models requires both sustained technological progress and strong engineering execution. While advances in model capabilities drive performance gains, real enterprise deployment depends on domain adaptation, scalable infrastructure, reliability, interpretability, and robust data security to meet specific customer needs.

Size of China's Enterprise Large Model Market

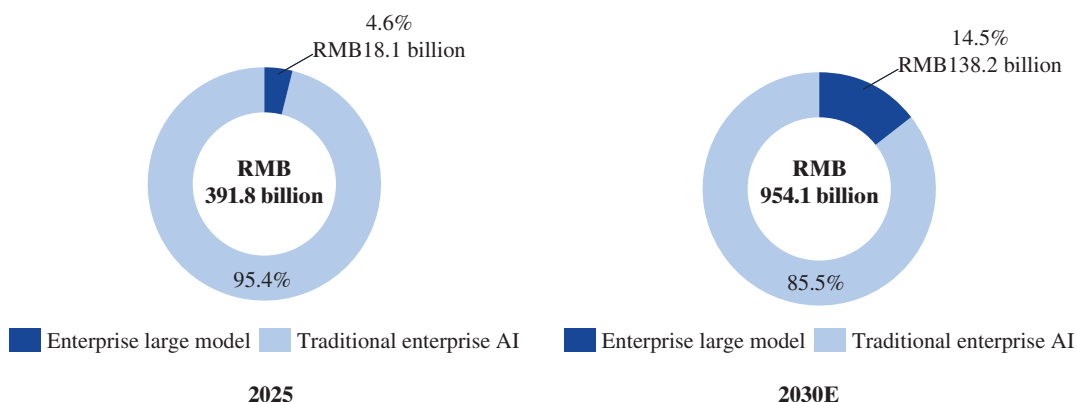
Currently, the enterprise AI market consists of traditional enterprise AI that are typically designed to address specific challenges, and enterprise large models that are able to handle versatile tasks in a more intelligent manner. The enterprise large model represents a significant paradigm shift in the evolution of AI, enabling broader generalization and cross-task capabilities. While large models LLMs currently comprise only a small portion of enterprise AI deployments, they are widely recognized as the definitive technological roadmap for the future of AI. Development of large model technologies and products in China began prior to 2020, but 2023 marked the first year of large-scale enterprise commercialization. Measured by revenue generated from enterprise large model solutions, the size of China's enterprise large model market reached RMB3.6 billion in 2023 and RMB18.1 billion in 2025. The market is projected to reach RMB138.2 billion by 2030, representing a CAGR of 50.2% from 2025 to 2030. As AI capabilities continue to advance and enterprise adoption accelerates, the share of enterprise large models in enterprise AI is expected to grow from around 4.6% in 2025 to approximately 14.5% by 2030.

INDUSTRY OVERVIEW

Size of China's large model industry, 2023-2030E



Market share of enterprise large model in China's enterprise AI market, 2025 & 2030E



Source: CIC

OVERVIEW OF CHINA'S ENTERPRISE LARGE MODEL-DRIVEN DECISION INTELLIGENCE MARKET

Decision Intelligence Offers Significant Value to Enterprises

AI tasks can be categorized by their objectives into the following major types:

- **Perceptual Recognition:** Simulating human perceptual capabilities such as seeing and hearing to capture information about the subject of interest and its surrounding environment and translate such information into data that can be comprehended by the machine, such as in facial or object recognition.
- **Retrieval and Generation:** Matching relevant information from accessible knowledge bases according to task requirements, and generating corresponding content. Examples include RAG-based intelligent chatbots and text-to-image or text-to-video generation.
- **Analysis and Decision-Making:** Analyzing current conditions based on existing information and multi-dimensional indicator systems to deliver accurate predictions or optimal decisions through data-driven insights and logic reasoning. Examples include early-warning systems for natural disasters and real-time emergency response systems.

AI systems with multi-dimensional data insights and multiple agent coordination capabilities that support enterprises in performing sophisticated analysis and decision-making tasks is known as decision intelligence.

INDUSTRY OVERVIEW

Decision intelligence requires machines to exhibit cognitive abilities — to simulate and replicate human cognitive processes such as understanding, learning, memorizing, and problem-solving. It must be able to comprehend the relationships and logic between different pieces of information, identify hidden patterns in the data, and support data-driven decision-making with rigorous reasoning.

Large Models Accelerate the Evolution of Decision Intelligence

Enterprises today face increasingly complex decision-making tasks. The explosive growth of information has dramatically increased the amount and dimensionality of data required for informed decisions, making precise decisions more challenging. Rapid changes in market environments have heightened uncertainty, requiring enterprises to make more frequent, agile decisions to adapt to the latest market conditions. In addition, decision-making now usually involves a broader group of stakeholders, and cross-domain decision-making has become the norm, demanding more comprehensive trade-offs and coordination to ensure rational and sustainable outcomes.

Against this backdrop, enterprise large model-driven decision intelligence offers several advantages, compared to traditional decision intelligence systems:

Integration of Multi-source Data Enhances Decision Robustness: Large models can integrate and analyze data from multiple modalities and sources. They are able to make more comprehensive and accurate judgments in complex systems based on integrated data inputs. For example, media listening requires real-time collection of multi-modal data from a number of media platforms to assess public sentiment, identify potential risk events, and provide decision recommendations based on multiple indicators.

Architectural Innovation Improves the Accuracy of Decision-making: Innovations at the algorithmic level have brought large models' semantic understanding closer to the human level, enabling more precise comprehension of complex decision-making contexts. Large models excel at domain modelling and can be equipped with larger and more specialized domain knowledge bases, thus strengthening their ability to support domain-specific decisions. Enhanced long-chain reasoning capabilities also allow for clearer and more traceable decision logic.

Enhanced Interactivity Strengthens User Experience: Large models significantly improve the interactive experience in practical applications. With intuitive, user-centric interaction design, large models serve as intelligent agents capable of real-time, multi-modal communication with humans. Even users without specialized engineering knowledge can express their needs naturally and have tasks executed efficiently, addressing pain points such as complex interfaces, delayed response, and steep learning curves in traditional decision intelligence systems.

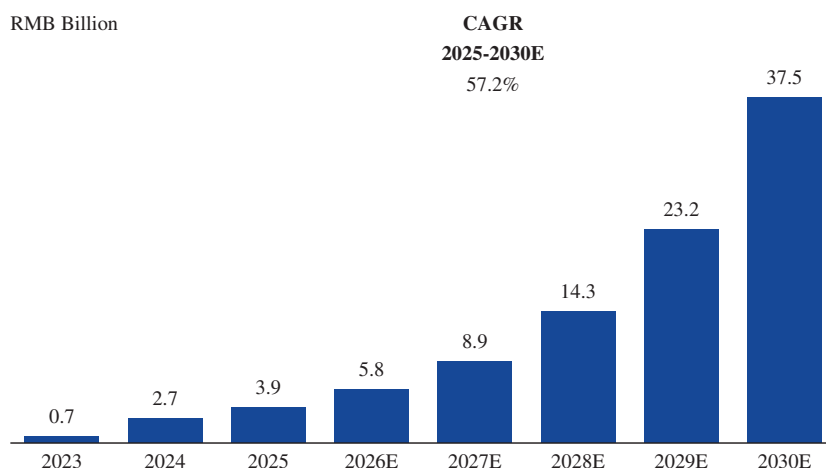
Size of China's Enterprise Large Model-Driven Decision Intelligence Market

Enterprise large model-driven decision intelligence is closely linked to core business operations, characterized by diverse customer needs, high performance expectations, and significant development complexity. Although enterprise large model-driven decision intelligence currently represents a small yet fast-growing subset of China's enterprise AI industry, the rising demand for decision-intelligence applications and the increasing recognition of their strategic value by enterprises are expected to drive significant growth in this segment.

The size of China's enterprise large model-driven decision intelligence market is expanding rapidly. In 2025, the market reached RMB3.9 billion, accounting for 21.6% of the overall enterprise large model market. It is expected to grow to RMB37.5 billion by 2030, with its share rising to 27.1%. The CAGR from 2025 to 2030 is expected to be 57.2%, outpacing the growth of the overall enterprise large model market.

INDUSTRY OVERVIEW

Size of China's large model-driven decision intelligence market, 2023-2030E



Source: CIC

Market Drivers

Accumulation of High-Quality Data. The enhancement of large model-driven decision-making capabilities is fundamentally dependent on the quality of training data. With improvements in data collection networks, advances in data cleaning technologies, and the growth of open-source communities and public datasets, high-quality data has become more accessible. Comprehensive, cross-sector data from different fields, industries, and departments can be integrated and analyzed to generate complementary insights, enabling large models to construct an extensive knowledge network that provide a broader perspective and deeper knowledge reserves to address increasingly complex and dynamic decision-making scenarios. The integration of multi-modal data, a collection of different types or forms of data such as text, images, audio, video, and others, allows large models to perceive information more holistically, thereby enabling a more accurate grasp of core issues and underlying patterns during the decision-making process. High-precision annotated data with high labeling accuracy and consistency not only helps large models better interpret data meaning, but also improves their ability to discern subtle differences, allowing for more accurate identification of key information and more precise decisions. Furthermore, low-noise data, which contains minimal irrelevant information, errors, or random fluctuations, reduces interference, enhances the efficiency of extracting and utilizing valuable information, and minimizes the risk of hallucinations and factual errors.

Advancements in Technology. Continuous innovation is driving the evolution of large model technology. The “pre-training + post-training + fine-tuning” paradigm, where the model first learns general knowledge, then is optimized with domain-specific data and fine-tuned using labeled task datasets, has become the new standard for large model development, and the adoption of techniques such as mixed-precision training, reinforcement learning, optimized attention mechanisms, mixture-of-experts architectures, among others, has enabled a balance between training efficiency, accuracy, inference performance, and cost. Meanwhile, mixed-precision training accelerates the process and reduces costs by using lower precision data in non-critical steps. Simultaneously, large models using reinforcement learning optimize performance in real-time by receiving feedback after each decision. Furthermore, optimized attention mechanisms reduces computational costs by allowing the model to focus on relevant input data. At the same time, mixture-of-experts architectures enhances inference efficiency by activating only a subset of sub-models during tasks. These ongoing technological advances not only propel the decision-making capabilities of large models to new heights but also reshape the cost structure and application paradigms of the enterprise AI industry, fostering sustained growth in the enterprise large model sector.

INDUSTRY OVERVIEW

Rising Customer Awareness of the Value of Enterprise Large Model-Driven Decision-Making Across Sectors. The commercial value of enterprise large model-driven decision intelligence has been validated across multiple industries, leading to increased customer awareness and willingness to pay. For example, in the media sector, large models empower the entire value chain, including planning, editing, content distribution, content management, and effectiveness evaluation, thereby enhancing overall communication effectiveness and operational capabilities. In finance, large models strengthen risk control through multi-dimensional data analysis, improved risk identification, and more accurate decision-making. In manufacturing, large models support precise forecasting, intelligent optimization, and autonomous decision-making across production, scheduling, operations, and management, thereby enhancing efficiency, safety, and resource utilization.

Favorable Industry Policies. Ongoing government policy support provides a strong foundation for enterprise large model-driven decision intelligence. The 2025 Government Work Report explicitly calls for “supporting the broad application of large models,” establishing a top-level policy framework for the adoption of decision intelligence across sectors. Major cities nationwide have also introduced supportive measures for large models. For example, the Beijing Action Plan for “AI+” (2024-2025) emphasizes seizing the opportunities of large model technological innovation, significantly enhancing indigenous innovation capabilities, empowering industry applications, and providing “model vouchers”, a form of financial subsidy provided by local governments, to incentivize the adoption of large models by enterprises. Companies developing AI applications may receive partial funding if they use third-party model APIs or deploy large models on-premise. By reducing the financial barriers to access and deployment, these subsidies have encouraged more enterprises, especially small and medium-sized businesses, to explore AI solutions, driving broader adoption of large models across industries. The Shanghai Measures for Promoting Innovative Development of Large AI Models (2023-2025) also advocate for supporting innovation, advancing application development, and building a robust large model ecosystem.

COMPETITIVE LANDSCAPE OF ENTERPRISE LARGE MODEL MARKET IN CHINA

China’s enterprise large model market represents a small yet fast-growing subset of China’s enterprise AI market. Our Company mainly competes with major Chinese AI incumbents who are well-established in the enterprise AI business and have quickly pivoted to the enterprise large model segment. The top five players accounted for a combined market share of 38.2% in terms of relevant revenue in 2025, and only four companies captured a market share of over 5%. Our Company was the eighth largest player, with a market share of 2.2% in 2025.

Within China’s enterprise large model-driven decision intelligence market, Our Company competes with essentially the same group of players as within China’s enterprise large model market. The top five players accounted for a combined market share of 44.8% in terms of relevant revenue in 2025. Our Company was the largest player in this segment, with a market share of 10.2% in 2025.

Company	Revenue from enterprise large model, RMB million	Market share, %
Company A	~2,110	11.7%
Company B	~1,850	10.2%
Company C	~1,090	6.0%
Company D	~1,050	5.8%
Company E	~820	4.5%
Company F	~810	4.5%
Company G	~530	2.9%
Our Company	~400	2.2%
Company H	~400	2.2%
Company I	~250	1.4%

INDUSTRY OVERVIEW

Company	Revenue from enterprise large model-driven decision intelligence, RMB million	Market share, %
Our Company	~400	10.2%
Company B	~380	9.7%
Company A	~370	9.5%
Company D	~350	9.0%
Company E	~250	6.4%

Source: CIC

Notes:

- (1) For the above rankings, only the revenue segments within each peer's consolidated revenue that correspond to the relevant markets are used for comparison.
- (2) Company A is an AI company headquartered in Shanghai and founded in 2014. Its main products include traditional AI services, generative AI services and autonomous driving systems. It is a listed company on HKEX.
- (3) Company B is a provider of ICT infrastructure and smart devices headquartered in Shenzhen, Guangdong and founded in 1987. Its main products include telecommunications equipment, consumer electronics, electric vehicle autonomous driving systems, and rooftop solar power products. It is a private company.
- (4) Company C is an AI company headquartered in Beijing and founded in 2012. Its main products include intelligent speech technologies, IoT AI chips, and AI-powered smart solutions for sectors such as healthcare, transportation and smart cities. It is a listed company on HKEX.
- (5) Company D is an AI company headquartered in Beijing and founded in 2000. Its main products include search engine, large model solutions, autonomous driving solutions, and AI chips. It is a dual-listed company on NASDAQ and HKEX.
- (6) Company E is an AI company headquartered in Hefei, Anhui and founded in 1999. Its main products include software and hardware powered by technologies such as intelligent speech, computer vision, natural language processing, and cognitive intelligence. It is a listed company on SZEX.
- (7) Company F is an internet company headquartered in Hangzhou, Zhejiang and founded in 1999. Its main products include e-commerce platforms, cloud computing services, digital payment systems, logistics services, and AI solutions. It is a dual-listed company on NYSE and HKEX.
- (8) Company G is an AI company headquartered in Beijing and founded in 2019. Its main products include large language models, generative AI platforms, and industry-specific AI solutions. It is a listed company on HKEX.
- (9) Company H is an AI company founded in China in 2018. It mainly provides AI-powered digital solutions, including intelligent customer service, data analytics, and automation tools. It is a private company.
- (10) Company I is an AI company headquartered in Beijing and founded in 2018. Its main products include enterprise large model solutions, data intelligence platforms, and AI-driven business analytics tools. It is a listed company on HKEX.

Our Company supports 55 languages, ranking among the top industry peers. Our Company also supports all four major modalities (i.e. text, audio, image and video), and mainly focuses on the media and public sectors that are relatively underserved by the industry peers, assisting decision on content planning and management, and multi-dimensional data analysis, among others.

Competitive Barriers in Enterprise Large Model-Driven Decision Intelligence

Independent Product R&D Capabilities. Enterprises with deep expertise in core algorithms and data processing technologies, are able to continuously iterate and optimize their products, respond rapidly to market demands, and deliver decision intelligence solutions tailored to the specific needs of customers in various sectors. This technological autonomy constitutes a core competitive advantage, not only determining model performance but also making proprietary products difficult to replicate, thereby solidifying the company's leading position in a highly competitive market.

INDUSTRY OVERVIEW

Extensive Industry Experience. The essence of decision intelligence lies in industry-specific adaptation, as decision-making requirements, data characteristics, and business logic vary significantly across sectors. Consequently, leading companies leverage their long-term accumulated industry experience to deliver tailored large model solutions that address clients' needs and align with industry-specific decision frameworks, thereby ensuring the reliability of AI-driven decision-making.

Superior Commercialization and Implementation Capabilities. The commercialization and deployment of enterprise decision-making large models involve navigating critical challenges such as computing resource optimization, model interpretability, data security, and privacy protection. Leading companies must possess the ability to translate technical capabilities into scalable, user-friendly solutions. This includes compatibility with mainstream hardware, deep integration with industry scenarios, intuitive user experiences, and end-to-end solutions spanning hardware, software, and industry applications.

Interdisciplinary Talents. The enterprise large model-driven decision intelligence industry is undergoing rapid transformation, with emerging technologies and concepts constantly reshaping the landscape. Continuous iteration and optimization is essential to enhance model performance and improve adaptation to vertical domains. Interdisciplinary teams play a vital role in sustaining rapid R&D cycles while securing efficient delivery in specialized fields.

HISTORICAL AND ESTIMATED PRICE TREND OF AI SERVICES

The pricing of AI services is usually determined by the number of person-days required for the development of the project, multiplied by the per person-day rate. The larger the project size, the higher the total person-days, while the per person-day rate typically remains within the range of RMB3,000-5,000 per person-day. In regard to enterprise large model services, as technology quickly matured from 2023 to 2024, the number of person-days required for the similar project size has been gradually declining, while intensifying industry competition also prompted AI service providers to keep their average per person-day rates compelling. Together, these factors led to a year-over-year price decrease of roughly 10%-20% for AI services of comparable scale. Looking ahead, with further standardization of solutions and the competitive market landscape, AI services of comparable scale are expected to continue a gradual price decline of about 3%-5% annually.

SOURCE OF THE INDUSTRY INFORMATION

CIC was commissioned to conduct an analysis of, and to report China's artificial intelligence market at a fee of approximately RMB920,000. The commissioned report has been prepared by CIC independent of the influence of the Company and other interested parties. CIC's services include, among others, industry consulting, commercial due diligence, and strategic consulting.

CIC conducted both primary and secondary research using a variety of resources. Primary research included interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the National Bureau of Statistics of China, information released by other Chinese government authorities, annual reports published by industry participants, industry organizations, as well as CIC's internal database.

The market projections in the commissioned report are based on the following key assumptions: (i) the overall social and economic environment in China is expected to remain stable during the forecast period; (ii) the key industry drivers identified in the CIC Report are the factors that are likely to drive the growth of China's enterprise large model-driven decision intelligence during the forecast period; and (iii) there is no extreme force majeure or significant changes in the regulatory regimes which may affect the industry in either a dramatic or fundamental way. Our Directors confirm that, after making reasonable enquiries, there is no material adverse change in the market information since the date of the CIC Report which may qualify, contradict or have an impact on the information in this section.

REGULATORY OVERVIEW

REGULATIONS AND POLICIES ON INFORMATION INDUSTRY

Policies on Artificial Intelligence

The Opinions of the State Council on Deepening the Implementation of the “Artificial Intelligence +” Initiative (《國務院關於深入實施「人工智能+」行動的意見》), issued on August 26, 2025, aim to promote inclusive sharing of artificial intelligence, deepen high-standard openness in the field of artificial intelligence, and promote open source and accessibility of artificial intelligence technology.

The Development Plan of New Generation Artificial Intelligence (《新一代人工智能發展規劃》) which was promulgated by the State Council on July 8, 2017, according to which, the State accelerates the cultivation of an artificial intelligence industry with a major leading role, promote the in-depth integration of artificial intelligence and various industrial fields, and form a data-driven, human-machine collaboration, cross border integration, and co-creation and sharing of intelligent economic forms. Data and knowledge have become the first element of economic growth, human-machine collaboration has become the mainstream mode of production and service, cross-border integration has become an important economic model, co-creation and sharing has become a basic feature of economic ecology, personalized demand and customization have become a new trend in consumption.

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

The Guidelines for the Construction of the National New Generation Artificial Intelligence Innovation and Development Pilot Zone (《國家新一代人工智能創新發展試驗區建設工作指引》), promulgated by Ministry of Science and Technology of the PRC on September 29, 2020, underlines that an environment conducive to the innovation and development of artificial intelligence shall be created, as well as to promote the construction of artificial intelligence infrastructure and strengthen the conditional support for the innovation and development of artificial intelligence.

On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security, and the SAMR jointly promulgated the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (《互聯網信息服務算法推薦管理規定》) (the “Algorithm Recommendation Provisions”), which came into force on March 1, 2022. The Algorithm Recommendation Provisions implement a classification and hierarchical management mechanism for algorithm recommendation service providers according to various criteria. They mandate that algorithm recommendation service providers must clearly notify users about the provision of algorithm recommendation services, properly disclose the basic principles, intentions, and main operating mechanisms of these services.

On November 25, 2022, the CAC, the MIIT, and the Ministry of Public Security issued Administrative Provisions on Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》), which took effect on January 10, 2023, impose obligations on providers, technology supporters and users of deep synthesis technology, including verification of user identity, implementing measures to protect data security and personal information, content moderation, labeling content generated using deep synthesis technology, and conducting security assessment and completing filings for provision of certain services.

REGULATORY OVERVIEW

On July 10, 2023, the CAC together with other relevant authorities, released the Interim Measures on the Administration of Generative AI Services (《生成式人工智能服務管理暫行辦法》), which came into effect on August 15, 2023. According to which, individuals or organizations that provide generative AI services of text, image, audio, videos and other content shall be responsible as the producers of such network information content and as the personal information processors to protect any personal information involved. Providers of generative AI services shall enter into service agreements with users registering for their generative AI services and shall adopt effective measures to prevent minor users from over-relying or becoming addicted to generative AI services. In the event that illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including but not limited to stopping the generation of illegal content and suspending or terminating the provision of services. Any provider of generative AI services with attribute of public opinions or capable of social mobilization shall conduct security assessment and perform certain filings procedures in accordance with the Algorithm Recommendation Provisions. Providers of generative AI services may be subject to penalties for non-compliance.

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

Pursuant to our PRC Legal Advisor, during the Track Record Period and as of the Latest Practicable Date, we have complied with applicable AI Regulations in all material aspects. We have implemented enhanced internal control measures, and updated products and services in accordance with regulatory requirements to ensure effective and compliant management and services under the AI Regulations, including but not limited to carry out filing procedures under AI regulations; to add explicit labels to generated or synthesized content in accordance with the requirements, and to constrain business customers to fulfill the obligation through page prompts when collaborating with Business customers on product development.

National Catalog for Guidance on Industrial Restructuring

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

Outline of the 15th Five-Year Plan for National Economic and Social Development

The Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》), promulgated by the National People's Congress on March 13, 2026, proposes to comprehensively implement the "AI +" initiative and strengthen the integration of artificial intelligence with scientific and technological innovation, industrial development, cultural advancement, public wellbeing, and social governance.

Policies on the Software Industry

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

REGULATORY OVERVIEW

REGULATIONS RELATING TO FOREIGN INVESTMENT

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

Foreign investment in the PRC is subject to the Catalog of Industries for Encouraging Foreign Investment (2025 version) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Catalog**”), promulgated on December 15, 2025 effective since February 1, 2026 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the “**NDRC**”) and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the “**MOFCOM**”). The Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged”, “restricted”, and “prohibited”. Industries not listed in the Catalog or the Negative List are generally deemed as falling into a fourth category, “permitted”, unless specifically restricted by other PRC laws and regulations.

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

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

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

REGULATORY OVERVIEW

REGULATIONS RELATING TO OVERSEAS LISTING

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

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

Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as a change of control or voluntary or forced delisting of the issuer who has completed an overseas offering and listing.

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

REGULATIONS RELATING TO ANTI-UNFAIR COMPETITION

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), which was adopted by the SCNPC on September 2, 1993, last amended on June 27, 2025, unfair competition refers to acts of which operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the PRC Anti-Unfair Competition Law in the production and operating activities. Pursuant to the PRC Anti-Unfair Competition Law, operators must abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the PRC Anti-Unfair Competition Law should bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

REGULATORY OVERVIEW

REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

According to the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》), which was issued on June 22, 2007, the security protection of an information system may be graded into five levels. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures at the local public security organ at the level of city divided into districts or above. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures at the local public security organ at the level of municipality divided into districts or above.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), the “**Cybersecurity Law**”), last amended on October 28, 2025, pursuant to which, the state shall implement rules for graded protection of cybersecurity and the network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Network operators of critical information infrastructure shall store within the territory of the PRC all the personal information and important data collected and produced within the territory of PRC. Where such information and data need to be provided abroad for business purpose, security assessment shall be conducted pursuant to the measures developed by the national cyberspace administration together with competent departments of the State Council, unless otherwise provided for in laws and administrative regulations. The purchase of network products and services by the network operators of critical information infrastructure that may affect national security shall be subject to national security review.

On December 28, 2021, the Cyberspace Administration Of China (the “**CAC**”) together with 12 other authorities, jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which took effect on February 15, 2022. The Measures for Cybersecurity Review provide that: (i) network platform operators that are engaged in data processing activities which have or may have an implication on national security shall undergo a cybersecurity review; (ii) network platform operators that master personal information of more than one million users and seek to list abroad (國外上市) shall file for a cybersecurity review with the Cybersecurity Review Office; (iii) critical information infrastructure operators purchasing network products and services, which affect or may affect national security, shall conduct a cybersecurity review as well. On May 8, 2025, we and our PRC Legal Advisor have conducted a real-name telephone consultation and communication with the competent regulatory authority, the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心, the “**CCRC**”), and CCRC has confirmed that a listing in Hong Kong does not fall within the scope of the term of “listing abroad (國外上市)” under the Measures for Cybersecurity Review. Given that (i) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad (國外上市); (ii) as of the Latest Practicable Date, we had not been notified by any competent governmental authorities as a critical information infrastructure operator; and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, and the interpretation of activities that “affect or may affect national security” under the current PRC laws and regulations requires further clarification from the competent authorities, therefore, as advised by our PRC Legal Advisor, we are not obliged to apply for a cybersecurity review pursuant to the Measures for Cybersecurity Review with respect to our proposed listing. However, as further advised by our PRC Legal Advisor, the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations, and we are suggested by our PRC Legal Advisor that we should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

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On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), the “**Data Security Law**”), which took effect in September 1, 2021. The Data Security Law introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data activities which may affect national security. In addition, the Data Security Law provides that important data processors shall appoint a data security officer and establish a management department to take charge of data security, and such processors shall evaluate the risk of their data activities periodically and file assessment reports with the relevant regulatory authorities.

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

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

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

REGULATIONS ON PRIVACY PROTECTION

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

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

Pursuant to our PRC Legal Advisor, during the Track Record Period and as of the Latest Practicable Date, we have complied with applicable cybersecurity, data protection and privacy protection laws and regulations in all material aspects.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

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

Trademark

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

Copyright

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

Pursuant to the Regulation on Computer Software Protection (《計算機軟件保護條例》) and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), the National Copyright Administration is mainly responsible for the registration and

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management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the aforementioned regulations.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), and the Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》), domain name owners must register their domain names. The MIIT oversees China's Internet domain names. Registration operates on a "first come, first file" basis. Upon completing the registration process, applicants become the domain name holders.

REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》), the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL SECURITY

Regulations Relating to Employment

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

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), enterprises and institutions in the PRC shall provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance, medical insurance and other welfare plans. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its establishment. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Employer shall make contribution to the social insurance in full and on time, and failure to do so will result in late fees and fines. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) prescribes the details concerning the collection and payment of social insurance.

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

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

REGULATIONS RELATING TO THE PRC TAX

Income Tax Law

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

Income Tax Relating to Dividend Distribution

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

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

Value-added Tax

In accordance with the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and effective from January 1, 2026, and the Regulations for the Implementation of the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法實施條例》) entities and individuals engaging in selling goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are taxpayers of the value-added tax.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in China are the *Foreign Exchange Administration Regulations of the PRC* (《中華人民共和國外匯管理條例》), most recently amended in August 5, 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

The SAFE issued the *Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises* (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “SAFE Circular 19”) on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and latest amended on March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the *Circular on the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account* (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the “SAFE Circular 16”), which, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the *Circular on Further Facilitating Cross-border Trade and Investment* (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the “SAFE Circular 28”), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the *Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business* (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the “SAFE Circular 8”), issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative

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provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

SANCTIONS LAWS AND REGULATIONS

Hogan Lovells, our International Sanctions Legal Advisors, have provided the following summary of the sanctions regimes imposed by their respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the European Union, the UK, the United Nations and Australian sanctions in their entirety.

U.S.

U.S. SANCTIONS

OFAC is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. “Primary” U.S. sanctions apply to “U.S. persons” or activities involving a U.S. nexus and “secondary” U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity’s domestic and foreign branches; U.S. citizens or permanent resident aliens (“green card” holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to “block” (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC.

OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

U.S. EXPORT CONTROLS

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. The United States has increased export controls restrictions on China through the Export Administration Regulations (the “EAR”), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the “BIS”), which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the “Entity List”). Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR generally is prohibited unless the specified license requirements are met.

In addition, EAR also maintains a list of items, software, and technology that are subject to export controls (the “Commerce Control List”). The Commerce Control List is primarily based on multilateral export control lists, and BIS can also implement unilateral licensing requirements and

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other controls on items subject to U.S. export controls jurisdiction that can restrict exports and reexports to certain countries, as well as transfers within a country to a different end-user or end-use. The Commerce Control List is divided into ten categories, represented by the first digit of the Export Control Classification Number (“ECCN”).

United Nations

The United Nations Security Council (the “UNSC”) can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees.

United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no “blanket” ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

As of January 1, 2021, the United Kingdom is no longer an EU member state. EU law including EU sanctions measures continued to apply to and in the United Kingdom until December 31, 2020. EU sanctions measures had also been extended by the United Kingdom on a regime by regime basis to apply in the United Kingdom overseas territories, including the Cayman Islands. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

Against the backdrop of the National innovation-driven development strategy in 2012, the implementation of such strategy by CASIA, a research institutes found by Chinese Academy of Science (an academic organization directly under the supervision of the State Council) in 1956 and focus on research of intelligent science and technology, by encouraging and facilitating the transfer and transform of scientific and technological achievements in 2016, our Company was found in 2017 by distinguished AI scientists from the CASIA. Our Company is an emerging enterprise AI technology and service provider in China, specializing in complex data analytics and AI-assisted decision-making. Our capabilities cover the entire AI service value chain, including data governance, knowledge graph construction, model training, and AI application development. We serve mission-critical organizations across China, facilitating the intelligent transformation of sectors such as public sector services, media and communications, and other commercial enterprises. During the Track Record Period, we provided AI services to over 650 enterprise and government customers.

KEY MILESTONES

The following is a summary of our key development milestones:

Year	Event
2017	Our Company was established in March 2017 and committed to transforming artificial intelligence technology into AI services enabling intelligent decision making
2018	We developed our Omnimedia Intelligent Platform version 1.0 (全媒體智能平臺1.0), an early machine learning version of Yayi model tailored media and communications We established our X-Data AI intelligent computing R&D base and we developed an early version of X-Data, namely, X-Data Big Data Intelligent Computing Platform (天湖大數據智算平臺)
2019	We launched our DIOS version 1.0 which focus on providing data intelligence services to media and communication industry With our Omnimedia Intelligent Platform (全媒體智能平臺), we were awarded with the first prize of Wangxuan News Science and Technology Award (王選新聞科技技術獎一等獎), the highest level of technology award in China's news and media industry We were selected as the first 100 Beijing "Little Giant" for specialized and sophisticated enterprises that produce new and unique products (北京市專精特新“小巨人”企業)
2020	We were selected as a China "Little Giant" for specialized and sophisticated enterprises that produce new and unique products (中國專精特新“小巨人”企業)
2021	We developed an early version of DI-Brain We developed a highly realistic virtual digital human (高擬真虛擬數字人) and debuted at the China International Big Data Industry Expo (中國國際大數據產業博覽會)
2022	We were approved to establish a postdoctoral research workstation (博士後科研工作站) by Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) We were selected as "Beijing Intellectual Property Model Organization" (北京市知識產權示範單位)

HISTORY AND CORPORATE STRUCTURE

Year	Event
2023	We launched our proprietary large language model, Yayi LLM, and our no-code platform for rapid development and deployment of industry-specific AI agents, DI-Brain which constitute our DIOS version 2.0 We, as a core compiling unit, participated in the compilation of the China Academy of Information and Communications Technology (中國信息通信研究院)’s financial industry large model standard (金融行業大模型標準) Our Yayi LLM version 2.0 was certified by China Academy of Information and Communications Technology (中國信息通信研究院) as leading level (level 4) in the domain of model building capability, which made us one of the highest rated technology companies at the time of certification
2024	For Cantonese speaking region, we released the Chinese, English and Cantonese multi-language “D2 LLM” large model and the enterprise level AI application D2 AIE in Hong Kong We were selected as the Forbes China TOP50 Artificial Intelligence Enterprise (福布斯中國人工智能科技企業TOP50)
2025	“Dayi Jinkui” (大醫金匱), traditional Chinese medicine large model jointly developed by us and the China Academy of Chinese Medical Sciences (中國中醫科學院), passed the highest level of trusted AI certification from the China Academy of Information and Communications Technology (中國信息通信研究院)

OUR PRINCIPAL SUBSIDIARIES

The following table sets forth certain information of each of our principal subsidiaries as of the Latest Practicable Date.

Name	Principal business activities	Shareholding controlled by our Company	Date and jurisdiction of establishment and commencement of business
Beijing Zhongke Wenge Holdings Co., Ltd. (北京中科聞歌控股有限公司)	Research and development and sale of software products	100%	May 9, 2023, PRC
Nanjing Zhongke Wenge Technology Co., Ltd. (南京中科聞歌科技有限公司)	Research and development and sale of software products	100%	August 23, 2019, PRC
Shenzhen Zhongke Wenge Technology Co., Ltd. (深圳中科聞歌科技有限公司)	Research and development and sale of software products	100%	May 8, 2018, PRC
Xi'an Zhongke Wenge Technology Co., Ltd. (西安中科聞歌科技有限公司)	Research and development and sale of software products	100%	July 2, 2018, PRC
Zhejiang Xinhua Mobile Media Co., Ltd. (浙江新華移動傳媒股份有限公司)	Provision of AI services	51%	June 29, 2012, PRC

MAJOR CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Establishment of our Company

Against the backdrop of the National innovation-driven development strategy in 2012, the Chinese Academy of Sciences, an academic organization directly under the supervision of the State Council, issued the “Guidance on Accelerating the Transfer and Transformation of Scientific and Technological Achievements in the New Era” (關於新時期加快促進科技成果轉移轉化指導意見) in August 2016 (the “**TTSTA Guidance**”), encouraging its affiliated scientific research institutions (including the CASIA) to accelerate the promotion of the transfer and transformation of scientific and technological achievements in accordance with, among others, the “Law of the People’s Republic of China on Promoting the Transformation of Scientific and Technological Achievements” (《中華人民共和國促進科技成果轉化法》).

Pursuant to the TTSTA Guidance, CASIA, being one of the research institutes found by Chinese Academy of Science in 1956 and focus on research of intelligent science and technology, implements such National innovation-driven development strategy and supports the commercialisation of scientific and technological achievements by rewarding the relevant researchers, supporting them to leave their positions and start their own businesses and/or contributing intellectual properties into equity investment. With the approval of CASIA in January 2017 which agreed the relevant technical personnel (including Dr. Wang, Dr. Luo, Prof. Zeng) to jointly establish our Company with Beijing Hongfang Cultural Communication Center (北京紅坊文化傳播中心, “**Beijing Hongfang**” and Beijing Zhongzi Investment Management Company Limited (北京中自投資管理有限公司, “**Zhongzi Investment**” for carrying out the industrialization of new media big data technologies and systems, on March 20, 2017, our Company was established as a joint stock company with limited liability under the laws of the PRC by Beijing Zhongke Tianhu Technology Centre (Limited Partnership) (北京中科天湖科技中心(有限合夥), “**Zhongke Tianhu**”), Zhongzi Investment, Beijing Hongfang, Dr. Wang, Prof. Zeng and Dr. Luo with a registered capital of RMB10.0 million. Save for Zhongzi Investment’s initial capital in the Company was contributed by CASIA, none of the other shareholders initial capital was funded by CAS or its affiliated entities. Upon establishment, our Company was owned by Zhongke Tianhu, Zhongzi Investment, Beijing Hongfang, Dr. Wang, Prof. Zeng and Dr. Luo as to 65.00%, 12.00%, 10.00%, 5.00%, 5.00% and 3.00%, respectively.

To the best knowledge, information and belief of our Directors, having made all reasonable enquiries, (i) Zhongke Tianhu was an employee share platform with Dr. Luo being the executive partner immediately before its deregistration in May 2024; (ii) Zhongzi Investment is a limited company with its equity interest wholly owned by CASIA, one of the 115 research institutes established by Chinese Academy of Science which focus on research of intelligent science and technology, and is the investment platform of CASIA responsible for most of the investment and commercialization of CASIA’s potential projects. Although CASIA is an affiliated research institutes within CAS, CASIA has independent legal entity status. CASIA exercise independent management responsibilities in accordance with relevant management regulations in its operation and management, including its investment and commercialization. CASIA had independent investment decision making procedures in place regarding their investment and management through Zhongzi Investment. CASIA’s investment decisions are collective made by its affairs committee (自動化所務會). Pursuant to the TTSTA Guidance and “Measures for the Management of External Investment by the Chinese Academy of Science” (中國科學院對外投資管理辦法) issued by the CAS, the decision of CAS’s affiliated institutes (e.g. CASIA) to use scientific and technological achievements (科技成果) as equity investment should be made by the institutes themselves, and the institutes are not required to submit their decisions to the Academy for review. Save as being a shareholder and interested in of the Company, Zhongzi Investment and CASIA are Independent Third Parties; and (iii) Beijing Hongfang was ultimately owned by 3 Independent Third Parties.

HISTORY AND CORPORATE STRUCTURE

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of Pre-IPO Investments and capital increase since the establishment of our Company. See “— Major Shareholding Changes” and “— Pre-IPO Investments” for details.

Immediately before the Series A Financing in May 2018, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares	Shareholding (%)
Zhongke Tianhu	6,500,000	65.00
Zhongzi Investment	1,200,000	12.00
Zhongke Jiuhe ⁽¹⁾	1,000,000	10.00
Dr. Wang	500,000	5.00
Prof. Zeng	500,000	5.00
Dr. Luo	300,000	3.00
Total	10,000,000	100.00

Note:

- (1) In January 2018, Beijing Hongfang transferred 1,000,000 Shares to Guangzhou Zhongke Jiuhe Technology Center (Limited Partnership) (廣州中科九合科技中心(有限合夥)) (“**Zhongke Jiuhe**”) for a consideration of RMB8.0 million. To the best knowledge, information and belief of our Directors, having made all reasonable enquiries, Zhongke Jiuhe was a employees share platform with Dr. Wang being the executive partner and it ceased to be our Shareholder in September 2020.

Major Shareholding Changes

1. Series A Financing in 2018

On May 4, 2018, a share subscription agreement was entered into among our Company, its then Shareholders and three new investors, Beijing Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership) (北京中科創星硬科技創業投資合夥企業(有限合夥)), “**Zhongke Chuangxing-I**”), Ruide Huihuang Investment Co., Ltd. (瑞得輝煌投資有限公司, “**Ruide Huihuang**”) and Qingdao Lanhai Fangzhou Venture Capital Fund Partnership (Limited Partnership) (青島藍海方舟創業投資基金合夥企業(有限合夥)), “**Lanhai Fangzhou**”) (the “**Series A Financing**”), to facilitate the introduction of institutional capital to support the Company’s business expansion. Pursuant to the agreement:

- (a) Zhongke Chuangxing-I subscribed for 1,034,500 newly issued Shares for a consideration of RMB45.0 million;
- (b) Ruide Huihuang subscribed for 229,900 newly issued Shares for a consideration of RMB10.0 million; and
- (c) Lanhai Fangzhou subscribed for 229,900 newly issued Shares for a consideration of RMB10.0 million.

The subscription prices were based on the valuation agreed between the parties for the Series A Financing. For details of Zhongke Chuangxing-I, Ruide Huihuang and Lanhai Fangzhou, see “— Pre-IPO Investments — Background of our principal Pre-IPO Investors”.

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2. *Capital Increase and Series B Financing in 2019*

On April 16, 2019, a resolution was passed at a general meeting of our Company to convert RMB38.51 million from the capital reserve into registered capital. As a result, the registered capital of our Company increased from RMB11.49 million to RMB50.00 million. Such increased capital of RMB38.51 million was allocated to our then Shareholders in proportion to their respective equity interests.

On April 29, 2019, our Company and its then Shareholders entered into an investment agreement with Shenzhen Hengbang Zhiyuan No.5 Investment Partnership Enterprise (Limited Partnership) (深圳市恒邦致遠五號投資合夥企業(有限合夥)), “**Hengbang Zhiyuan No.5**”), Fuzhou Youbang Technology Center (General Partnership) (撫州市友邦科技中心(普通合夥)), “**Fuzhou Youbang**”) and Zhongke Chuangxing-I (the “**Series B Financing**”). The Series B Financing involved both subscription for new Shares and transfer of existing Shares, aiming to introduce new investors and supporting the Company’s business expansion.

In relation to the subscription for new Shares, pursuant to the agreement:

- (a) Hengbang Zhiyuan No.5 subscribed for 2,000,000 newly issued Shares for a consideration of RMB36.0 million;
- (b) Fuzhou Youbang subscribed for 833,333 newly issued Shares for a consideration of RMB15.0 million; and
- (c) Zhongke Chuangxing-I subscribed for 555,556 newly issued Shares for a consideration of RMB10.0 million.

In relation to the transfer of existing Shares, pursuant to the agreement:

- (a) Zhongke Jiuhe transferred 1,000,000 Shares to Hengbang Zhiyuan No.5 for a consideration of RMB12.0 million; and
- (b) Zhongke Jiuhe transferred 500,000 Shares to Zhongke Chuangxing-I for a consideration of RMB6.0 million.

The subscription prices were based on the valuation agreed between the parties for the Series B Financing, while the transfer prices were determined through commercial negotiations between respective parties. For details of Zhongke Chuangxing-I, Hengbang Zhiyuan No.5 and Fuzhou Youbang, see “— Pre-IPO Investments — Background of our principal Pre-IPO Investors”.

3. *Share Transfers and Series C and Series C+ Financing in 2020*

On June 8, 2020, Zhongke Tianhu, our then Shareholder, entered into a series of share transfer agreements (as supplemented by way of a supplemental agreement dated August 5, 2020), pursuant to which Zhongke Tianhu transferred 2,854,982, 19,962,150 and 5,457,868 Shares to Dr. Luo, Zhongke Sanshi and Zhongke Youcai with no transfer price involved as they were effected solely to facilitate the restructuring of the employee shares structure.

On July 30, 2020, our Company and its then Shareholders entered into an investment agreement with Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司, “**SCGC**”), Beijing Hongtu Tech Technology Entrepreneurship Investment Center (Limited Partnership) (北京紅土科技創業投資中心(有限合夥)), “**Hongtu Tech**”), Zhongke Liandong Chuangxin Equity Investment Fund (Shaoxing) Partnership (Limited Partnership) (中科聯動創新股權投資基金(紹興)合夥企業(有限合夥)), “**Zhongke Lianchuang**”), Beijing Jinke Huisheng Venture Capital Partnership (Limited Partnership) (北京金科匯晟創業投資合夥企業(有限合夥)), “**Jinke Huisheng**”), Beijing Zhongzi Innovation Artificial Intelligence Venture Capital Phase I Fund (Limited Partnership) (北京中自創新人工智能創投一期基金(有限合夥)), “**Zhongzi Innovation**”),

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Beijing Guoke Dingzhi Equity Investment Center (Limited Partnership) (北京國科鼎智股權投資中心(有限合夥), “**Guoke Dingzhi**”) and Guizhou Fenghou Zhiyuan Venture Capital Center (Limited Partnership) (貴州豐厚智源創業投資中心(有限合夥), “**Fenghou Zhiyuan**”) (the “**Series C Financing**”).

The Series C Financing involved both subscription for new Shares and transfer of existing Shares, aiming to introduce new investors and supporting the Company’s business expansion.

In relation to the subscription for new Shares, pursuant to the agreement:

- (a) SCGC subscribed for 2,033,862 newly issued Shares for a consideration of RMB40.0 million;
- (b) Hongtu Tech subscribed for 2,033,862 newly issued Shares for a consideration of RMB40.0 million;
- (c) Zhongke Lianchuang subscribed for 1,016,931 newly issued Shares for a consideration of RMB20.0 million;
- (d) Jinke Huisheng subscribed for 1,016,931 newly issued Shares for a consideration of RMB20.0 million;
- (e) Zhongzi Innovation subscribed for 508,466 newly issued Shares for a consideration of RMB10.0 million; and
- (f) Guoke Dingzhi subscribed for 508,466 newly issued Shares for a consideration of RMB10.0 million.

In relation to the transfer of existing Shares, pursuant to the agreement:

- (a) Zhongke Jiuhe transferred 1,324,603 Shares to Fuzhou Youbang for a consideration of RMB26.05 million; and
- (b) Zhongke Jiuhe transferred 508,466 Shares to Fenghou Zhiyuan for a consideration of RMB10.0 million.

The subscription and transfer prices were determined based on the valuation agreed among the parties for the Series C Financing.

On September 30, 2020, a share transfer agreement was entered into between Zhongke Jiuhe, our then Shareholder, and Beijing Phase II Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership) (北京二期中科創星硬科技創業投資合夥企業(有限合夥), “**Zhongke Chuangxing-II**”), pursuant to which Zhongke Jiuhe transferred 1,016,931 Shares to Zhongke Chuangxing-II for a consideration of RMB20.0 million. The transfer price was determined through commercial negotiation among the parties with reference to the valuation for Series C Financing.

On December 7, 2020, our Company and its then Shareholders entered into an investment agreement with National Science and Technology Achievement Transformation Entrepreneurship Investment Fund (Wuhan) Partnership Enterprise (Limited Partnership) (國科科技成果轉化創業投資基金(武漢)合夥企業(有限合夥), “**CASFoF**”) (the “**Series C+ Financing**”). The transaction involved subscription for new Shares and transfer of existing Shares, aiming to introduce a new investor and supporting the Company’s business expansion. In relation to the subscription for new Shares, pursuant to the agreement, CASFoF subscribed for 1,163,604 newly issued Shares for a consideration of RMB25.0 million. In relation to the transfer of existing Shares, pursuant to the agreement, Zhongke Youcai transferred 254,233 Shares to CASFoF for a consideration of RMB5.0 million.

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The subscription price was based on the valuation agreed among the parties for the Series C+ Financing, while the transfer price was determined through commercial negotiation between the parties with reference to the transfer price in September 2020. To the best knowledge, information and belief of our Directors, having made all reasonable enquiries, Zhongzi Innovation and Fenghou Zhiyuan, being our Shareholders who are interested in less than 1% of our Share capital, are ultimately controlled by Independent Third Parties. For details of SCGC, Hongtu Tech, Zhongke Lianchuang, Jinke Huisheng, Guoke Dingzhi, Zhongke Chuangxing-II and CASFoF, see “— Pre-IPO Investments — Background of our principal Pre-IPO Investors”.

4. *Series D and Series D+ Financing in 2021*

On March 31, 2021, our Company and its then Shareholders entered into an investment agreement with (a) Shenzhen Shenbao Yiben Cultural Industry Equity Investment Fund Partnership (Limited Partnership) (深圳市深報一本文化產業股權投資基金合夥企業(有限合夥), “**Shenbao Yiben**”); (b) Chongqing Zhaoyin Yongxiang Equity Investment Fund Partnership (Limited Partnership) (重慶市招銀永祥股權投資基金合夥企業(有限合夥), “**CMB Yongxiang**”); (c) Jiaxing Xingge Equity Investment Partnership Enterprise (Limited Partnership) (嘉興興歌股權投資合夥企業(有限合夥), “**Jiaxing Xingge**”); (d) Xiyue Xinmei (Zhuhai) Investment Partnership Enterprise (Limited Partnership) (喜悅馨美(珠海)投資合夥企業(有限合夥), formerly known as Xiyue Xinmei No. 1 (Zhuhai) Equity Investment Partnership Enterprise (Limited Partnership) (喜粵新媒一號(珠海)股權投資基金合夥企業(有限合夥)), “**Xiyue Xinmei**”); (e) Shenzhen Zhaoyin Tongming Growth Equity Investment Fund Partnership (Limited Partnership) (深圳市招銀通明成長股權投資基金合夥企業(有限合夥), “**CMB Tongming**”); (f) Liaoning Xinxing Phase II Cultural Entrepreneurship Investment Fund Partnership Enterprise (Limited Partnership) (遼寧新興二期文化創業投資基金合夥企業(有限合夥), “**Liaoning Xinxing**”); (g) Shenzhen Hengbang Growth No.5 Venture Capital Partnership Enterprise (Limited Partnership) (深圳市恒邦成長五號創業投資合夥企業(有限合夥), “**Hengbang Growth No.5**”); (h) Lhasa Ya Xiang Xing Tai Investment Co., Ltd. (拉薩亞祥興泰科技有限公司, “**Yaxiang Xingtai**”); (i) Shenzhen Shengrunda Investment Co., Ltd. (深圳聖潤達投資有限公司, “**Shengrunda**”); and (j) Zhuhai Growth and Win Win Venture Capital Fund (Limited Partnership) (珠海市成長共贏創業投資基金(有限合夥), “**Chengzhang Gongying**”) (the “**Series D Financing**”).

The Series D Financing involved subscription for new Shares and transfer of existing Shares, aiming to introduce new investors and supporting the Company’s business expansion.

In relation to the subscription for new Shares, pursuant to the agreement:

- (a) Shenbao Yiben subscribed for 2,055,700 newly issued Shares for a consideration of RMB50.0 million;
- (b) CMB Yongxiang subscribed for 1,480,104 newly issued Shares for a consideration of RMB36.0 million;
- (c) Jiaxing Xingge subscribed for 1,233,420 newly issued Shares for a consideration of RMB30.0 million;
- (d) Xiyue Xinmei subscribed for 822,280 newly issued Shares for a consideration of RMB20.0 million; and
- (e) CMB Tongming subscribed for 411,140 newly issued Shares for a consideration of RMB10.0 million;
- (f) Liaoning Xinxing subscribed for 411,140 newly issued Shares for a consideration of RMB10.0 million; and
- (g) Chengzhang Gongying subscribed for 164,456 newly issued Shares for a consideration of RMB4.0 million.

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In relation to the transfer of existing Shares, pursuant to the agreement:

- (a) Zhongke Chuangxing-I transferred 411,140 Shares to Hengbang Growth No.5 for a consideration of RMB10.0 million;
- (b) Zhongke Chuangxing-I transferred 411,140 Shares to Yaxiang Xingtai for a consideration of RMB10.0 million; and
- (c) Zhongke Chuangxing-I transferred 411,140 Shares to Shengrunda for a consideration of RMB10.0 million.

The subscription and transfer prices were determined based on the valuation agreed between the parties for the Series D Financing.

On December 24, 2021, a capital increase agreement was entered into among our Company, its then Shareholders, together with China Internet Investment Fund (Limited Partnership) (中國互聯網投資基金(有限合夥), “**China Internet Investment**”) and Infotech National Emerging Industry Venture Investment Guidance Fund (Limited Partnership). (盈富泰克國家新興產業創業投資引導基金(有限合夥), “**Infotech**”) (the “**Series D+ Financing**”) aiming to introduce new investors and support the Company’s business expansion. Pursuant to the agreement:

- (a) China Internet Investment subscribed for 3,289,121 newly issued Shares for a consideration of RMB80.0 million; and
- (b) Infotech subscribed for 822,280 newly issued Shares for a consideration of RMB20.0 million.

The subscription prices were determined based on the valuation agreed between the parties for the Series D+ Financing.

To the best knowledge, information and belief of our Directors, having made all reasonable enquiries, Liaoning Xinxing, Xiyue Xinmei and Shengrunda, all being our Shareholders who are interested in less than 1% of our Share capital, are ultimately controlled by Independent Third Parties. For details of Shenbao Yiben, Hengbang Growth No.5, China Internet Investment and Infotech, see “— Pre-IPO Investments — Background of our principal Pre-IPO Investors”.

5. Share Transfers, Series E and Series E+ Financing and Capital Increase in 2022

On January 13, 2022, a share transfer agreement was entered into between Fuzhou Youbang, and Gongqingcheng Ruisheng Equity Investment Partnership Enterprise (Limited Partnership) (共青城瑞晟股權投資合夥企業(有限合夥), “**GQC Ruisheng**”), to facilitate the introduction of GQC Ruisheng as a new investor of our Company. Pursuant to the agreement, Fuzhou Youbang transferred 591,521 Shares to GQC Ruisheng for a consideration of RMB20.44 million. The transfer price was determined through commercial negotiation and valuation agreed between the parties.

On February 11, 2022, our Company and its then Shareholders entered into an investment agreement with Guoke Dacheng Kechuang Equity Investment Fund (Tianjin) Partnership Enterprise (Limited Partnership) (國科大成科創股權投資基金(天津)合夥企業(有限合夥), “**Guoke Dacheng**”), Guoke Xinxing Kechuang Equity Investment Fund (Tianjin) Partnership Enterprise (Limited Partnership) (國科新興科創股權投資基金(天津)合夥企業(有限合夥), “**Guoke Xinxing**”), Shenzhen Hengbang Growth No.10 Venture Capital Partnership Enterprise (Limited Partnership) (深圳市恒邦成長十號創業投資合夥企業(有限合夥), “**Hengbang Growth No.10**”), Beijing Wendan Technology Co., Ltd. (Limited Partnership) (北京文丹科技有限合夥企業(有限合夥), “**Beijing Wendan**”) and Zhuhai Daye Shengde Technology Management Center (Limited Partnership) (珠海大業盛德科技管理中心(有限合夥), “**Daye Shengde**”) (the “**Series E Financing**”). The Series E Financing involved both subscription for new Shares and transfer of existing Shares, aiming to introduce new investors and supporting our Company’s business expansion.

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In relation to the subscription for new Shares, pursuant to the agreement:

- (a) Infotech, an existing Shareholder, subscribed for 1,736,656 newly issued Shares for a consideration of RMB60.0 million;
- (b) Guoke Dacheng subscribed for 897,272 newly issued Shares for a consideration of RMB31.0 million;
- (c) Guoke Xinxing subscribed for 897,272 newly issued Shares for a consideration of RMB31.0 million;
- (d) Hengbang Growth No.10 subscribed for 578,885 newly issued Shares for a consideration of RMB20.0 million; and
- (e) Jinke Huisheng, an existing Shareholder, subscribed for 578,885 newly issued Shares for a consideration of RMB20.0 million.

In relation to the transfer of existing Shares, pursuant to the agreement:

- (a) Dr. Wang transferred 578,885 Shares to Hengbang Growth No.10 for a consideration of RMB20.0 million;
- (b) Zhongke Sanshi transferred 555,730 Shares to Hengbang Growth No.10 for a consideration of RMB19.2 million;
- (c) Zhongke Sanshi transferred 289,443 Shares to BJ Wendan for a consideration of RMB10.0 million; and
- (d) Zhongke Sanshi transferred 144,721 Shares to Daye Shengde for a consideration of RMB5.0 million.

The subscription and transfer prices were determined based on the valuation agreed for the Series E Financing.

On September 29, 2022, a capital increase agreement was entered into among our Company, its then Shareholders, together with CDBC Manufacturing Industry Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥), “**CDBC MTU Fund**”), CCTV Integrated Media Industry Investment Fund (Limited Partnership) (央視融媒體產業投資基金)(有限合夥), “**CCTV Integrated Media**”), Beijing Zhongguancun Science City Technology Growth Investment Partnership Enterprise (Limited Partnership) (北京中關村科學城科技成長投資合夥企業(有限合夥), “**ZGC Science City**”) and Daye Shengde, aiming to introduce new investors and support the Company’s business expansion (the “**Series E+ Financing**”). Pursuant to the agreement:

- (a) CDBC MTU Fund subscribed for 5,197,585 newly issued Shares for a consideration of RMB199.0 million;
- (b) CCTV Integrated Media subscribed for 1,305,926 newly issued Shares for a consideration of RMB50.0 million;
- (c) ZGC Science City subscribed for 1,305,926 newly issued Shares for a consideration of RMB50.0 million; and
- (d) Daye Shengde, an existing Shareholder, subscribed for 156,711 newly issued Shares for a consideration of RMB6.0 million.

The subscription prices were determined based on the valuation agreed among the parties for the Series E+ Financing. GQC Ruisheng and BJ Wendan, being our Shareholder interested in less than 1% of share capital, is ultimately controlled by an Independent Third Party. For details of Guoke Dacheng, Guoke Xinxing, Hengbang Growth No.10, Daye Shengde, CDBC MTU Fund, CCTV Integrated Media and ZGC Science City, see “— Pre-IPO Investments — Background of our principal Pre-IPO Investors”.

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On 23 December 2022, a resolution was passed at a general meeting of our Company to convert RMB64.98 million from the capital reserve into registered capital. As a result, the registered capital of our Company increased from RMB85.0 million to RMB150.00 million. Such increased capital of RMB65.0 million was allocated to the existing Shareholders in proportion to their respective equity interests.

6. *Share Transfers in 2023*

In March 2023, to facilitate the introduction of new investors and a partial exit by the transferring Shareholders, a series of share transfer agreements were entered into among Zhongke Chuangxing-I, Yaxiang Xingtai, and Qingdao Xinding Gnaw Ge Jinwu Private Equity Investment Fund Partnership (Limited Partnership) (青島新鼎哨哥錦伍私募股權投資基金合夥企業(有限合夥), “**Xinding Jinwu**”), Qingdao Xindinggnanggexin Third Investment Partnership (Limited Partnership) (青島新鼎哨哥欣叁投資合夥企業(有限合夥), “**Xinding Xinsan**”) and Shenzhen Hengbang Zhiyuan No.23 Venture Capital Partnership (Limited Partnership) (深圳市恒邦致遠二十三號創業投資合夥企業(有限合夥), “**Hengbang Zhiyuan No.23**”), pursuant to which:

- (a) On March 3, 2023, Yaxiang Xingtai transferred 725,407 Shares to Xinding Xinsan for a consideration of RMB14.508 million;
- (b) On March 15, 2023, Zhongke Chuangxing-I transferred 2,450,000 Shares to Xinding Jinwu for a consideration of RMB49.0 million;
- (c) On March 15, 2023, Zhongke Chuangxing-I transferred 1,360,000 Shares to Xinding Xinsan for a consideration of RMB27.2 million; and
- (d) On March 15, 2023, Zhongke Chuangxing-I transferred 499,999 Shares to Hengbang Zhiyuan No.23 for a consideration of RMB10.0 million.

The transfer prices were determined through commercial negotiations between the parties.

In April 2023, to facilitate the introduction of new investors and as incentive to our employees, a series of share transfer agreements were entered into among our existing Shareholders, namely CMB Yongxiang, CMB Tongming, Chengzhang Gongying, Jiaying Xingge and Zhongke Sanshi, and a number of transferees, including Yuxin Digital Technology (Henan) Equity Investment Fund Partnership (Limited Partnership) (豫信數科(河南)股權投資基金合夥企業(有限合夥), “**Yuxin Digitech**”) and Shenzhen Hengbang Zhiyuan No. 20 Venture Capital Partnership (Limited Partnership) (深圳市恒邦致遠二十號創業投資合夥企業(有限合夥), “**Hengbang Zhiyuan No. 20**”), Daye Shengde, together with Wenge Zhicai and Wenge Jiangcai (both being employee share platforms with Dr. Wang as executive partner), pursuant to which:

- (a) On April 17, 2023, CMB Yongxiang transferred 1,080,000 Shares to Daye Shengde for a consideration of RMB21.60 million;
- (b) On April 17, 2023, CMB Tongming transferred 300,000 Shares to Daye Shengde for a consideration of RMB6.0 million;
- (c) On April 17, 2023, Chengzhang Gongying transferred 120,000 Shares to Daye Shengde for a consideration of RMB2.40 million;
- (d) On April 20, 2023, CMB Yongxiang transferred 1,171,464 Shares to Hengbang Zhiyuan No. 20 for a consideration of RMB23.43 million;
- (e) On April 20, 2023, CMB Yongxiang transferred 360,000 Shares to Yuxin Digitech for a consideration of RMB7.20 million;
- (f) On April 20, 2023, CMB Tongming transferred 325,407 Shares to Hengbang Zhiyuan No. 20 for a consideration of RMB6.51 million;

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- (g) On April 20, 2023, Chengzhang Gongying transferred 130,163 Shares to Hengbang Zhiyuan No. 20 for a consideration of RMB2.60 million;
- (h) On April 20, 2023, CMB Tongming transferred 100,000 Shares to Yuxin Digitech for a consideration of RMB2.0 million;
- (i) On April 20, 2023, Chengzhang Gongying transferred 40,000 Shares to Yuxin Digitech for a consideration of RMB0.80 million;
- (j) On April 24, 2023, Jiaxing Xingge transferred 1,453,466 Shares to Hengbang Zhiyuan No. 20 for a consideration of RMB29.07 million;
- (k) On April 28, 2023, Zhongke Sanshi transferred 6,268,709 Shares to Wenge Zhicai for a consideration of RMB26.96 million; and
- (l) On April 28, 2023, Zhongke Sanshi transferred 974,524 Shares to Wenge Jiangcai for a consideration of RMB4.19 million.

The transfer prices for the transfers to Yuxin Digitech, Hengbang Zhiyuan No. 20 and Daye Shengde were determined based on the commercial negotiation between the parties, while for the transfers to Wenge Zhicai and Wenge Jiangcai, both being employee share platforms, were determined based on a pricing structure adopted to support long-term employee retention and incentivisation. Yuxin Digitech, being our Shareholders who are interested in less than 1% of our share capital is ultimately controlled by an Independent Third Party. For details of Xinding Xinsan, Xinding Jinwu, Hengbang Zhiyuan No.23 and Hengbang Zhiyuan No. 20, see “— Pre-IPO Investments — Background of our principal Pre-IPO Investors”.

7. Series F Financing in November 2024

On November 28, 2024, our Company and its then shareholders entered into a share subscription agreement with Beijing Artificial Intelligence Industry Investment Fund (Limited Partnership) (北京市人工智能產業投資基金(有限合夥), “**AI Fund**”) to further strengthen the capital base of our Company and support its long-term strategic development (the “**Series F Financing**”). Pursuant to the agreement, AI Fund subscribed for 6,428,571 newly issued Shares for a consideration of RMB150.0 million.

The subscription price was determined with reference to the valuation agreed for the Series F Financing. For details of AI Fund, see “— Pre-IPO Investments — Background of our principal Pre-IPO Investors”.

8. Share Transfers and Series F+ Financing in 2025

On June 5, 2025, a share subscription agreement was entered into among our Company, its then shareholders, Beijing Shijingshan District Modern Innovation Industry Development Fund Co., Ltd. (北京市石景山區現代創新產業發展基金有限公司, “**Modern Industry Fund**”) and Hainan Xinyi, to facilitate the introduction of additional capital and support the continued development of our Company. Pursuant to the agreement:

- (a) Modern Industry Fund subscribed for 782,143 newly issued Shares for a consideration of RMB20.0 million; and
- (b) Hainan Xinyi subscribed for 1,055,893 newly issued Shares for a consideration of RMB27.0 million.

The subscription prices were determined with reference to the valuation agreed between the parties for the Series F+ Financing.

HISTORY AND CORPORATE STRUCTURE

On June 5, 2025, a series of share transfer agreements were further entered into among Jiaxing Xingge, Xiyue Xinmei, Modern Industry Fund and Wenge Hongcai (an employee share platform of our Company) to facilitate the introduction of new investors and exit by the transferring shareholders. Pursuant to the agreements:

- (a) Jiaxing Xingge transferred 722,754 Shares to Modern Industry Fund for a consideration of RMB13.2 million;
- (b) Xiyue Xinmei transferred 370,142 Shares to Modern Industry Fund for a consideration of RMB6.8 million; and
- (c) Xiyue Xinmei transferred 671,991 Shares to Wenge Hongcai for a consideration of RMB12.5 million.

The transfer prices were determined through commercial negotiations between the parties.

To the best of the Company's knowledge, Dr. Wang and Mr. Yan became acquainted through introduction of a mutual friend while attending an industry forum, Mr. Yan is an experienced entrepreneur in the media and internet industry for almost 15 years. Hainan Xinyi is a limited partnership controlled and managed by Dr. Wang in his capacity of executive partner interested in less than 1% of our share capital. Dr. Wang, as the general partner of Hainan Xinyi, is the only partner who administrate partnership affairs including formulate the rules and regulations of the partnership, and represent the limited partnership externally. Dr. Wang is responsible for the daily operation and management of the partnership. Dr. Wang shall also regularly report to other partners on the execution of affairs and the operation and financial status of the partnership. To the best knowledge, information and belief of our Directors, having made all reasonable enquiries, the limited partners of Hainan Xinyi are Yangpu Runhang (a limited partnership interested by each of Mr. Yan, Mr. Li Shuwei and Ms. Yang Haixia as to 33.33% with Mr. Yan as the executive partner), Hangzhou Dulai (a limited company owned as to 90% and 10% by Mr. Yan and Ying Min, an independent third party, respectively), Xinyi Investment (a limited partnership interested by Mr. Dai Ping, a director of Xinhua Mobile and his spouse, Ms. Zhao Jing as to approximately 91.14% and 8.86% respectively with Mr. Dai Ping as the executive partner) and Xinyi Technology (a limited partnership interested by Mr. Yan and his spouse, Ms. Gu Tao as to 99.9% and 0.1% respectively with Mr. Yan as the executive partner) interested in 13.96%, 20.85%, 28.96% and 36.22% as of the Latest Practicable Date. To the best of the Company's knowledge, in addition of being limited partners of Hainan Xinyi, Yangpu Runhang, Hangzhou Dulai and Xinyi investment are also shareholders of Xinhua Mobile and associates of Mr. Dai or Mr. Yan while Xinyi Technology is also an associate of Mr. Yan. For details of Modern Industry Fund, see "— Pre-IPO Investments — Background of our principal Pre-IPO Investors".

Immediately after completion of the aforesaid share transfers and series F+ Financing, the shareholding structure of our Company was as follows:

Name of Shareholder	Number of Shares	Shareholding (%)
Zhongke Sanshi	26,231,007	16.57
Zhongzi Investment	9,210,056	5.82
Zhongke Youcai	9,181,182	5.80
CDBC MTU Fund	9,170,507	5.79
Dr. Luo	7,339,783	4.64
AI Fund	6,428,571	4.06
Wenge Zhicai	6,268,709	3.96
China Internet Investment	5,803,255	3.67
Hengbang Zhiyuan No.5	5,293,136	3.34
Infotech	4,514,932	2.85

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Name of Shareholder	Number of Shares	Shareholding (%)
Prof. Zeng	3,837,523	2.42
Shenbao Yiben	3,627,033	2.29
SCGC	3,588,502	2.27
Hongtu Tech	3,588,502	2.27
Zhongke Chuangxing-I	3,315,885	2.10
Hengbang Zhiyuan No. 20	3,080,500	1.95
Hengbang Growth No.10	3,023,263	1.91
Dr. Wang	2,816,151	1.78
Jinke Huisheng	2,815,624	1.78
Fuzhou Youbang	2,763,749	1.75
CASFoF	2,501,601	1.58
Xinding Jinwu	2,450,000	1.55
CCTV Integrated Media	2,304,148	1.46
ZGC Science City	2,304,148	1.46
Xinding Xinsan	2,085,407	1.32
Daye Shengde	2,031,840	1.28
Modern Industry Fund	1,875,039	1.18
Zhongke Chuangxing-II	1,794,251	1.13
Zhongke Lianchuang	1,794,251	1.13
Ruide Huihuang	1,764,379	1.11
Lanhai Fangzhou	1,764,379	1.11
Guoke Dacheng	1,583,127	1.00
Guoke Xinxing	1,583,127	1.00
Hainan Xinyi	1,055,893	0.67
GQC Ruisheng	1,043,667	0.66
Wenge Jiangcai	974,524	0.62
Zhongzi Innovation	897,126	0.57
Guoke Dingzhi	897,126	0.57
Fenghou Zhiyuan	897,126	0.57
Liaoning Xinxing	725,407	0.46
Hengbang Growth No.5	725,407	0.46
Shengrunda	725,407	0.46
Wenge Hongcai	671,991	0.42
BJ Wendan	510,687	0.32
Yuxin Digitech	500,000	0.32
Hengbang Zhiyuan No.23	499,999	0.32
Xiyue Xinmei	408,680	0.26
Total	<u>158,266,607</u>	<u>100.0</u>

Pre-IPO Incentive Plans

We adopted the Pre-IPO Incentive Plans. For details, see “Statutory and General Information — Pre-IPO Incentive Plans” in Appendix VI to this prospectus. As of the Latest Practicable Date, all awards under the Pre-IPO Employee Share Schemes were granted to specified participants (by way of being limited partners of the relevant employee share platforms, namely, Wenge Jiangcai, Wenge Zhicai, Zhongke Youcai, Zhongke Cuicai, Zhongke Huicai, Zhongke Quncai and Zhongke Yingcai), while all options under the Pre-IPO Share Option Scheme were granted to the specified participants. No further options or awards will be granted under the Pre-IPO Incentive Plans following the Listing.

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PRE-IPO INVESTMENTS

Overview

We have conducted ten rounds of pre-IPO financing, pursuant to which certain Pre-IPO Investors invested in our business.

For details of Pre-IPO Investors, see “— Background of our principal Pre-IPO Investors”.

Series	Pre-IPO Investor	Date of agreement	Consideration paid (RMB'000)	Date of payment of full consideration	Investment cost per Share ⁽¹⁾ (RMB)	Premium/ (Discount) to the Offer Price ⁽²⁾ (%)	Total number of Shares under relevant agreement ('000)
A	Zhongke Chuangxing-I	May 4, 2018	45,000.00	June 1, 2018	43.50	(18.24)	1,034.50
	Ruide Huihuang		10,000.00	May 8, 2018			229.90
	Lanhai Fangzhou		10,000.00	June 4, 2018			229.90
B	Hengbang Zhiyuan No.5	April 29, 2019	36,000.00	May 16, 2019	18.00 ⁽³⁾	(66.17)	2,000.00
			12,000 ⁽⁴⁾	May 16, 2019	12.00 ⁽³⁾	(77.45)	1,000.00
	Fuzhou Youbang		15,000.00	May 20, 2019	18.00 ⁽³⁾	(66.17)	833.33
	Zhongke Chuangxing-I		10,000.00	May 20, 2019	18.00 ⁽³⁾	(66.17)	555.56
			6,000 ⁽⁴⁾	May 20, 2019	12.00 ⁽³⁾	(77.45)	500.00
C	SCGC	July 30, 2020	40,000.00	August 4, 2020	19.67	(63.03)	2,033.86
	Hongtu Tech		40,000.00	August 13, 2020			2,033.86
	Fuzhou Youbang ⁽⁵⁾		26,050	August 24, 2020			1,324.60
	Zhongke Lianchuang		20,000.00	July 28, 2020			1,016.93
	Jinke Huisheng		20,000.00	August 5, 2020			1,016.93
	Zhongzi Innovation ⁽¹²⁾		10,000.00	July 30, 2020			508.47
	Guoke Dingzhi		10,000.00	September 10, 2020			508.47
	Fenghou Zhiyuan ⁽⁵⁾⁽¹²⁾		10,000.00	August 14, 2020			508.47
Equity Transfer ⁽⁵⁾ .	Zhongke Chuangxing-II	September 30, 2020	26,050	October 13, 2020	19.67	(63.03)	1,016.93
C+	CASFoF	December 7, 2020	25,000.00	December 15, 2020	21.48	(59.63)	1,163.60
			5,000 ⁽⁶⁾	December 15, 2020	19.67	(63.03)	254.23
D	Shenbao Yiben	March 31, 2021	50,000.00	April 30, 2021	24.32	(54.29)	2,055.70
	CMB Yongxiang ⁽¹³⁾		36,000.00	April 15, 2021			1,480.10
	Jiaxing Xingge ⁽¹³⁾		30,000.00	April 25, 2021			1,233.42
	Xiyue Xinmei ⁽¹²⁾		20,000.00	April 12, 2021			822.28
	CMB Tongming ⁽¹³⁾		10,000.00	April 16, 2021			411.14
	Liaoning Xinxing ⁽¹²⁾		10,000.00	April 16, 2021			411.14
	Chengzhang Gongying ⁽¹³⁾		4,000.00	April 20, 2021			164.46
	Hengbang Growth No.5 ⁽⁷⁾⁽¹²⁾		10,000 ⁽⁷⁾	April 27, 2021			411.14
	Yaxiang Xingtai ⁽⁷⁾⁽¹³⁾		10,000 ⁽⁷⁾	April 14, 2021			411.14
	Shengrunda ⁽⁷⁾⁽¹²⁾		10,000 ⁽⁷⁾	April 22, 2021			411.14
D+	China Internet Investment	December 24, 2021	80,000.00	January 7, 2022	24.32	(54.29)	3,289.12
	Infotech		20,000.00	January 6, 2022			822.28

HISTORY AND CORPORATE STRUCTURE

Series	Pre-IPO Investor	Date of agreement	Consideration paid (RMB'000)	Date of payment of full consideration	Investment cost per Share ⁽¹⁾ (RMB)	Premium/(Discount) to the Offer Price ⁽²⁾ (%)	Total number of Shares under relevant agreement ('000)
Equity Transfer ⁽⁸⁾	GQC Ruisheng ⁽¹²⁾	January 13, 2022	2,043.66	June 22, 2022	34.55	(35.06)	592.52
E	Infotech	February 11, 2022	60,000.00	February 18, 2022	34.55	(35.06)	1,736.66
	Guoke Dacheng		31,000.00	February 24, 2022			897.27
	Guoke Xinxing		31,000.00	March 14, 2022			897.27
	Hengbang Growth No. 10		20,000.00	February 22, 2022			578.89
			39,200.0 ⁽⁹⁾	February 11, 2022			1,134.62
	Jinke Huisheng		20,000.00	February 21, 2022			578.89
	BJ Wendan ⁽⁹⁾⁽¹²⁾		10,000 ⁽⁹⁾	February 11, 2022			289.44
	Daye Shengde ⁽⁹⁾		5,000 ⁽⁹⁾	February 11, 2022			144.72
E+	CDBC MTU Fund	September 29, 2022	199,000.00	October 14, 2022	38.29	(28.03)	5,197.59
	CCTV Integrated Media		50,000.00	October 14, 2022			1,305.93
	ZGC Science City		50,000.00	October 11, 2022			1,305.93
	Daye Shengde		6,000.00	October 14, 2022			156.71
Equity Transfer ⁽¹⁰⁾	Xinding Xinsan	March 3, 2023	14,508.00	March 15, 2023	20.00	(62.41)	725.41
		March 15, 2023	27,200.00	March 15, 2023			1,360.00
	Xinding Jinwu	March 15, 2023	49,000.00	March 15, 2023			2,450.00
	Hengbang Zhiyuan No. 23 ⁽¹²⁾	March 15, 2023	10,000.00	March 22, 2023			499.99
	Hengbang ZY-20	April 20, 2023	32,540.00	April 28, 2023			1,627.03
		April 24, 2023	29,070.00	April 28, 2023			1,453.47
	Daye Shengde	April 17, 2023	30,000.00	April 21, 2023			1,500.00
	Yuxin Digitech ⁽¹²⁾	April 20, 2023	10,000.00	April 25, 2023			500.00
F	AI Fund	November 28, 2024	150,000.00	November 29, 2024	23.33 ⁽³⁾	(56.21)	6,428.57
F+	Modern Industry Fund	June 5, 2025	20,000.00	June 6, 2025	25.57	(51.94)	782.14
			13,200.00 ⁽¹¹⁾	June 6, 2025	18.26	(65.68)	722.75
			6,800.00 ⁽¹¹⁾	June 6, 2025	18.37	(65.47)	370.14
	Hainan Xinyi		27,000.00	June 6, 2025	25.57	(51.94)	1,055.89

Notes:

- (1) The investment cost per Share equals the total consideration paid by the Pre-IPO Investors in each Pre-IPO Investment divided by either (i) the registered capital transferred or subscribed by them or (ii) the number of Shares acquired by them immediately following their respective Pre-IPO Investment.
- (2) The premium/(discount) to the Offer Price is calculated based on the assumption that (i) the Offer Price is HK\$60.70 per Offer Share, being the indicative Offer Price. The indicative exchange rate of HK\$1.00 = RMB0.87652.
- (3) The substantial decrease in investment cost per Share in Series B Financing and Series F Financing was due to the conversion of capital reserve and the increase in registered capital conducted in 2019 and 2022. For details of such conversion of capital reserve and the increase in registered capital in 2019 and 2022, see “— 2. Capital Increase and Series B Financing in 2019” and “— 5. Share Transfers, Series E and Series E+ Financing and Capital Increase in 2022”.

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- (4) The subject investments were conducted by way of equity transfer from existing shareholders and form part of the investment agreement of Series B Financing. For details, see “— 2. Capital Increase and Series B Financing in 2019”.
- (5) The subject investments were conducted by way of equity transfer from existing shareholders. For details, see “— 3. Share Transfers and Series C and Series C+ Financing in 2020”.
- (6) The subject investments were conducted by way of equity transfer from existing shareholder and form part of the investment agreement of Series C+ Financing. For details, see “— 3. Share Transfers and Series C and Series C+ Financing in 2020”.
- (7) The subject investments were conducted by way of equity transfer from existing shareholder and form part of the investment agreement of Series D Financing. For details, see “— 4. Series D and Series D+ Financing in 2021”.
- (8) The subject investment was conducted by way of equity transfer from existing shareholder. For details, see “— 5. Share Transfers and Series E and Series E+ Financing and Capital Increase in 2022”.
- (9) The subject investments were conducted by way of equity transfer from existing shareholder and form part of the investment agreement of Series E financing. For details, see “— 5. Share Transfers and Series E and Series E+ Financing and Capital Increase in 2022”.
- (10) The subject investments were conducted by way of equity transfer from existing shareholders. For details, see “— 6. Share Transfers in 2023”.
- (11) The subject investments were conducted by way of equity transfer from existing shareholders and form part of the investment agreement of Series F+ Financing. For details, see “— 8. Share Transfers and Series F+ Financing in 2025”.
- (12) The entities held less than 1.00% of our total issued share capital as of the Latest Practicable Date.
- (13) The entities were no longer the shareholders of our Company as of the Latest Practicable Date.

Principal terms of the Pre-IPO Investments

Set forth below is a summary of the details of the Pre-IPO Investments:

Basis of determining the consideration:

The consideration for each round of the Pre-IPO Investments was determined based on arm's length negotiation amongst the Pre-IPO Investors and our Group after taking into consideration the timing of the investments, the respective business operations, financial performance and prospects of the business of our Group.

Use of proceeds:

Our Company received proceeds of approximately RMB1.22 billion from the Pre-IPO Investments.

As of the Latest Practicable Date, approximately 69.73% of the net proceeds from the Pre-IPO Investments received by our Company are for research and development, capital expenditures and general working capital needs of our Group and we expect to continue to utilise the remaining net proceeds in our ordinary course of business to development and provision of proprietary artificial intelligence solutions and large models centered around our self-developed DIOS.

HISTORY AND CORPORATE STRUCTURE

**Strategic benefits of the
Pre-IPO Investors brought
to our Company:**

Our Group was of the view that we could benefit from the additional funds provided by our Pre-IPO Investors for our research and development activities and daily operation, as well as the insight for industry, the knowledge and experience of the Pre-IPO Investors. The investments from our Pre-IPO Investors demonstrated their confidence in our Group's operations and capabilities and served as an endorsement of our Group's performance and prospects. Also, our Pre-IPO Investors include experienced investors and investment funds in the areas of innovative technological industry, who can share their insight and professional advice on our Group's operation and business strategies.

Lock-up period:

Pursuant to the applicable PRC law, all Shares issued prior to the Global Offering (including those held by the Pre-IPO Investors) are subject to transfer restriction for a period of one year from the Listing Date.

Background of our principal Pre-IPO Investors

Our principal Pre-IPO Investors comprise:

- (1) three Pathfinder SIIs, all of which held more than 3% of the total issued shares of the Company as of the Latest Practicable Date;
- (2) other four Sophisticated Independent Investors; and
- (3) other 13 Pre-IPO Investors, being corporate investors that have made meaningful investments in our Company and each or in aggregate holding more than 1.00% of our total issued share capital immediately prior to the Global Offering.

Our Pathfinder SIIs

1. CDBC MTU Fund

CDBC MTU Fund is a limited partnership established under the laws of the PRC, with a focus on two investment areas, namely new-generation information technology and power equipment. CDBC MTU Fund has two limited partners, namely National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司, "**National MTU Fund**") and CDBC Investment Fund Management Co., Ltd. (國開投資基金管理有限責任公司, "**CDBC FM**"), respectively holding 99.80% and 0.20% of the interests therein as of the Latest Practicable Date. National MTU Fund is a joint stock company with limited liability established under the laws of the PRC in November 2019 having a registered capital of over RMB140 billion with twenty shareholders including the Ministry of Finance of the PRC, China Development Bank Capital Limited (國開金融有限責任公司) and China National Tobacco Corporation (中國煙草總公司), etc. The general partner of CDBC MTU Fund is CDBC FM, a private equity fund limited company. CDBC FM is responsible for the investment decisions of CDBC MTU Fund, while National MTU Fund appoints one observer to the investment committee. The Group became acquainted with CDBC MTU Fund and CDBC FM through its efforts to identify potential investors.

As of the Latest Practicable Date, CDBC MTU Fund held approximately 5.79% of our total issued Shares. The asset under management (the "**AUM**") of CDBC FM was over RMB27 billion as of June 30, 2022 (being a date not more than six months prior to the date on which the definitive agreement for its investment in our Company was signed), and over RMB45 billion as of March 31, 2025, respectively, which meets the thresholds set out in Chapter 2.5 of the Guide. In compliance

HISTORY AND CORPORATE STRUCTURE

with Rule 18C.05 of the Listing Rules, CDBC MTU Fund held approximately 5.79% and 6.11% of our total issued Shares, as of June 25, 2025 (being the first date of submission of the Company's listing application) and June 25, 2024 (being the commencement date of the pre-application 12-month period), respectively.

2. *SCGC and Hongtu Tech (collectively "SCGC Investors")*

SCGC is a state-owned and independently managed venture capital investment institution with a primary focus to invest in innovative high-tech companies in the emerging industries in their start-up, growth or pre-IPO stage, including but not limited to investments in IT, new media, healthcare, new energy, environment protection, chemical engineering, new material and advanced manufacturing consumer goods. As of the Latest Practicable Date, major shareholders included (a) State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government (深圳市國有資產監督管理委員會, "SZ SASAC"), a municipal authority supervising state-owned assets on behalf of the local government in Shenzhen, holding approximately 28.20% of the interests therein; (b) Shenzhen Xinghe Real Estate Development Co., Ltd. (深圳市星河房地產開發有限公司), a property developer, holding 20.00% of the interests therein; (c) Shenzhen Capital Operations Group Co., Ltd. (深圳市資本運營集團有限公司), a wholly-owned subsidiary of SZ SASAC, holding approximately 12.79% of the interests therein; and (d) Shanghai Dazhong Public Utilities (Group) Co., Ltd. (上海大眾公用事業(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 1635) and the Shanghai Stock Exchange (stock code: 600635), holding approximately 10.80% of the interests therein. Save as disclosed above, SCGC had no shareholders which individually held more than 10% of SCGC's equity interest.

Hongtu Tech is a limited partnership established under the laws of the PRC, with a focus on three investment areas, namely manufacturing, IT and transmission services, as well as scientific research and technical services. The general partner of Hongtu Tech is Shenchuangxin Investment Management Consulting (Beijing) Co., Ltd. (深創新投資管理顧問(北京)有限公司, "BJ Consulting"), holding 1.00% interests therein as of the Latest Practicable Date. BJ Consulting is wholly-owned by SCGC through Shenzhen Capital Group Red Earth Private Equity Investment Fund Management (Shenzhen) Co., Ltd. (深創投紅土私募股權投資基金管理(深圳)有限公司), a wholly-owned subsidiary of SCGC. As of the Latest Practicable Date, major limited partners of Hongtu Tech included (a) SCGC, holding 35.00% of the interests therein; and (b) Beijing Innovation Industry Investment Co., Ltd. (北京創新產業投資有限公司), an investment and asset management company, holding 34.00% of the interests therein. Save as disclosed above, Hongtu Tech had no limited partners which individually held more than one-third of Hongtu Tech's interests. The Group became acquainted with the SCGC Investors through its efforts to identify potential investors.

As of the Latest Practicable Date, the SCGC Investors held approximately 4.53% of our total issued Shares. The AUM of the SCGC Investors was more than HK\$15.0 billion as of June 30, 2020 (being a date not more than six months prior to the date on which the definitive agreement for its earliest investment in our Company was signed), and approximately RMB490.0 billion as of March 31, 2025, respectively. As SCGC is ultimately responsible for the investment decisions of BJ Consulting, SCGC and Hongtu Tech should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Guide. As the AUM of SCGC meets the threshold set out in Chapter 2.5 of the Guide, the SCGC Investors collectively qualify as a Sophisticated Independent Investor. In compliance with Rule 18C.05 of the Listing Rules, the SCGC Investors held approximately 4.53% and 4.78% of our total issued Shares, as of June 25, 2025 (being the first date of submission of the Company's listing application) and June 25, 2024 (being the commencement date of the pre-application 12-month period), respectively.

3. *China Internet Investment*

China Internet Investment is a limited partnership established under the laws of the PRC pursuant to the approval of the State Council of the PRC. It was jointly initiated by the Cyberspace Administration of China and the Ministry of Finance to support the development of strategic sectors within the digital economy. China Internet Investment adopts an investment approach aimed at complementing weaknesses, forging strengths, and laying the frontiers (補短板、鍛長板、佈前沿), with a focus on seven investment areas, namely core Internet technologies and infrastructure, cybersecurity, information services, cloud computing, big data, artificial intelligence and industrial digitalisation. As of the Latest Practicable Date, China Internet Investment invested in a number of innovative growth technology companies, including Kingsoft Cloud Holdings Ltd (金山雲控股有限公司), a company listed on NASDAQ (stock code: KC) and the Stock Exchange (stock code: 3896), Kuaishou Technology (快手科技), a company listed on the Stock Exchange (stock code: 1024), and SenseTime Group Inc. (商湯集團有限公司), a company listed on the Stock Exchange (stock code: 0020).

The general partner of China Internet Investment is China Internet Investment Fund Management Co., Ltd. (中國互聯網投資基金管理有限公司), a private equity fund limited company, holding approximately 1.41% interests therein as of the Latest Practicable Date. Major limited partner of China Internet Investment included ICBC Credit Suisse Investment Management Co., Ltd. (工銀瑞信投資管理有限公司), a limited company providing equity capital market services and a wholly-owned subsidiary of Gongyin Ruixin Fund Management Co., Ltd. (工銀瑞信基金管理有限公司), holding approximately 33.2% interests therein as of the Latest Practicable Date. Save as disclosed above, China Internet Investment had no limited partners which individually held more than one-third of China Internet Investment's interests. The Group became acquainted with China Internet Investment through its efforts to identify potential investors.

As of the Latest Practicable Date, China Internet Investment held approximately 3.67% of our total issued Shares. The AUM of China Internet Investment was more than HK\$15.0 billion as of September 30, 2021 (being a date which is no more than six months prior to the date of signing of the definitive agreement for its investment in our Company), and approximately RMB23.7 billion as of March 31, 2025, respectively, which meets the thresholds set out in Chapter 2.5 of the Guide. In compliance with Rule 18C.05 of the Listing Rules, China Internet Investment held approximately 3.67% and 3.87% of our total issued Shares, as of June 25, 2025 (being the first date of our Company's listing application) and June 25, 2024 (being the commencement date of the pre-application 12-month period), respectively.

Our other Sophisticated Independent Investors

4. *Zhongke Chuangxing-I and Zhongke Chuangxing-II (collectively "Zhongke Investors")*

Zhongke Chuangxing-I is a limited partnership established under the laws of the PRC, which principally invests in two domains, namely, new generation information technology and intelligent manufacturing. The general partner of Zhongke Chuangxing-I is Beijing Zhongke Chuangxing Venture Capital Management Partnership (Limited Partnership) (北京中科創星創業投資管理合夥企業(有限合夥), "BJVC"), holding 1.06% interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, major limited partners of Zhongke Chuangxing-I included (a) Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)), a private equity fund, holding approximately 36.64% of the interests therein; and (b) Three Gorges Capital Holding Co., Ltd. (三峽資本控股有限責任公司, "Three Gorges Capital"), an investment and asset management limited company, holding approximately 33.21% of the interests therein. Save as disclosed above, Zhongke Chuangxing-I had no limited partners which individually held more than one-third of Zhongke Chuangxing-I's interest. As of the Latest Practicable Date, Three Gorges Capital is controlled by China Three Gorges Corporation (中國長江三峽集團有限公司), the world's largest hydropower development and operation enterprise as well as China's leading clean energy group, whose ultimate beneficial owners include SASAC, Ministry of Finance and Yunnan Provincial SASAC, etc.

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Zhongke Chuangxing-II is a limited partnership established under the laws of the PRC, which principally invests in three domains, namely, new generation information technology, intelligent manufacturing and medical health. The general partner of Zhongke Chuangxing-II is Beijing Zhongke Chuangxing Technology Co., Ltd. (北京中科创星科技有限公司, “BJZK”), holding approximately 1.11% interests therein as of the Latest Practicable Date. Zhongke Chuangxing-II had 27 limited partners, each of which held less than one-third of the interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, Zhongke Chuangxing-II’s ultimate beneficial owners include SASAC, Ministry of Finance, Beijing SASAC, Wuhan Municipal SASAC, Jilin Provincial Ministry of Finance, etc.

BJVC is a wholly-owned subsidiary of Zhongke Chuangxing Technology Investment Co., Ltd. (中科创星科技投资有限公司, “ZKTI”), with ownership structured through direct ownership by ZKTI and indirect ownership through BJZK, ZKTI’s wholly-owned subsidiary. Each of the Zhongke Investors is structured as a limited partnership whose general partner is either directly or indirectly controlled by ZKTI, thereby centralises their management under a unified investment framework. Although each of the Zhongke Investors is established as a separate legal entity, their management is coordinated under the umbrella of ZKTI, forming a unified governance and decision-making structure. In this capacity, ZKTI acts as the ultimate controller of the general partners and maintains effective control over the management of the Zhongke Investors. As of the Latest Practicable Date, ZKTI is owned by Mi Lei (米磊). The Group became acquainted with the Zhongke Investors through its efforts to identify potential investors.

As of June 1, 2018 and as of March 31, 2018 (both being a date which is no more than six months prior to the date of signing of definitive agreement for its first investment in our Company), ZKTI and its wholly owned subsidiaries had invested in over 220 companies and the AUM of ZKTI was approximately RMB2.2 billion respectively. As of December 31, 2024 and March 31, 2025, (both being a date no more than six months prior to the date of the listing application), ZKTI and its wholly owned subsidiaries had invested in over 500 companies and the AUM of ZKTI was approximately RMB12 billion respectively, primarily derived from specialist technology investment. In particular, ZKTI’s investment portfolio covers photonic chips, artificial intelligence, biotechnology, aerospace, information technology and new energy sectors. As Zhongke Chuangxing-I and Zhongke Chuangxing-II are funds controlled and managed by ZKTI, and the investment decision of Zhongke Chuangxing-I and Zhongke Chuangxing-II were managed and controlled by ZKTI, the Zhongke Investors qualify as a Sophisticated Independent Investors.

Established in 2013, ZKTI has been focusing on investing in and incubating high-growth potential projects in the key and core technology sector, including new energy, intelligent manufacturing, biotechnology, artificial intelligence, optoelectronic chips, aerospace technology, information technology, and new materials. ZKTI incubated tech startups and promoted the industrialization of scientific and technological achievements by identifying and nurturing leading talents in tech entrepreneurship and has been awarded by the Torch High Technology Industry Development Center as an A-Class National-Level Science and Technology Enterprise Incubator for five consecutive years. It is also among the first batch of leading benchmark incubators in Beijing and the first batch of high-quality incubators in Shanghai. Currently, ZKTI manages several active funds, including the Beijing Hard Technology Series Fund, the Photon Series Fund, the Shaanxi Hard Technology Series Fund, and the Xike Angel Series Fund. As the fund under management of ZKTI and the underlying angel investments matured and expanded over the years, the value and scale of the investment portfolio grew accordingly, the AUM of ZKTI also grew from RMB3 billion as of April 27, 2018 to approximately RMB12 billion as of March 31, 2025. Over the years, the number of specialist technology investments has also increased, which also further contributed to the overall growth of the asset under management and scale of the investment portfolio. As of the end of 2024, ZKTI has invested in and incubated over 500 key and core technology enterprises, cultivating a number of notable companies, including, among others, Shaanxi Yuanjie Semiconductor Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688498), Wayzim Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 688211), TanKeBlue Semiconductor Co., Ltd., Beijing Zhipu Huazhang Technology Co., Ltd., an artificial intelligence company, Guangzhou Zhongke Aerospace Exploration

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Technology Co., Ltd., a Chinese commercial space launcher provider, UISEE Technology (Beijing) Co., Ltd., an autonomous driving technology company, Origin Quantum Computing Technology Co., Ltd., Zhongchu Guoneng (Beijing) Technology Co., Ltd., a new energy company developing compress air energy storage and Beijing Zhongke Haina Technology Co., Ltd., a new energy company develop and produce Na-ion battery. These specialist technology companies represent champions in their respective fields within the key and core technology ecosystem.

In compliance with Rule 18C.05 of the Listing Rules, the Zhongke Investors held approximately 3.23% and 3.23% of our total issued Shares, as of June 25, 2025 (being the first date of our Company's listing application) and as of the Latest Practicable Date, respectively.

5. *Xinding Jinwu and Xinding Xinsan (collectively "Xinding Investors")*

Xinding Jinwu and Xinding Xinsan are limited partnerships established under the laws of the PRC, with an investment focus on scientific research and technical services. The general partner of each of the Xinding Investors is Beijing Xindingrongsheng Capital Co., Ltd. (北京新鼎榮盛資本管理有限公司, "**Xinding Capital**"), holding 0.02% of each of the Xinding Investors' interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, Xinding Capital invested in a number of innovative growth technology companies, including Horizon Robotics (地平線), a company listed on the Stock Exchange (stock code: 9660) and Beijing SinoHytec Co., Ltd. (北京億華通科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688339) and the Stock Exchange (stock code: 2402). Xinding Jinwu has 30 limited partners and Xinding Xinsan had 27 limited partners, each of which held less than one-third of the respective interests therein as of the Latest Practicable Date.

Xinding Investors are structured as a limited partnership whose general partner is Xinding Capital, thereby centralises their management under a unified investment framework. Although each Xinding Investor is established as a separate legal entity, their management is coordinated under the umbrella of Xinding Capital, forming a unified governance and decision making structure. In this capacity, Xinding Capital acts as the ultimate controller and maintains effective control over the management of the Xinding Investors. The Group became acquainted with the Xinding Investors through its efforts to identify potential investors.

As of the Latest Practicable Date, the Xinding Investors held approximately 2.87% of our total issued Shares. The AUM of Xinding Capital was over RMB8.0 billion as of February 28, 2023, primarily derived from specialist technology investment, (being a date which is no more than six months prior to the date of signing of definitive agreement for its investment in our Company), and over RMB9.0 billion as of March 31, 2025, primarily derived from specialist technology investment, respectively. In particular, Xinding Capital's investment portfolio covers photonic chips, artificial intelligence, information technology and new energy sectors. As Xinding Jinwu and Xinding Xinsan are funds controlled and managed by Xinding Capital, whose AUM meets the thresholds set out in Chapter 2.5 of the Guide, and the investment decision of Xinding Jinwu and Xinding Xinsan were managed and controlled by Xinding Capital, the Xinding Investors qualify as a Sophisticated Independent Investors. In compliance with Rule 18C.05 of the Listing Rules, the Xinding Investors held approximately 2.87% and 2.87% of our total issued Shares, as of June 25, 2025 (being the first date of our Company's listing application) and as of the Latest Practicable Date, respectively.

6. *Guoke Dingzhi*

Guoke Dingzhi is a limited partnership established under the laws of PRC, with a focus of three investment areas, namely, scientific research, medical research and technical services, as well as information transmission and information technology services.

The general partner of Guoke Dingzhi is Cash Capital (Beijing) Investment Management Co., Ltd. (國科嘉和(北京)投資管理有限公司, "**Cash Capital**"), an investment management company established under the laws of PRC with 4 corporate shareholders holding 49%, 45%, 4.5% and 1.5%

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respectively. None of them hold a majority interest in nor control the composition of a majority of the board of Cash Capital and Cash Capital is not a subsidiaries of CAS Holdings as of the Latest Practicable Date. Cash Capital is holding 1.41% interests of Guoke Dingzhi as of the Latest Practicable Date and Guoke Dingzhi had 14 limited partners, each of which held less than one-third of the interests therein as of the Latest Practicable Date.

As of the Latest Practicable Date, Guoke Dingzhi held approximately 0.57% of our total issued Shares. The AUM of Cash Capital was approximately RMB15.6 billion as of June 30, 2020 (being a date which is no more than six months prior to the date of signing of the definitive agreement for its investment in our Company), and approximately RMB17.6 billion as of March 31, 2025. As Guoke Dingzhi is a fund controlled and managed by Cash Capital, whose AUM meets the thresholds set out in Chapter 2.5 of the Guide, and the investment decision of Guoke Dingzhi were managed and controlled by Cash Capital, Guoke Dingzhi qualifies as a Sophisticated Independent Investor.

In compliance with Rule 18C.05 of the Listing Rules, Guoke Dingzhi held approximately 0.57% and 0.57% of our total issued Shares, as of June 25, 2025 (being the first date of our Company's listing application) and as of the Latest Practicable Date, respectively.

7. *Zhongke Lianchuang, Guoke Dacheng and Guoke Xinxing (collectively "CAS Capital Investors")*

Zhongke Lianchuang is a limited partnership established under the laws of the PRC, focusing on fund-of-funds investment and direct equity investment in strategic emerging industries such as TMT, advanced manufacturing, new energy and environmental protection, healthcare, and new materials. The general partner of Zhongke Lianchuang is CAS Capital Management Co., Ltd (國科私募基金管理有限公司, "**CAS Capital**"), a limited company engaged in private equity fund business, holding approximately 0.12% interests therein as of the Latest Practicable Date. Major limited partner of Zhongke Lianchuang included Chinese Academy of Sciences Holdings Co., Ltd. (中國科學院控股有限公司, "**CAS Holdings**") holding approximately 61.65% limited partnership interest in Zhongke Lianchuang. CAS Holdings is the first central-level public institution operational state-owned asset management company approved by the State Council, who, on behalf of the Chinese Academy of Sciences, centrally responsible for exercising the investors' rights in the invested enterprises in accordance with laws. Save as disclosed above, Zhongke Lianchuang had no limited partners which individually held more than one-third of Zhongke Lianchuang's interest as of the Latest Practicable Date.

Guoke Dacheng is a limited partnership established under the laws of the PRC, focusing on direct equity investment in the fields of next-generation information technology, artificial intelligence, and aerospace. The general partner of Guoke Dacheng is CAS Capital, holding approximately 1.96% interests therein as of the Latest Practicable Date. The limited partner of Guoke Dacheng is University of Chinese Academy of Sciences Education Foundation (中國科學院大學教育基金會, the "**UCAS Education Foundation**"), holding 98.04% of the interests therein as of the Latest Practicable Date. The UCAS Education Foundation was founded in 2009 by the University of Chinese Academy of Sciences ("**UCAS**") and is a non-public fundraising foundation registered with the Ministry of Civil Affairs. UCAS was established with the approval of Ministry of Education of the PRC. Its predecessor, Graduate University of Chinese Academy of Sciences (GUCAS), was the first graduate school in China.

Guoke Xinxing is a limited partnership established under the laws of the PRC, focusing on direct equity investment in the fields of next-generation information technology, artificial intelligence, and aerospace. The general partner of Guoke Xinxing is CAS Capital Management (Tianjin) Co., Ltd. (國科資本管理(天津)有限公司, "**CAS Capital Tianjin**"), a limited company established under the laws of PRC engages in equity capital business and a wholly-owned subsidiary of CAS Capital, holding approximately 1.32% interests therein as of the Latest Practicable Date. The limited partners of Guoke Xinxing are (a) Qingdao Xinding Kenge No.25 Equity Investment Partnership Enterprise (Limited Partnership) (青島新鼎啃哥貳伍股權投資合夥

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企業(有限合夥), “**Xingding No.25**”), an investment and asset management limited partnership, holding approximately 49.34% interests therein; and (b) Qingdao Xinding Kenge No. 56 Equity Investment Partnership Enterprise (Limited Partnership) (青島新鼎喆哥伍陸股權投資合夥企業(有限合夥), “**Xingding No.56**”), an investment and asset management limited partnership, holding approximately 49.34% interests therein as of the Latest Practicable Date while the limited partnership interest of Xingding No.25 and Xingding No.56 are held directly or indirectly by 19 and 10 individuals respectively. All of whom are Independent Third Parties.

Zhongke Lianchuang, Guoke Dacheng and Guoke Xinxing are controlled and managed by CAS Capital and its wholly owned subsidiary, CAS Capital Tianjin (as the case may be) in their capacity of general partner and executive partner. CAS Capital and CAS Capital Tianjin as the general partner and executive partner of Zhongke Lianchuang, Guoke Dacheng and Guoke Xinxing, is the partner who administrate partnership affairs including formulate the rules and regulations of the partnership, and represent the limited partnership externally. CAS Capital and CAS Capital Tianjin is responsible for the daily operation and management of the partnership. CAS Capital’s equity interests is held by 3 corporate shareholders including Shaoxing Zhihe Investment Management Partnership Enterprise (Limited Partnership) (“**Shaoxing Zhihe**”), CAS Holdings and China Technology Industry Investment Management Co., Ltd. as to 49%, 41% and 10% respectively, and 99.59% limited partnership interest in Shaoxing Zhihe is held by an Independent Third Party as of the Latest Practicable Date, none of them hold a majority interest in nor control the composition of a majority of the board of CAS Capital and CAS Capital is not a subsidiary of CAS Holdings. Each of Zhongke Lianchuang and Guoke Dacheng also has an investment committee responsible for their investment decisions and the investment decision of Guoke Xinxing are made by its partners (including CAS Capital). CAS Capital, being the general partner, are responsible for the election and appointment of the members of such investment committee. CAS Holdings or the limited partners of Zhongke Lianchuang and Guoke Dacheng do not control the composition of a majority of such investment committees as of the Latest Practicable Date. Although each of the CAS Capital Investors is established as a separate legal entity, their management is coordinated under CAS Capital, forming a unified governance and decision making structure. In this capacity, CAS Capital maintains effective control over the management of the CAS Capital Investors. The Group became acquainted with the CAS Capital Investors through its efforts to identify potential investors.

As of the Latest Practicable Date, the CAS Capital Investors held approximately 3.13% of our total issued Shares. The Company is among the first batch of direct investment projects by CAS Capital through Zhongke Lianchuang. As of July 28, 2020 (being the date of signing of definitive agreement for Zhongke Lianchuang’s investment in our Company), CAS Capital has 3 Specialist Technology related direct investments and 4 sub-funds investment and as of June 30, 2020, the AUM of CAS Capital was approximately over RMB1.5 billion (both benchmark dates being a date which is no more than six months prior to the date of signing of definitive agreement for Zhongke Lianchuang’s investment in our Company). As of December 31, 2021 (being a date which is no more than six months prior to the date of signing of definitive agreement for the investment of Guoke Dacheng and Guoke Xinxing in our Company), CAS Capital’s number of Specialist Technology related direct investments increased to 12 and number of sub-funds investment increase to 18, while the AUM of CAS Capital increased to approximately over RMB3.5 billion. As of December 31, 2024, CAS Capital’s number of Specialist Technology related direct investments has further increased to 29 and the number of sub-funds investment has further increased to 32, while as of March 31, 2025 (being a date no more than six months prior to the date of the listing application), the AUM of CAS Capital was further increased to approximately over RMB8.0 billion. As Zhongke Lianchuang, Guoke Dacheng and Guoke Xinxing are funds controlled and managed by CAS Capital, and the investment decisions of Zhongke Lianchuang, Guoke Dacheng and Guoke Xinxing were managed and controlled by CAS Capital, the CAS Capital Investors qualify as a Sophisticated Independent Investors.

CAS Capital focuses on private equity, venture capital and respective Fund-of-Funds investment. The funds under management of CAS Capital and the relevant underlying business matured and expanded over time, the value and scale of the funds which CAS Capital managed grew accordingly. Over the years, the number of specialist technology investments has also increased,

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which further contributed to the overall growth of the assets under management by CAS Capital from 2020. The AUM of CAS Capital grew from over RMB1.5 billion as of June 30, 2020 to over RMB6.5 billion as of December 31, 2022 and over RMB8.0 billion as of June 30, 2025, primarily derived from Specialist Technology investment. Furthermore, over the years, CAS Capital has also invested in over 70 sub-funds with over 1,700 underlying specialist technology direct equity investments projects in areas including new generation information technology (e.g. AsiaInfo Security Technologies Co., Ltd.), aerospace (e.g. CAS Space Technology Co., Ltd.) and advanced manufacturing (e.g. KYKY Technology Co., Ltd.), new energy and environmental technology (e.g. Synfuels China Technology Co., Ltd.), healthcare and biotech (e.g. Mandi Medical Instruments (Shanghai) Co., Ltd.), as well as quantum (e.g. CIQTEK Co., Ltd.) and optical technologies (e.g. Changchun Tongshi Optoelectronics Technology Co., Ltd.), out of which, over 240 companies have listed on various stock exchanges.

In compliance with Rule 18C.05 of the Listing Rules, the CAS Capital Investors held approximately 3.13% and 3.13% of our total issued Shares, as of June 25, 2025 (being the first date of our Company's listing application) and as of the Latest Practicable Date.

On the basis that (i) 14,834,600 Shares are expected to be in issue upon the completion of the Global Offering; and (ii) the market capitalisation of our Company will be HK\$10.5 billion as calculated based on the Offer Price of HK\$60.7 per Share, it is expected that, upon the Listing, the aforesaid Pathfinder SIIs and Sophisticated Independent Investors will hold, in aggregate, no less than 20% of the issued share capital of the Company (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised and no Shares will be issued under the Pre-IPO Share Option Scheme).

Our other Pre-IPO Investors

8. *Hengbang Zhiyuan No.5, Hengbang Zhiyuan No. 20, Hengbang Zhiyuan No.23, Hengbang Growth No.5 and Hengbang Growth No.10 (collectively “Hengbang Investors”)*

Hengbang Investors are limited partnerships established under the laws of the PRC, primarily engaged in venture capital and investment services.

The general partner of each of the Hengbang Investors is Shenzhen Qianhai Hengbang Equity Investment Co., Ltd. (深圳前海恒邦股權投資有限公司, “**Qianhai HB**”), an investment and asset management company owned by Cao Zhijun (曹志軍) as to 52% and 5 other individual each interested as to 20% or less. The limited partner of Hengbang Growth No.10 holding more than one-third of Hengbang Growth No.10's interests is Beijing Zhongrui Xingda Technology Center (Limited Partnership) (北京中睿興達科技中心(有限合夥), “**Beijing Zhongrui Xingda**”), holding 42.22% of the interests therein as of the Latest Practicable Date while Beijing Zhongrui Xingda is owned by Li Yanqing (李艷青), Liu Mingxin (劉明新) and Tian Guoyu (田國宇). Save as disclosed above, each of the corporate limited partners in each of the Hengbang Investors held less than one-third of the respective total interests as of the Latest Practicable Date. Each of the Hengbang Investors is structured as a limited partnership with general partner being Qianhai HB, thereby centralises their management under a unified investment framework. Although each of the Hengbang Investors is established as a separate legal entity, their management is coordinated under the umbrella of Qianhai HB, forming a unified governance and decision-making structure. In this capacity, Qianhai HB acts as the ultimate controller and maintains effective control over the management of all Hengbang Investors. As of the Latest Practicable Date, Hengbang Investors in aggregate held approximately 7.98% of our total issued Shares.

9. *AI Fund*

AI Fund is a limited partnership established under the laws of the PRC, primarily engaged in private equity funds investment activities such as equity investment, investment management, and asset management. The general partners of AI Fund are Beijing Jingguoguan Real Estate Management Co., Ltd. (北京京國管置業管理有限公司) and Beijing Qiou Management Consulting

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Partnership (Limited Partnership) (北京啟歐管理諮詢合夥企業(有限合夥)), contributes approximately 0.50% and 0.50% partnership interests therein respectively as of the Latest Practicable Date. AI Fund has one limited partner, Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)), a state-owned fund primarily engaged in investment and asset management, contributes approximately 99.00% of the partnership interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, AI Fund held approximately 4.06% of our total issued Shares.

10. Infotech

Infotech is a limited partnership established under the laws of the PRC, primarily engaged in venture capital and venture fund management businesses. The general partner of Infotech is Yingfu Taike (Shenzhen) Emerging Industry Investment Fund Management Co., Ltd. (盈富泰克(深圳)新興產業投資基金管理有限公司), holding approximately 0.89% interests therein as of the Latest Practicable Date. The limited partner of Infotech holding more than one-third of Infotech's interests is the Ministry of Finance of the PRC, holding approximately 40.18% of the interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, Infotech held approximately 2.85% of our total issued Shares.

11. Shenbao Yiben

Shenbao Yiben is a limited partnership established under the laws of the PRC, with a focus on three investment areas, namely manufacturing, scientific research and technical services, as well as leasing and commercial services. The general partner of Shenbao Yiben is Shenbao Yiben Equity Investment Fund Management (Shenzhen) Co., Ltd. (深報一本股權投資基金管理(深圳)有限公司), a private equity fund company, holding approximately 2.29% interests therein as of the Latest Practicable Date. Shenbao Yiben had eight limited partners, except Shenzhen Yiben Communication Investment Co., Ltd. (深圳一本傳播投資有限公司, a wholly owned subsidiary of Shenzhen Press Group (深圳報業集團)) and Yibin Xuzhou District Chuangyi Industrial Investment Co., Ltd. (宜賓市敘州區創益產業投資有限公司, a company wholly owned by State-owned Assets Supervision and Administration Bureau of Xuzhou District, Yibin City (宜賓市敘州區國有資產監督管理局)), each of the other limited partners held less than one-third of the interests in Shenbao Yiben as of the Latest Practicable Date. As of the Latest Practicable Date, Shenbao Yiben held approximately 2.29% of our total issued Shares.

12. Jinke Huisheng

Jinke Huisheng is a limited partnership established under the laws of the PRC, primarily engaged in investment and asset management services and ultimately, beneficially and principally owned by the New Productivity Promotion Center of the Ministry of Science and Technology (who manages the National Science and Technology Achievement Transformation Guidance Fund), SME Service Centre of the Beijing Municipal Bureau of Economy and Information and Technology, the SASAC of the People's Government of Changping District in Beijing of PRC and other 7 individuals. The general partner of Jinke Huisheng is Beijing Jinke Junchuang Investment Management Co., Ltd. (北京金科君創投資管理有限公司, "**Jinke Junchuang**"), holding approximately 0.95% interests therein as of the Latest Practicable Date. The limited partner of Jinke Huisheng holding more than one-third of Jinke Huisheng's interest is Ningbo Junhe Hongxin Venture Capital Partnership (Limited Partnership). (寧波君合鴻鑫創業投資合夥企業(有限合夥), "**Junhe Hongxin**"), holding approximately 35.24% interests therein as of the Latest Practicable Date. Jinke Junchuang is owned by Guan Xian Yue (管弦悅) as controlling shareholders and they are also interested in Junhe Hongxin as principal limited partners together with Jin Xiangguo (金向國), Wang Zhanfang (王占方), Jin Xianghua (金向華) and Wang Yemei (王葉梅). As of the Latest Practicable Date, Jinke Huisheng held approximately 1.78% of our total issued Shares.

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13. *Fuzhou Youbang*

Fuzhou Youbang is a general partnership established under the laws of the PRC, primarily engaged in software techniques, as well as data processing and storage services. The general partner of Fuzhou Youbang is Zhoushan Fangze Investment Partnership Enterprise (Limited Partnership) (舟山方澤投資合夥企業(有限合夥), “**Zhoushan Fangze**”) and Lu Xuting (盧旭霆), holding 99.0% and 1.00% interests therein respectively as of the Latest Practicable Date while Zhoushan Fangze is ultimately and beneficially owned by Lu Xuting (盧旭霆), Zhang Jianwei (章建偉) and Lui Meifang (劉美芳), all being Independent Third Parties. As of the Latest Practicable Date, Fuzhou Youbang held approximately 1.75% of our total issued Shares.

14. *CASFoF*

CASFoF is a limited partnership established under the laws of the PRC, with a focus on three investment areas, namely scientific research and technical services, finance, as well as leasing and commercial services. The general partner of CASFoF is Guoke Venture Capital Management Co., Ltd. (國科創業投資管理有限公司), a limited company providing equity capital market services and a subsidiary of CAS Holdings, holding approximately 0.30% interests therein as of the Latest Practicable Date. CAS Holdings is the first central-level public institution operational state-owned asset management company approved by the State Council, who, on behalf of the Chinese Academy of Sciences, centrally responsible for exercising the investors’ rights in the invested enterprises in accordance with laws. CASFoF had 13 limited partners, each of which held less than one-third of the interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, CASFoF held approximately 1.58% of our total issued Shares.

15. *ZGC Science City*

ZGC Science City is a limited partnership established under the laws of the PRC, primarily engaged in investment management, asset management, and investment consulting. ZGC Science City is owned as to (i) 1% by Beijing Zhongguancun Science City Technology Investment Management Co., Ltd. (北京中關村科學城科技投資管理有限公司) as its general partner, which is ultimately controlled by State-owned Assets Supervision and Administration Commission of People’s Government of Haidian District, Beijing (北京市海淀區人民政府國有資產監督管理委員會) (“Haidian SASAC”), and (ii) 99% by Beijing Haidian District State-owned Assets Investment Group Co., Ltd. (北京市海淀區國有資產投資集團有限公司), as its sole limited partner, which is ultimately controlled by Haidian SASAC as of the Latest Practicable Date. As of the Latest Practicable Date, ZGC Science City held approximately 1.46% of our total issued Shares.

16. *CCTV Integrated Media*

CCTV Integrated Media is a limited partnership established under the laws of the PRC, with a focus on investment areas such as 5G, artificial intelligence, and ultra-high-definition industries. The general partner of CCTV Integrated Media is Haitong Leading Capital Management Co., Ltd. (海通創意私募基金管理有限公司), holding approximately 0.27% interests therein as of the Latest Practicable Date. CCTV Integrated Media had 25 limited partners, each of which held less than one-third of the interests therein as of the Latest Practicable Date. As of the Latest Practicable Date, CCTV Integrated Media held approximately 1.46% of our total issued Shares.

17. *Daye Shengde*

Daye Shengde is a limited partnership established under the laws of the PRC, primarily engaged in technology development and consulting services. The general partner and limited partner of Daye Shengde are Wan Rong (萬榮) and Shi Qianhong (史倩紅), respectively, holding 50.0% and 50.0% interests therein respectively as of the Latest Practicable Date. Both of them are Independent Third Parties. As of the Latest Practicable Date, Daye Shengde held approximately 1.28% of our total issued Shares.

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18. *Modern Industry Fund*

Modern Industry Fund is a limited liability company established in the PRC, and is a private equity fund registered in the Asset Management Association of China, principally engaged in equity investment business. As of the Latest Practicable Date, Beijing Shijingshan Science and Technology Innovation Group Limited (北京石景山科技創新集團有限公司, which formerly known as Beijing Shijingshan State-Owned Assets Management Company (北京市石景山區國有資本投資有限公司)) and Taiping Guofa Hehe (Beijing) Investment Management Co., Ltd. (太平國發禾和(北京)投資管理有限公司) held approximately 97.11% and 2.89% equity interest in Modern Industry Fund, respectively. Modern Industry Fund beneficial owner is the SASAC of the People's Government of Shijingshan District in Beijing. As of the Latest Practicable Date, Modern Industry Fund held approximately 1.18% of our total issued Shares.

19. *Ruide Huihuang*

Ruide Huihuang is a limited liability company established in the PRC, primarily engaged in project investment, investment consultancy, and project management. As of the Latest Practicable Date, Huocheng (Huerguos) Jianghai Equity Investment Co., Ltd. (霍爾果斯疆海股權投資有限公司) and Wu Jiansong (武劍松) held 90% and 10% of the equity interest in Ruide Huihuang, respectively. Ruide Huihuang's beneficial owner is Li Yan (李艷), an Independent Third Party, who also serves as its legal representative. As of the Latest Practicable Date, Ruide Huihuang held approximately 1.11% of our total issued Shares.

20. *Lanhai Fangzhou*

Lanhai Fangzhou is a limited partnership established under the laws of the PRC, primarily engaged in private equity, investment and asset management and ultimately and beneficially owned by Qingdao Municipal Finance Bureau, the SASAC of the People's Government of Qingdao Municipal and other 8 individuals. The general partner of Lanhai Fangzhou is Qingdao Dikai Investment Management Co., Ltd. (青島迪凱投資管理有限公司, "**Qingdao Dikai**"), holding 1.00% interests therein as of the Latest Practicable Date. The limited partner of Lanhai Fangzhou holding more than one-third of Lanhai Fangzhou's interests is Qingdao Kailai Venture Capital Fund Enterprise (Limited Partnership) (青島凱來創投基金企業(有限合夥), "**Qingdao Kailai**"), which held 35.50% interests therein as of the Latest Practicable Date. Gao Sishi (高思詩) and Kang Peiqiang (康培強), both being Independent Third Parties, are beneficial owners interested in more one third of Qingdao Dikai and Qingdao Kailai. As of the Latest Practicable Date, Lanhai Fangzhou held approximately 1.11% of our total issued Shares.

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, each of the Pre-IPO Investors is an Independent Third Party.

Special rights of the Pre-IPO Investors

The special rights granted to the Pre-IPO Investors included, among other things, pre-emptive right, right of first refusal, right of co-sale, redemption rights granted by our Company (the "**Company Redemption Right**"), the redemption rights granted by the founders which the Company is not a party to such redemptions rights (the "**Founders Redemption Right**"), information right, anti-dilution right, and special rights in liquidation. All these special rights shall be automatically terminated on the day immediately before our first submission of an application for the Listing ("**First Filing**") in compliance with Chapter 4.2 of the Guide for New Listing Applicants. Save for those special rights granted by the Company for the investors to supervise/monitor the operation of the Company (i.e. information right, the right to appoint a board observer), none of the other special rights including the Company Redemption Right) was exercised prior to their termination. For details of the financial implication to the Company Redemption Right and the Founder Redemption Right, please refer to note 31 and note 39(c) of the Accountants' Report set out in Appendix I to this prospectus.

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On 18 June 2025, the Company and the Pre-IPO investors further entered into a supplemental agreement, pursuant to which, as advised by our PRC legal adviser, the Company Redemption Right have been irrecoverably terminated and shall be *void ab initio*. Further, as advised by our PRC legal adviser, despite the exercise of the aforementioned information right and the right to appoint a board observer prior to their termination, the termination and void ab initio of the Company Redemption Right will not be thereby affected. Except the Company Redemption Right, all other special rights, as advised by our PRC legal adviser, pursuant to the clause of the respective investment agreements, which have automatically terminated on the date immediately before the First Filing (“**Termination Date**”) would be reinstated upon the occurrence of one or more of the following circumstances: (i) the Company voluntarily withdraws its listing application or is required to do so by relevant securities regulatory authorities or relevant stock exchange; (ii) the relevant securities regulatory authorities or the relevant stock exchange reject the Company’s listing application; (iii) the Company’s listing application is approved by relevant securities regulatory authorities or the relevant stock exchange but ultimately fails to list and trade on the relevant stock exchange; or (iv) the Company fails to submit a listing application to the relevant securities regulatory authorities or the relevant stock exchange within twelve (12) months after the Termination Date.

As confirmed by the Company, save as disclosed above, (i) there are no other side arrangements between the Company and the Pre-IPO Investors or between the Company and the founders regarding the Founders Redemption Right; (ii) the Company did not provide any guarantee on the Founders Redemption Right in case of default by the founders. As confirmed by the founders, save as disclosed above, there are no other side agreements between the founders and the Pre-IPO Investors regarding the Founders Redemption Right. Considering that the Company has no obligation to repurchase the Shares held by the Pre-IPO Investors, no redemption liability was recorded during the Track Record Period.

Article 143 of the Civil Code of the People’s Republic of China (中華人民共和國民法典) stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals. Adhering to the principle of autonomy of will, the Company and the Pre-IPO Investors explicitly agreed that the Company Redemption Right were irrevocably terminated and deemed *void ab initio*. Through the execution of the Supplemental Agreement, while the clauses concerning the Company Redemption Right have never been exercised, both parties agreed to terminate these clauses and to treat them as having no legal effect from the time of their execution, thereby restoring the rights and obligations of both parties to the status quo ante as if such clauses had never been agreed upon. This arrangement does not violate any mandatory provisions of laws, administrative regulations, or public order and morals, and is thus legally valid. Based on the above, the PRC Legal Advisors are of the view that the Company Redemption Right agreed upon by the Company and the Pre-IPO Investors have been irrevocably terminated and shall be deemed *void ab initio*.

Compliance with the Pre-IPO Investment guidance

On the basis that (i) the consideration for the last Pre-IPO Investment was irrevocably settled on a date, which is more than 120 days before the Listing Date, (ii) the Pre-IPO Investors explicitly agreed that the Company Redemption Right was irrecoverably terminated and shall be deemed *void ab initio*, and (iii) all other special rights granted to the Pre-IPO Investors have been suspended upon the First Filing and shall cease to be effective and be discontinued upon Listing, the Sole Sponsor confirms that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

MAJOR ACQUISITIONS AND MERGERS

Acquisition of Xinhua Mobile Group

On April 28, 2025, Wenge Media, our subsidiary, entered into a share transfer and capital increase agreement (the “**Agreement**”) with Xinhua Mobile, Yan Guangsheng (顏廣生, “**Mr. Yan**”), Hangzhou Dulai Network Technology Co., Ltd. (杭州都來網路科技有限公司, “**Hangzhou Dulai**”), Yangpu Runhang Investment Partnership (Limited Partnership) (洋浦潤杭投資合夥企業(有限合夥), “**Yangpu Runhang**”), Hainan Xinyi Investment Center (Limited Partnership) (海南新移投資中心

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(有限合夥), “**Xinyi Investment**”), Ucap Cloud Information Technology Co., Ltd. (開普雲信息科技股份有限公司, “**Ucap Technology**”) and Beijing Linteng Tianhai Advertising Co., Ltd. (北京麟騰天海廣告有限公司, “**Beijing Linteng**”), pursuant to which (i) Mr. Yan, Hangzhou Dulai, Yangpu Runhang and Xinyi Investment, as the sellers, agreed to sell and Wenge Media, as the purchaser, agreed to purchase 10,131,000 shares of Xinhua Mobile at the consideration of RMB31,001,000; and (ii) Wenge Media agreed to subscribe for the additional registered capital of Xinhua Mobile of RMB6,536,100 at the consideration of RMB20,000,000, together with an earn-out provision which i) subject to the consent of the shareholders of Xinhua Mobile, the Group shall acquire the remaining 49% equity interest in Xinhua Mobile if Xinhua Mobile meets certain performance conditions during the period from 2025 to 2027; and ii) the Group have the right to acquire additional shares in nominal value of RMB1 in the event that the performance conditions are not met. For the aforementioned subsequent acquisition, the consideration in scenario (i) and the number of additional shares to be acquired in scenario (ii) shall be determined based on the valuation derived from the performance conditions of Xinhua Mobile during the period from 2025 to 2027. The total consideration which shall be contributed by Wenge Media is RMB51,001,000 and such consideration was determined after arm’s length negotiations among the parties to the Agreement and the pre-money value of the entire equity interest of Xinhua Mobile being RMB80,000,000 as of December 31, 2024. The consideration was satisfied by the internal resources of our Group. As advised by our PRC Legal Advisor, the acquisitions have been properly and legally completed and fully settled as of May 19, 2025. As a result, Xinhua Mobile’s registered capital is increased from RMB26,144,400 to RMB32,680,500 and Wenge Media holds 51% equity interest in Xinhua Mobile which together with its subsidiaries, become our subsidiaries. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Yangpu Runhang is a limited partnership interested by each of Mr. Yan, Mr. Li Shuwei and Ms. Yang Haixia as to 33.33% with Mr. Yan as the executive partner, Hangzhou Dulai is a limited company owned as to 90% and 10% by Mr. Yan and Ying Min, an independent third party, respectively and Xinyi Investment is a limited partnership interested by Mr. Dai Ping, a director of Xinhua Mobile and his spouse, Ms. Zhao Jing as to approximately 91.14% and 8.86% respectively with Mr. Dai Ping as the executive partner. Yangpu Runhang, Hangzhou Dulai and Xinyi Investment are also the limited partners interested in 13.96%, 20.85% and 28.96% of our 0.67% Shareholder, Hainan Xinyi as of the Latest Practicable Date.

As of the Latest Practicable Date, Xinhua Mobile had two wholly-owned subsidiary, namely Xinhua Hangzhou and Xinhua Media. Xinhua Mobile and its subsidiaries (the “**Xinhua Mobile Group**”) is principally engaged in provision of AI services and sale, research and development of software products. As none of the applicable percentage ratio as defined under the Listing Rules in respect of the abovementioned acquisition exceed 25%, the abovementioned acquisition does not constitute a major acquisition under Rule 4.05A of the Listing Rules.

Our Group is principally engaged in research and development and sale of software products, while the Xinhua Mobile Group is principally engaged in provision of AI services and sale, research and development of software products specializes in end-user engagement. The acquisition of Xinhua Mobile is expected to generate substantial strategic, operational, and financial synergies. By integrating Xinhua Mobile’s established SaaS platforms, including its all-media convergence cloud and local life e-commerce solutions, we will strengthen our foothold in county and municipal-level markets. Our operational efficiencies will be improved through reduction in personnel costs via structural optimization, combined R&D capabilities for accelerated product innovation, and consolidated supply chain management to reduce procurement expenses. The synergy with Xinhua Mobile Group also bridges technical capabilities with end-user-centric operations and will empower our media and communication customers to reach and serve their users in a more effective way. In addition, Xinhua Mobile Group serves an already established customer base within the media and communication sector that is expected to expand our market reach, drive sustainable growth for us and reinforce our market leadership. This acquisition aligns with our core strategy to lead digital and intelligent transformation, delivering both near-term financial benefits and sustainable platform growth through scalable, integrated solutions. We expect the above synergies to translate into stronger financial performance by bringing capabilities in the media and communication segment, scalable and reliable development support, and reputable industry branding to our existing operation and offerings. After completion of the acquisition, Wenge Media holds 51% equity interest in Xinhua Mobile which together with its subsidiaries, become our subsidiaries, the acquisition will be accounted for as a business combination in accordance with the relevant

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financial reporting standards. The identifiable assets and liabilities of Xinhua Mobile acquired have been recorded on the consolidated statement of financial position of the Group at their fair values as at the date of completion of the Transaction. Any goodwill arising from the transaction represents the excess of the consideration over the fair values of the total identifiable net assets at the date of completion of the transaction. Since the acquisition, Xinhua Mobile had contributed RMB55,020,000 to the Group's revenue and a gain of RMB15,593,000 to the consolidated profit for the year ended 31 December 2025. For further detail of the material accounting policies in relation to business combination, please see "Appendix I — Accountants' Report". Our Directors are of the view that the transactions contemplated under the Agreement are in our ordinary and usual course of business and on normal commercial terms, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Subscription of a minority stake in Cherrypicks International

On August 11, 2025, D2 Intelligence, our wholly owned subsidiary, entered into a share subscription agreement (the "**CP Subscription Agreement**") with Cherrypicks International Holdings Limited ("**Cherrypicks International**"), NetDragon Websoft Inc. ("**NetDragon**") and Chiu Tsz Kiu Jason Felix (founder of Cherrypicks International), pursuant to which Cherrypicks International agreed to issue to D2 Intelligence and D2 Intelligence wishes to subscribe from Cherrypicks International 542 Shares (the "**Subscription Shares**") at RMB18,439.98 (or its equivalent in USD) per Share (the "**Subscription Unit Price**") for an aggregate amount of RMB10,000,000 (or its equivalent in USD) in cash (the "**Subscription Amount**") pursuant to the terms hereof (the "**CP Subscription**"). The consideration was determined after arm's length negotiations among the parties to the CP Subscription Agreement with reference to the appraised value of Cherrypicks International in the sum of RMB200 million. The Group had satisfied the consideration by its internal resources. As of the Latest Practicable Date, the CP subscription have been properly and legally completed and fully settled as of November 26, 2025 and D2 Intelligence hold approximately 4.76% of the issued share capital of Cherrypicks International with one director appointed to the board of Cherrypicks International. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Cherrypicks International, NetDragon and its ultimate beneficial owner(s) is an Independent Third Party.

Cherrypicks International is a company incorporated in the BVI with limited liability, principally engaged in providing mobile solution, products and marketing business. The subscription, will deliver immediate access to Cherrypicks strong government and institutional client base. Its proven track record in large-scale projects, such as transit systems and pension platforms provides a blueprint for deploying our AI services — such as smart city analytics and financial automation — across new regions. In addition, Cherrypicks' local sales expertise and existing customer relationships will reduce our go-to-market costs, enabling rapid scaling of our AI services in overseas markets. We also aim to cooperate with Cherrypicks International, the core objective of which is to jointly develop market opportunities and deploy our AI services for customers in Hong Kong, Macau, and other key markets out of mainland China. Cherrypicks International is expected to facilitate marketing our services to its existing client base and will leverage our technical support to create localized offerings tailored for regional demands, enabling us to effectively penetrate new markets and acquire new customers for mutual benefit. Any improvement in the value of Cherrypicks will also benefit to our financial position, for details of the financial effect of CP subscription to the Group, please refer to "Appendix I — Accountants' Report" to this prospectus.

Subscription of a minority stake in SIC

On July 22, 2025, Zhongke Wencai, our wholly owned subsidiary, entered into a capital increase agreement (the "**SIC Subscription Agreement**") with, among others, Super Intelligent Computing (Beijing) Technology Co., Ltd. (超智算(北京)科技有限公司, "**SIC**", together with its subsidiaries, the "**SIC Group**"), Liu Mingtao (劉明濤, founder of SIC Group) and 4 other existing shareholders the "**Existing SIC Shareholders**", pursuant to which Zhongke Wencai agreed to subscribe for the additional registered capital of SIC of RMB900,000 at the consideration of RMB18,000,000 ("**SIC Subscription**"). The consideration was determined after arm's length negotiations among the parties to the Agreement based on factors including previous round of investment, market dynamics, a mutually agreed valuation, and capital required by SIC Group's

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operations and was satisfied by the internal resources of our Group. As advised by our PRC Legal Advisor, the acquisitions have been properly and legally completed and fully settled as of July 23, 2025. As a result, SIC's registered capital is increased from RMB31,500,000 to RMB32,400,000. Upon completion of the SIC Subscription, SIC is owned by Zhongke Wencai as to approximately 2.78%. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Liu Mingtao, SIC Group, the Existing SIC shareholders and their ultimate beneficial owners is an Independent Third Party.

Our Group is principally engaged in research and development and sale of software products, and SIC Group is an infrastructure providers supply computing power, storage and other core components essential for AI development. The investment in SIC Group is expected to generate substantial strategic, operational, and financial synergies. As we plan to broaden our service portfolio to meet diverse customer needs, expand accessibility, and address a wider range of use cases including Offering DIOS on Cloud and integrating our AI services powered by DIOS with edge devices for business partners, we believe that access to robust, scalable, and cost-effective computing power is fundamental to these next-generation AI services and for the implementation our expansion strategies. To this end, being one of the strategic investors of SIC, the investment will allow us to secure readily accessible and high-performance computing resources to support our development strategies implementation. Meanwhile, against the backdrop of the explosive growth in computing power service market driven by the of booming wave of artificial intelligence, we can share our expertise, insight and network in the enterprise AI industry to support SIC's future development and enjoy the potential investment return from the growth and development of SIC Group. Any improvement in the value of SIC will also improve our financial position. For further detail of the financial effect of SIC Subscription, please refer to "Appendix I — Accountants' Report" to this prospectus. Our Directors are of the view that the transactions contemplated under the SIC Subscription Agreement are in our ordinary and usual course of business and on normal commercial terms, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

INVESTMENT AFTER TRACK RECORD PERIOD

In January 2026, D2 Intelligence, a wholly owned subsidiary of our Group, participated in the global offering of the Shanghai Iluvatar CoreX Semiconductor Co., Ltd. (a company listed on the Stock Exchange, Stock Code : 9903, "**Iluvatar CoreX**") as a placee and was placed with 53,000 placing shares at the offer price of HK\$144.60 per offer share with an aggregate consideration of approximately HK\$7.7 million (Stock Exchange trading fees and levies inclusive). ("**9903 Subscription**") The 9903 Subscription was completed and fully settled as of January 8, 2026 (i.e. the listing date of Iluvatar CoreX). Upon completion of the 9903 Subscription, we hold 0.02% equity interest in Iluvatar CoreX.

Iluvatar CoreX is a participant in the AI infrastructure industry, which is a sector generally recognized by the secondary capital markets, the 9903 Subscription form part of our investment activities under our cash management policies. As of the Latest Practicable Date, we have realised part of our investment in Iluvatar CoreX. To the best of our knowledge, Iluvatar CoreX and its ultimate beneficial owner are Independent Third Parties. Our Directors are of the view that the 9903 Subscription is in our ordinary and usual course of business and on normal commercial terms, and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

During the Track Record Period and until the Latest Practicable Date, we did not conduct any major acquisitions or mergers that is required to be disclosed pursuant to Rules 4.04(2) and 4.04(4) of the Listing Rules.

REASONS FOR THE LISTING

Our Company is seeking a Listing of its H Shares on the Stock Exchange in order to establish a financing and capital operation platform in the international capital market, establish diversified financing channels, deepen the Company's brand influence and market awareness, optimize the investor structure, improve the internal governance structure and build a modern enterprise management system. For further details of our future plans, see "Future Plans and Use of Proceeds".

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PREVIOUS LISTING ATTEMPT

To explore the opportunity of establishing a capital market platform in the A-share market in the PRC (the “**A-Share Listing Attempt**”), on December 21, 2022, our Company entered into a guidance agreement (the “**Guidance Agreement**”) with Haitong Securities Co., Ltd. (海通證券股份有限公司), the then guidance agency and sponsor of our Company (the “**Guidance Agency**”) to provide guidance and preliminary compliance advice in regards to the requirements of the CSRC (the “**A-share Listing Guidance**”). The Guidance Agency made a preliminary A-share listing guidance filing (上市輔導備案申請) with the Beijing office of CSRC (“**CSRC BJ**”) on December 27, 2022. Subsequently, the guidance result was accepted by CSRC BJ on June 19, 2023.

Due to the prolonged and uncertain listing timetable in light of the A share listing vetting process, having considered the adjustment of our company’s continuing development strategies the overall market conditions and our business development needs, to further expand our global reach and considered that the Stock Exchange would provide us with an international platform to access foreign capital and attract diverse overseas investors, we voluntarily put on hold the A-Share Listing Attempt and our Directors decided to pursue the Listing. The A-share Listing Guidance filing with the CSRC BJ was expired on June 18, 2024 and the Guidance Agreement are thereby lapsed accordingly.

Our Directors believe that the Listing will be in the interest of our business development strategies, and would be beneficial to us and our Shareholders as a whole since (i) the Stock Exchange, as a leading player of the international financial markets, could offer us a direct access to the international capital markets, enhance our fundraising capabilities and broaden our fundraising channels; and (ii) the Listing would give us a better platform to further develop our business and further raise our brand awareness, business profile and thus, enhance our corporate image.

Since the execution of the Guidance Agreement and up to the Latest Practicable Date, our Company had not submitted any A-share listing application to the CSRC or any stock exchange in the PRC.

Our Directors have confirmed that (i) the CSRC did not raise any questions or comments in respect of the A Share Listing Attempt (including the A-share Listing Guidance); and (ii) there is no other material matter in relation to the A Share Listing Attempt (including the A-share Listing Guidance) that needs to be brought to the attention of the Stock Exchange.

Based on the independent due diligence work performed by the Sole Sponsor and the information and representation given to the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that could cast doubts on the Directors’ views set out above.

CAPITALIZATION OF OUR COMPANY

The following table sets out the shareholding structure of our Company as of the Latest Practicable Date and immediately upon completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised).

Shareholder	As of the Latest Practicable Date		Immediately following the completion of the Global Offering and conversion of the Domestic Unlisted Shares into H Shares (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised)				
	Number of Domestic Unlisted Shares	Percentage of shareholding in our total issued Share capital	Number of H Shares	Percentage of shareholding in the H Shares	Number of Domestic Unlisted Shares	Number of total Shares	Percentage of shareholding in our total issued Share capital
Zhongke Sanshi	26,231,007	16.57%	26,231,007	15.1536%	Nil	26,231,007	15.1536%
Zhongzi Investment	9,210,056	5.82%	9,210,056	5.3206%	Nil	9,210,056	5.3206%
Zhongke Youcai	9,181,182	5.80%	9,181,182	5.3039%	Nil	9,181,182	5.3039%
CDBC MTU Fund	9,170,507	5.79%	9,170,507	5.2978%	Nil	9,170,507	5.2978%
Dr. Luo	7,339,783	4.64%	7,339,783	4.2402%	Nil	7,339,783	4.2402%
AI Fund	6,428,571	4.06%	6,428,571	3.7138%	Nil	6,428,571	3.7138%
Wenge Zhicai	6,268,709	3.96%	6,268,709	3.6214%	Nil	6,268,709	3.6214%
China Internet Investment	5,803,255	3.67%	5,803,255	3.3525%	Nil	5,803,255	3.3525%
Hengbang Zhiyuan No.5	5,293,136	3.34%	5,293,136	3.0578%	Nil	5,293,136	3.0578%
Infotech	4,514,932	2.85%	4,514,932	2.6083%	Nil	4,514,932	2.6083%
Prof. Zeng	3,837,523	2.42%	3,837,523	2.2169%	Nil	3,837,523	2.2169%
Shenbao Yiben	3,627,033	2.29%	3,627,033	2.0953%	Nil	3,627,033	2.0953%

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Shareholder	As of the Latest Practicable Date		Immediately following the completion of the Global Offering and conversion of the Domestic Unlisted Shares into H Shares (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised)				
	Number of Domestic Unlisted Shares	Percentage of shareholding in our total issued Share capital	Number of H Shares	Percentage of shareholding in the H Shares	Number of Domestic Unlisted Shares	Number of total Shares	Percentage of shareholding in our total issued Share capital
SCGC	3,588,502	2.27%	3,588,502	2.0731%	Nil	3,588,502	2.0731%
Hongtu Tech	3,588,502	2.27%	3,588,502	2.0731%	Nil	3,588,502	2.0731%
Zhongke Chuangxing-I	3,315,885	2.10%	3,315,885	1.9156%	Nil	3,315,885	1.9156%
Hengbang Zhiyuan No. 20	3,080,500	1.95%	3,080,500	1.7796%	Nil	3,080,500	1.7796%
Hengbang Growth No.10	3,023,263	1.91%	3,023,263	1.7465%	Nil	3,023,263	1.7465%
Dr. Wang	2,816,151	1.78%	2,816,151	1.6269%	Nil	2,816,151	1.6269%
Jinke Huisheng	2,815,624	1.78%	2,815,624	1.6266%	Nil	2,815,624	1.6266%
Fuzhou Youbang	2,763,749	1.75%	2,763,749	1.5966%	Nil	2,763,749	1.5966%
CASFoF	2,501,601	1.58%	2,501,601	1.4452%	Nil	2,501,601	1.4452%
Xinding Jinwu	2,450,000	1.55%	2,450,000	1.4154%	Nil	2,450,000	1.4154%
CCTV Integrated Media	2,304,148	1.46%	2,304,148	1.3311%	Nil	2,304,148	1.3311%
ZGC Science City	2,304,148	1.46%	2,304,148	1.3311%	Nil	2,304,148	1.3311%
Xinding Xinsan	2,085,407	1.32%	2,085,407	1.2047%	Nil	2,085,407	1.2047%
Daye Shengde	2,031,840	1.28%	2,031,840	1.1738%	Nil	2,031,840	1.1738%
Modern Industry Fund	1,875,039	1.18%	1,875,039	1.0832%	Nil	1,875,039	1.0832%
Zhongke Chuangxing-II	1,794,251	1.13%	1,794,251	1.0365%	Nil	1,794,251	1.0365%
Zhongke Lianchuang	1,794,251	1.13%	1,794,251	1.0365%	Nil	1,794,251	1.0365%
Ruide Huihuang	1,764,379	1.11%	1,764,379	1.0193%	Nil	1,764,379	1.0193%
Lanhai Fangzhou	1,764,379	1.11%	1,764,379	1.0193%	Nil	1,764,379	1.0193%
Guoke Dacheng	1,583,127	1.00%	1,583,127	0.9146%	Nil	1,583,127	0.9146%
Guoke Xinxing	1,583,127	1.00%	1,583,127	0.9146%	Nil	1,583,127	0.9146%
Hainan Xinyi	1,055,893	0.67%	1,055,893	0.6100%	Nil	1,055,893	0.6100%
GQC Ruisheng	1,043,667	0.66%	1,043,667	0.6029%	Nil	1,043,667	0.6029%
Wenge Jiangcai	974,524	0.62%	974,524	0.5630%	Nil	974,524	0.5630%
Zhongzi Innovation	897,126	0.57%	897,126	0.5183%	Nil	897,126	0.5183%
Guoke Dingzhi	897,126	0.57%	897,126	0.5183%	Nil	897,126	0.5183%
Fenghou Zhiyuan	897,126	0.57%	897,126	0.5183%	Nil	897,126	0.5183%
Liaoning Xinxing	725,407	0.46%	725,407	0.4191%	Nil	725,407	0.4191%
Hengbang Growth No.5	725,407	0.46%	725,407	0.4191%	Nil	725,407	0.4191%
Shengrunda	725,407	0.46%	725,407	0.4191%	Nil	725,407	0.4191%
Wenge Hongcai	671,991	0.42%	671,991	0.3882%	Nil	671,991	0.3882%
Beijing Wendan	510,687	0.32%	510,687	0.2950%	Nil	510,687	0.2950%
Yuxin Digitech	500,000	0.32%	500,000	0.2888%	Nil	500,000	0.2888%
Hengbang Zhiyuan No.23	499,999	0.32%	499,999	0.2888%	Nil	499,999	0.2888%
Xiyue Xinmei	408,680	0.26%	408,680	0.2361%	Nil	408,680	0.2361%

Public Float

Based on HK\$60.7 per Offer Share (being the indicative Offer Price, the expected market capitalization of the H Shares of our Company would be HK\$10.5 billion (assuming that the Over-allotment Option is not exercised), respectively. As the expected market value of the H Shares of our Company at the time of listing under the offer price over HK\$6 billion but not exceeding HK\$30 billion, the minimum prescribed percentage of H Shares held by public at the time of Listing under the indicative offer price pursuant to Rule 19A.13A(1) would be the higher of: (i) the percentage that would result in the expected market value of H shares held by the public to be HK\$1,500,000,000 at the time of listing; and (ii) 15%.

Our Company has applied for H Share full circulation to convert an aggregate of 158,266,607 Domestic Unlisted Shares held by 47 existing Shareholders, representing 100% of the total issued Shares of our Company as of the Latest Practicable Date and approximately 91.43% of the total issued Shares of our Company upon completion of the conversion of Domestic Unlisted Shares into H Shares and the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised). For details, see “Share Capital — Completion of the Global Offering.”

In addition, upon completion of the Global Offering and conversion of certain Domestic Unlisted Shares into H Shares, in aggregate 48,523,590 H Shares will be held by Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Wenge Jiangcai, Wenge Zhicai and Hainan Xinyi, who will be entitled to control the exercise of more than 10% of the voting power at the general meeting of our Company upon Listing. These persons and entities, which constitute the core connected persons of our

HISTORY AND CORPORATE STRUCTURE

Company, will, in aggregate, represent approximately 28.03% of our total issued Shares upon completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised). These shares will not be counted towards the public float.

Save as disclosed above, it is expected that immediately following the Global Offering and the conversion of Domestic Unlisted Shares into H Shares, in aggregate 109,743,017 H Shares to be held by our existing Shareholders, who are not our core connected persons, representing approximately 63.4% of our total issued Shares upon completion of the Global Offering (assuming that the Pre-IPO Share Option and the Over-allotment Option are not exercised), will be counted towards the public float. Together with the issue of 14,834,600 H Shares pursuant to the Global Offering (assuming that the Pre-IPO Share Option and the Over-allotment option are not exercised), representing approximately 8.57% of our total issued Shares, approximately 71.97% of our total issued Shares will be counted towards the public float, thereby satisfying the public float requirement under Rule 8.08(1) (as amended and replaced by Rule 19A.13A(1)) of the Listing Rules.

LOCK-UP AND FREE FLOAT

The following Shares will be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules:

Name	Capacity	Number of Shares subject to disposal restrictions immediately upon completion of the Global Offering	Shareholding subject to disposal restrictions immediately upon completion of the Global Offering	Lock-up period pursuant to Rule 18C.14 of the Listing Rules
<i>Pathfinder SII</i>				
CDBC MTU Fund . .	Pathfinder SII	9,170,507	5.30%	Commencing on the date of this document and ending on expiry of 6 months from the Listing
SCGC	Pathfinder SII	3,588,502	2.07%	
Hongtu Tech	Pathfinder SII	3,588,502	2.07%	
China Internet Investment	Pathfinder SII	5,803,255	3.35%	

Note:

- (1) The calculation is based on the assumption that no new Shares are issued under the Pre-IPO Share Option and the Over-allotment Option and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing.

Name	Capacity	Number of Shares/underlying shares subject to disposal restrictions immediately upon completion of the Global Offering	Shareholding subject to disposal restrictions immediately upon completion of the Global Offering (assuming the Over-allotment Option and the Pre-IPO Share Option are not exercised)	Lock-up period pursuant to Rule 18C.14 of the Listing Rules
<i>Key persons</i>				
<i>Dr. Wang and its close associates</i>				
Dr. Wang	Founder, chairman of our Board, executive Director	2,816,151	1.63%	Commencing on the date of this document and ending on expiry of 12 months from the Listing
Zhongke Sanshi. . . .	Company and	26,231,007	15.15%	
Hainan Xinyi	Employee shares	1,055,893	0.61%	
Wenge Zhicai	platform controlled by Dr. Wang	6,268,709	3.62%	
Wenge Jiangcai		974,524	0.56%	

HISTORY AND CORPORATE STRUCTURE

Name	Capacity	Number of Shares/underlying shares subject to disposal restrictions immediately upon completion of the Global Offering	Shareholding subject to disposal restrictions immediately upon completion of the Global Offering (assuming the Over-allotment Option and the Pre-IPO Share Option are not exercised)	Lock-up period pursuant to Rule 18C.14 of the Listing Rules
<i>Other Key persons</i>				
Dr. Luo	Founder, executive Director, chief executive officer, senior management and core R&D team member	7,339,783	4.24%	Commencing on the date of this document and ending on expiry of 12 months from the Listing
Mr. Qu Baoyu	Executive Director and senior management	10,000	0.01%	
Mr. Ma Li	Senior management	200,000	0.12%	
Mr. Zheng Chaomin .	Core R&D team	100,000	0.06%	
Dr. Xu Nan	members	25,000	0.01%	
Mr. Wang Yigang . . .	Founders	120,000	0.07%	
Zhongzi Investment .		9,210,056	5.32%	
Prof. Zeng		3,837,523	2.22%	
<i>Others</i>				
Wenge Hongcai . . .	Employee shares	671,991	0.39%	
Zhongke Youcai . . .	platforms where the Company's executive Directors, senior management and core R&D team members hold partnership interests	9,181,182	5.30%	

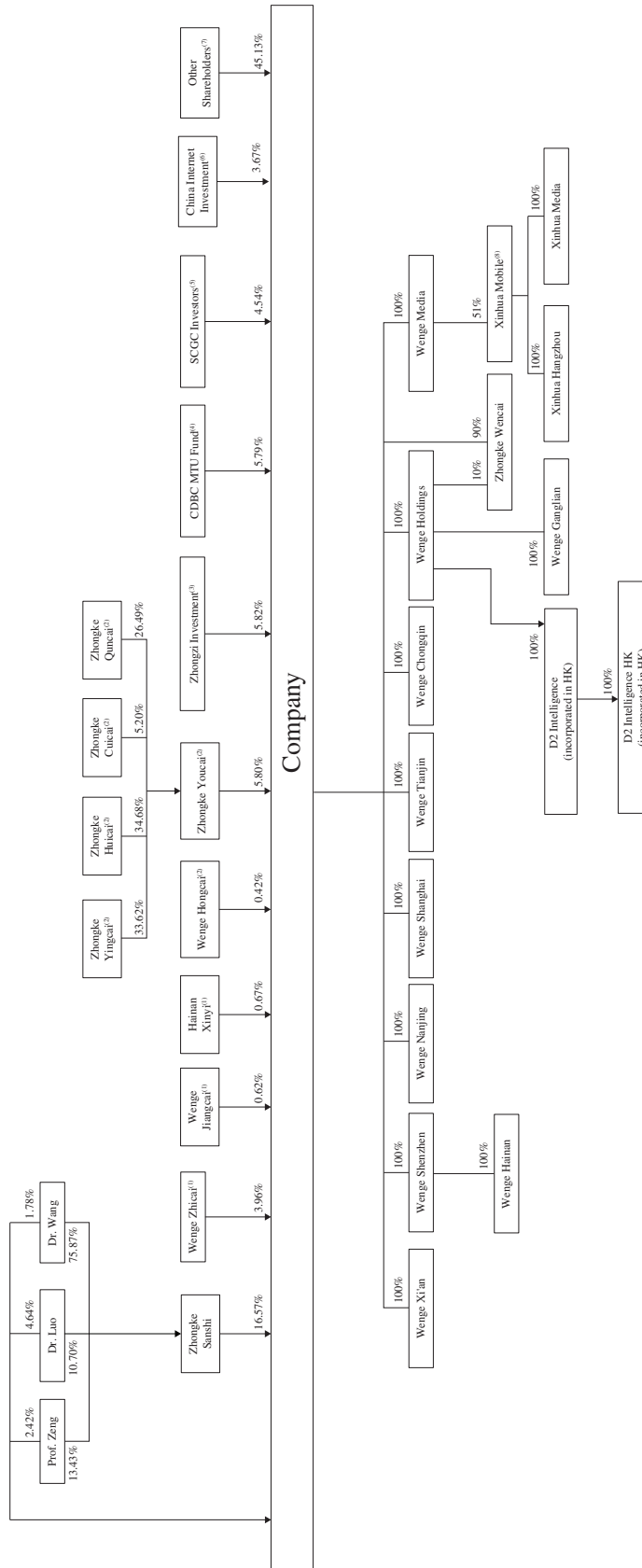
Under Rule 8.08A (as amended and replaced by Rule 19A.13C(1)) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including the Pre-IPO Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this prospectus upon the Listing shall not be counted towards the free float of the H Shares of the Company at the time of Listing. On the basis that (i) no Offer Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules and (ii) all Offer Shares to be issued to the cornerstone investors are excluded for the purpose of satisfying the free float requirement, upon completion of the Global Offering (assuming the completion of Share Subdivision and Conversion of Unlisted Shares and the Over-allotment Option is not exercised), it is expected that 10,834,000 H Shares will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the Listing, representing a market value of approximately HK\$657.6 million based on an Offer Price of HK\$60.7 per Offer Share, the Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C(1)) of the Listing Rules.

CORPORATE AND SHAREHOLDING STRUCTURE

Corporate structure immediately before completion of the Global Offering

The chart below sets out the corporate structure of our Group immediately before completion of the Global Offering:



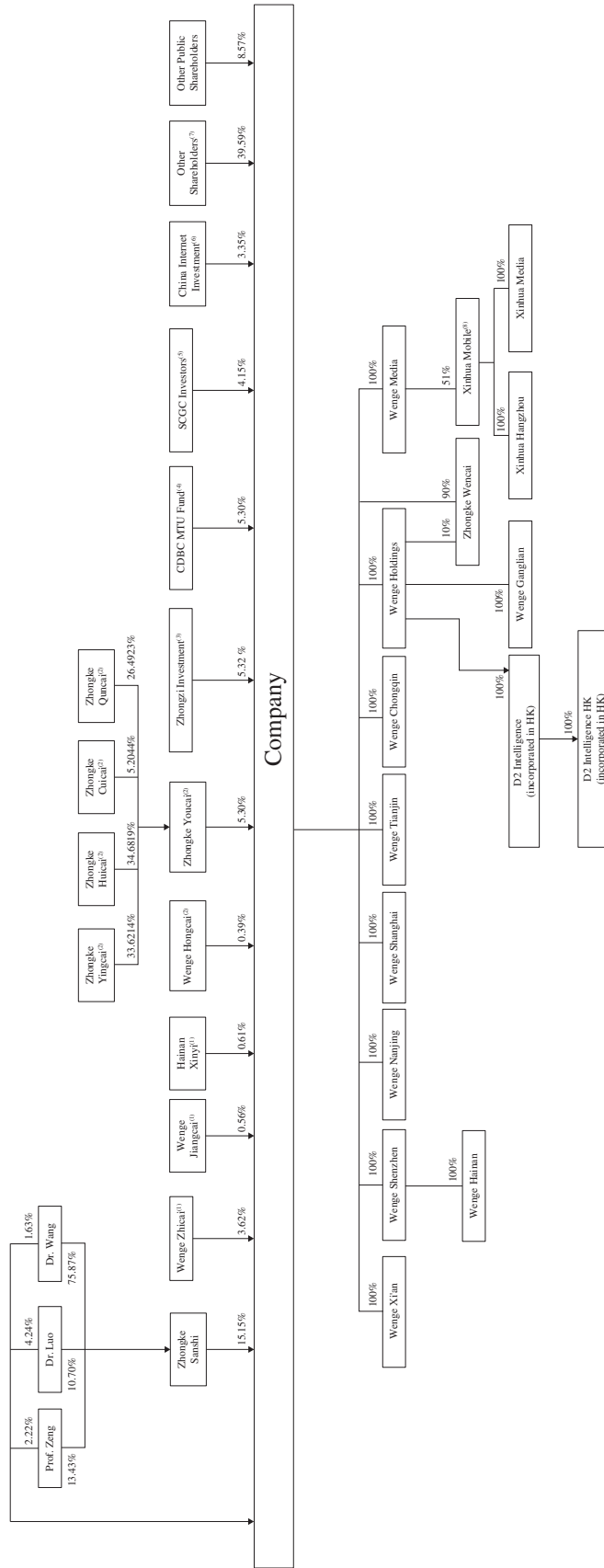
Notes:

- (1) As of the Latest Practicable Date, Wenge Jiangcai and Hainan Xinyi, all being limited partnership established under the laws of the PRC, are controlled Dr. Wang (as executive partner), and none of the limited partners of Wenge Zhichai and Wenge Jiangcai hold more than 30% of their partnership interest respectively.
- (2) As of the Latest Practicable Date, Wenge Hongcai, Zhongke Youcai, Zhongke Yingcai, Zhongke Cuicai and Zhongke Quncai, all being limited partnership established under the laws of the PRC, with Wenge Hongcai and Zhongke Youcai controlled by Ms. Zeng Duan (as executive partner) and Zhongke Yingcai, Zhongke Huicai, Zhongke Cuicai and Zhongke Quncai controlled by Mr. Wang Yigang (as executive partner).

- (3) As of the Latest Practicable Date, Zhongzi Investment is a company established under the law of the PRC and ultimately controlled by CASIA.
- (4) See “— Pre-IPO Investments — Background of Our Principal Pre-IPO Investors — Our Pathfinder SIIIs — CDBC MTU Fund” for the shareholding structure of CDBC MTU Fund.
- (5) See “— Pre-IPO Investments — Background of Our Principal Pre-IPO Investors — Our Pathfinder SIIIs — SCGC Investors” for the shareholding structure of SCGC Investors.
- (6) See “— Pre-IPO Investments — Background of Our Principal Pre-IPO Investors — Our Pathfinder SIIIs — China Internet Investment” for the shareholding structure of China Internet Investment.
- (7) As of the Latest Practicable Date, we had 34 other Shareholders including our Pre-IPO Investors each holding less than 5% shareholding of our Company. See “— Capitalization of Our Company” for details.
- (8) As of the Latest Practicable Date, Xinhua Mobile was owned as to 51%, 14.69%, 8.00%, 7.73%, 7.20%, 6.15% and 5.24% by Wenge Media, Mr. Yan, Ucap Technology, Hangzhou Dulai, Beijing Linteng, Yangpu Runhang and Xinyi Investment respectively.
- (9) Our Company has disposed our entire equity interest in Guoke Zhi'an on July 28, 2025 to Wang Zhangsheng (王璋盛, “**Mr. ZS Wang**”), an Independent Third Party, for a nominal consideration of RMB1 in cash considered the financial position of Guoke Zhi'an which has a negative net assets (i.e. net liabilities) and was loss making for the last three years (the “**Disposal**”). Guoke Zhi'an principally engaged in research and development and sale of AI + safety software products, due to the change in strategies of the Group considered the business performance of Guoke Zhi'an and its synergies with the Group's other business segments were not positive as expected, since the end of 2024, Guoke Zhi'an has not conducted any substantial operating activities. As advised by our PRC Legal Advisor, the Disposal has been properly and legally completed and fully settled as of July 28, 2025. As a result, Guoke Zhi'an ceased to be our subsidiary.
- (10) the Group has newly established 11 wholly owned subsidiaries and 1 non-wholly owned subsidiaries since the second half of 2025, namely, Wenge Decai (Beijing) Technology Center (Limited Partnership) (聞歌德才 (北京) 科技中心 (有限合伙)), “**Wenge Decai**”, Guoke Zhiyi (Beijing) Technology Co., Ltd. (國科智醫 (北京) 科技有限公司, “**Guoke Zhiyi**”), Wenge Wenyi (Beijing) Technology Center (Limited Partnership) (聞歌聞醫 (北京) 科技中心 (有限合伙)), “**Wenge Wenyi**”, Shenzhen Zhisuan Julang Technology Co., Ltd. (深圳智算巨量科技有限公司, “**Zhisuan Julang**”), Guoke Zhixue (Beijing) Technology Co., Ltd. (國科智學 (北京) 科技有限公司, “**Guoke Zhixue**”), Guoke Panshi (Beijing) Technology Co., Ltd. (國科磐石 (北京) 科技有限公司, “**Guoke Panshi**”), Guoke Julang (Beijing) Technology Co., Ltd. (國科巨量 (北京) 科技有限公司, “**Guoke Julang**”), Beijing Geqi Technology Center (Limited Partnership) (北京歌啟科技中心 (有限合伙)), “**Beijing Geqi Technology**”), Shaoxing Song Research Technology Partnership Enterprise (Limited Partnership) (紹興歌啟科技合夥企業 (有限合伙)), “**Shaoxing Song Research Technology**”), Shaoxing Song Research Technology Partnership Enterprise (Limited Partnership) (紹興歌研科技合夥企業 (有限合伙)), “**Shaoxing Song Research Technology**”) Zhejiang Wenge Industrial Intelligent Technology Co., Ltd. (浙江聞歌工業智能科技有限公司, “**Zhejiang Wenge Industrial**”) and Zhejiang Juxi Intelligent Technology Co., Ltd. (浙江巨細智能科技有限公司, “**Zhejiang Juxi Intelligent**”) for the purpose of implementing different business lines of AI+ application. None of these subsidiaries has generated any revenue as of the Latest Practicable Date.

Corporate structure immediately following the Global Offering

The chart below sets out the shareholding structure of our Group immediately following completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised):



Notes 1 to 8: See the details contained in the preceding page.

We are a Specialist Technology Company (as defined in Chapter 18C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited). The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by the issuer before making their investment decisions.

OVERVIEW

We are an emerging enterprise AI technology and service provider in China, specializing in complex data analytics and AI-assisted decision-making.

Founded in 2017 by AI scientists from the Institute of Automation of Chinese Academy of Sciences, we focus on enterprise data analytics and decision intelligence, a practical application of AI that leverages data analytics to improve and accelerate an organization's operational and strategic decision-making. Our founding commitment is to develop AI with advanced cognitive reasoning and decision-making capabilities.

We develop critical AI capabilities in-house, offering a portfolio of full-stack AI services. Our capabilities cover data governance, domain knowledge management, large language and multimodal model training, decision automation and evaluation, and low-code AI application development. Integrated tightly through a software platform, these capabilities enhance performance, reliability, and security of our enterprise offerings. This integrated approach reduces development costs and deployment time for our AI application and services, by unifying the foundational infrastructure, resolving cross-system compatibility issues, and eliminating the redundant work needed to stitch fragmented systems together, thereby accelerating the delivery of AI solutions. Concurrently, this optimized cycle lowers our unit development costs, by reducing per-project labor costs due to improved engineering productivity, and decreasing expenses associated with redundant external services, computing resources, and third-party tools.

We serve organizations in technology-intensive sectors across China, facilitating the AI-enabled digital transformation of domains such as public sector services, media and communications, and commercial enterprises essential to our society and economy. During the Track Record Period, we have provided AI services to over 650 enterprise and government customers.

According to CIC, enterprise large model-driven decision intelligence currently represents a small yet fast-growing subset of China's enterprise AI industry. As measured by revenue, we ranked first in 2025 among China's enterprise large model-driven decision intelligence service providers, with a market share of 10.2%. Furthermore, we were the eighth largest player in China's enterprise large model market in 2025 with a market share of 2.2%, where we mainly competed with major Chinese AI incumbents.

In 2023, 2024 and 2025, we achieved revenue of RMB249.7 million, RMB317.8 million, RMB405.3 million, respectively. Our gross profit margin increased from 44.0% in 2023 to 50.4% in 2024, and further to 51.2% in 2025. During the Track Record Period, revenue contributions from our Benchmark Clients accounted for 76.6%, 70.0% and 67.8% of total revenue, highlighting the strategic importance of these relationships to our growth. Our net loss was RMB259.8 million in 2023, RMB157.1 million in 2024, and RMB166.3 million in 2025, respectively.

OUR STRENGTHS

We believe we have the following competitive advantages that differentiate us from our competitors:

An Emerging Enterprise AI Technology and Service Provider in China

We focus on enterprise-level large model-driven decision intelligence, and develop general AI agent-based decision evaluation in open environments. Supported by core technologies including multi-modal deep semantic understanding, social computing-enhanced domain modeling, and knowledge-rich pre-training large models, our research outcomes have been successfully applied in numerous complex decision-making and policy-making scenarios. According to CIC, enterprise large model-driven decision intelligence currently represents a small yet fast-growing subset of China's enterprise AI industry, and we ranked first among China's enterprise large model-driven decision intelligence service providers, holding a 10.2% market share by revenue in 2025. At the same time, we were the eighth largest player in China's enterprise large model market in 2025 with a market share of 2.2%, where we mainly competed with major Chinese AI incumbents.

As of the Latest Practicable Date, we have published over 120 AI-related papers in prestigious journals and conferences, including TMM, ACL, EMNLP, and AAAI, among others. These publications demonstrate the depth of our expertise and the innovativeness of our solutions, particularly in developing advanced LLMs and proprietary algorithms. Our research has consistently achieved internationally competitive performance metrics, reinforcing our position as a leader in the AI service domain.

Our Yayi LLM has demonstrated strong performance across benchmark datasets. See “— Yayi LLM: Advanced LLM for Enterprises — Benchmark Leadership.” These results illustrate Yayi LLM's ability to analyze data, generate insights, and facilitate well-informed decisions, making it a powerful tool for businesses and industries seeking reliable AI services. According to CIC, we have developed several enterprise AI systems in China, such as:

- The first national-level risk prevention and control system for internet financial crimes;
- The first anti-smuggling intelligence mining system;
- The first tax inspection intelligence and decision-making system; and
- The first large model-based intelligent LLM-powered Q&A system for government web portals.

Our portfolio of enterprise technologies and AI services has earned us widespread recognition from customers across industries.

Enterprise AI Services Powered by an In-house Platform

We develop the entire AI value chain through DIOS, an in-house platform. Our capabilities cover the complete AI service lifecycle, spanning data governance, model training, domain knowledge management and application development. These capabilities promote performance, security and reliability. Additionally, our product portfolio is optimized for the IT architecture commonly used by customers, enabling increased efficiency and reduced costs.

The key advantages of our full-stack AI services are as follows:

- *Reduced Deployment Costs and Enhanced Efficiency:* Our full-stack approach reduces user deployment costs by reducing the complexities and potential integration challenges that can arise in multi-system environments, lowering both initial and ongoing expenses. Integrated, one-stop solutions also improve efficiency and system performance, as shown by the reduction in our average lead time decreased from 185.0 days in 2023 to 105.9 days in 2024, and further decreased to 80.2 days in 2025.

- **Increased Flexibility:** Our platform-powered approach enables integrated customization at every layer, from data processing algorithms to model architecture to user interfaces. This control allows us to adapt solutions precisely to industry-specific requirements without constraints typically imposed by third-party components or generic APIs.
- **Prioritized Security:** Our in-house development promotes data integrity throughout our products and services. Our closed-loop system maintains data within our secure infrastructure, thereby reducing potential exposure points and strengthening the overall security posture. This provides government and enterprise customers with peace of mind regarding sensitive data and intellectual property protection.
- **Accelerated Innovation Cycles:** Tightly knit internal coordination across all service processes and components enables rapid prototyping, testing, and deployment of new features. This translates to faster time-to-market and more responsive adaptation to evolving customer needs. Application data, user feedback, and evolving industry requirements are incorporated into our DIOS platform, driving iterative improvements. This fast-paced cycle of deployment, optimization, and redeployment maintains our competitive advantage and accelerates intelligent transformation for our customers across multiple sectors.

As AI continues to reshape industries across the digital economy, DIOS enables customers to adopt AI services cost-efficiently and enhance their market positions through intelligent transformation. The proven results across our diverse customer base demonstrate that our platform-based full-stack approach is essential for organizations seeking sustainable AI success in an increasingly competitive landscape.

Proven Industry Scalability and Specialty with Customer Loyalty

Leveraging the capabilities of DIOS platform, we have built a suite of AI services that spans a wide array of industries and vertical domains. This cross-industry approach has not only proven the versatility and commercial viability of our technology but has also driven business growth in key sectors such as public sector services, media and communications, and finance. Through continuous innovation and application of AI across these domains, we have demonstrated our ability to address complex, industry-specific challenges with tailored solutions that deliver measurable results. At the same time, we maintain a unified, core AI framework that helps control our development and deployment costs and ensures rapid adoption of new AI capabilities, developed in-house or through the external ecosystem.

Our commitment to technological excellence is evident in the mature, efficient AI services we have developed for diverse industries. Utilizing self-developed multi-modal LLMs and advanced domain-specific fine-tuning techniques, we have created flagship applications that set new standards in their respective fields. Key examples include:

- **Public sector Services:** Powered by X-Data and Yayi LLM, our intelligent industry chain analysis and development system provides advanced analytics to identify key enterprises and issue risk warnings, enhancing administration efficiency. Additionally, we developed and deployed China's first large model-based intelligent LLM-powered Q&A system for government, according to CIC.
- **Media and Communications:** Powered by Yayi LLM, our media offering enables efficient news gathering, breaking news detection, influence tracking and evaluation, as well as content generation and publication, significantly reducing manual efforts and costs for media organizations.
- **Commercial Enterprises:** Powered by DI-Brain, our intelligent credit review and risk assessment system empowers financial organizations. For example, we have helped several commercial banks reduce traditional loan review cycles from days to hours, even achieving real-time processing.

These industry-specific solutions have enabled us to establish a growing market presence and an established customer base. We serve a broad spectrum of organizations in technology-intensive sectors across China, including major news agencies, TV and media groups, municipal governments, as well as leading commercial banks and manufacturing enterprises. Our ability to deliver tailored AI applications and consistently high service quality has resulted in notable customer retention and satisfaction. In 2023, 2024 and 2025, our Benchmark Clients contributed 76.6%, 70.0%, and 67.8% of our total revenue, respectively. This reflects high customer recognition of our technological capabilities, product value, and service quality. We plan to increase wallet share with Benchmark Clients and expand our broader customer base, deepening engagement and enhancing long-term value.

Market-leading R&D and Technologies

Innovation is central to our strategy. As of December 31, 2025, our research and development team comprised 250 employees, accounting for 43.9% of our total workforce. This team includes 66 individuals holding master's and doctoral degrees, as well as over 30 experienced AI scientists, with substantial research experience. Our core team consists of experts from multiple institutions of the Chinese Academy of Sciences, Tsinghua University, Peking University, and other leading scientific research institutions and universities.

We have participated or led several national R&D projects, including:

- Receipt of government funding for 12 research projects at national and provincial levels, among which are six National Key Research and Development Programs of China including three projects under the “New Generation of AI (2030)” initiative; and
- A co-lead in Beijing Key Laboratory of Safe AI and Superalignment (人工智能安全與超級對齊北京市重點實驗室) and a co-founder of the Beijing Key Laboratory of Digital-Intelligent Equipment Research and Development for the Four Diagnostic Techniques of Traditional Chinese Medicine with the China Academy of Chinese Medical Sciences (中國中醫科學院)

As of the Latest Practicable Date, we have published over 120 research papers in renowned international journals and conferences, including *TMM*, *ACL*, *EMNLP*, and *AAAI*, among others, and we have also applied for 233 invention patents, of which 126 have been granted. These cover advanced technologies including decision intelligence, autonomous planning, agent-based simulation, cross-modal text-video retrieval, virtual human video synthesis, spatiotemporal predictive analytics, quantum language modeling, and privacy protection for large models.

We develop multimodal and multilingual large models that support a wide range of languages and cross-lingual applications. Notably, our development of the CCI Chinese Internet Corpus (中文互聯網語料庫), a leading high-quality Chinese dataset, has enhanced our capabilities in data governance, model training, and application optimization. This resource enables us to construct industry-specific knowledge graphs and deliver secure, tailored AI services. We develop general AI agent-based decision evaluation in open and competitive environments.

During the Track Record Period, we received approximately RMB29.9 million in competitive research and development grants awarded by the Ministry of Science and Technology and the Beijing Municipal Science and Technology Commission across seven major projects. In 2023, 2024 and 2025, we received government grants for R&D of approximately RMB15.0 million, RMB6.1 million, and RMB8.8 million, respectively. These included the Foundation Model Support Platform for Artificial Intelligence, Novel Models for Major Infectious Disease Prediction and Policy Evaluation, Full-Stack Domestic Development and Pilot Application of Large Models in the Financial Sector, Key Technologies for Domain-Oriented Large Models, and Integrated Platform for Risk Monitoring and Early Warning of Emerging Illegal Fundraising Activities. The grants were recognized as other income and gains in accordance with applicable government grant accounting standards and our internal financial policies. These programs were awarded through merit-based selection, reflecting the strength of our technical proposals and prior execution capabilities.

Although disbursements were not governed by fixed schedules or contractual payment timelines, they were generally made following progress assessments based on project milestones. While such grants are non-recurring and subject to future government priorities, we intend to continue actively pursuing similar funding opportunities, supported by our proven track record and long-standing relationships with the relevant funding agencies.

Strong Shareholder Support and Founding Team

Supported by shareholders and an experienced management team, we have established ourselves as a leader in the enterprise AI technology and service market. Our shareholders include asset management platforms affiliated with the CAS and the CASIA, the Beijing AI Industry Investment Fund, and the China Internet Investment Fund, among others, providing a stable foundation for our growth and leadership in key industries and technologies.

Our founding team combines strong academic backgrounds and industry experience in AI, decision sciences, and information systems:

- Our Chairman and co-founder, **Dr. Wang Lei**, is a professor-level researcher at the Institute of Automation of the Chinese Academy of Sciences, and deputy director of the Beijing Key Laboratory of AI Safety and Super-Alignment. He has been recognized with numerous honors, including “National Youth Job Expert,” and the Wu Wenjun AI Innovation Award.
- Our CEO and co-founder, **Dr. Luo Yin**, obtained the professional title of senior principal engineer when he worked at the CASIA and recipient of the Beijing Science and Technology Rising Star Program and the “Jing Lang Ya” Young Innovative Talents award.
- Our co-founder, **Professor Zeng Dajun**, was enrolled in the School of the Gifted Young at the University of Science and Technology of China and received his Ph.D. from Carnegie Mellon University. He is an internationally renowned AI and management science researcher and a fellow of IEEE and AAAS. He has received many competitive research grants and served as editor-in-chief of IEEE Intelligence Systems and the Association for Computing Machinery Transactions on Management Information Systems. He also served as the President of IEEE Intelligent Transportation Systems Society and of the Chinese Association for Science and Technology in the USA.

We have assembled a team of young scientists, many born after 1990, from the Chinese Academy of Sciences, Tsinghua University, Peking University and other leading institutions. These individuals combine global academic vision with technical expertise to drive our innovation and industrial advancements.

OUR STRATEGIES

We intend to pursue the following strategies:

Advancing the Next Generation of DIOS

We are committed to driving forward the next generation of our DIOS that directly addresses complex, real-world challenges faced by modern organizations. In particular, we have developed a comprehensive strategy centered on three key pillars:

Developing the Next Generation of Yayi LLM

At the heart of our R&D roadmap is the development of the next generation Yayi LLM. This advanced model is designed with significantly improved processing and reasoning capabilities, enabling it to become a “domain world model” which aims to not only understand and interpret complex information but also to reason and deduct, and to anticipate the future state of scenarios.

- (i) *Innovating Multi-Modal Integration:* Our next-generation Yayi LLM will seamlessly integrate diverse data types, including text, images, diagrams, and other data. This approach allows for a richer, more nuanced understanding of information, facilitating accurate extraction of insights and intent. For example, our models will be capable of analyzing and synthesizing information from intricate financial statements, complex academic publications, and technical diagrams.
- (ii) *Integrating General Purpose and Specialized Model Capabilities:* We aim to further develop a fusion model integrating general purpose and specialized model capabilities to understand domain specific datasets, enhance context sensitive reasoning algorithms, and autonomously coordinate a diverse set of tools and agents. Our fusion model leverages intelligent router and knowledge alignment to combine the strengths of general LLMs with industry-specific expertise, enabling effective application in specialized enterprise scenarios.
- (iii) *Expanding Multi-Lingual Capabilities:* As our customers increasingly operate on a global scale, the demand for multi-lingual support has never been greater. We are prioritizing the expansion of our LLM's language capabilities to accommodate a broad spectrum of linguistic and cultural contexts. This will ensure that our solutions remain effective for customers across different geographies, enabling communication and understanding that transcend language barriers.

Developing Decision Intelligence Through X-Data Utilization and General Agent-based Simulation

In tandem with our model advancements, we focus on elevating the decision intelligence capabilities of DIOS by making strategic use of X-Data that captures the full spectrum of user experiences, operational processes, and contextual variables and further advancing our proprietary general agent-based simulation framework.

- (i) *Improving Quality and Scalability:* By refining our data collection, processing, and analytics frameworks, we aim to enhance both the quality and scalability of our AI-ready datasets. This will allow us to deliver more granular, customized insights that can be tailored to the specific needs of each customer, regardless of industry or organizational scale.
- (ii) *Distilling Behavioral Rules and Logic from Literature:* We aim to extract behavior patterns and action logic for decision makers and stakeholders in complex decision settings from the academic and trade literature as well as internal reports and knowledge repositories. Such rules and logic will be fed to Yayi LLM to automatically construct AI agents to create domain specific world models.
- (iii) *Incorporating Agent-based Simulation:* We intend to develop a decision intelligence support platform that combines large models with agent-based modelling and social simulation. The platform enables simulation and evaluation of strategic options, comparative analysis, and impact assessment in complex scenarios. This new platform is intended to provide customers with advanced tools to conduct autonomous simulation runs and optimize decisions based on “what if” analyses.

Industry-Specific Customization for Broader Impact

Recognizing that each industry faces its own unique set of challenges and requirements, we are committed to developing highly customized AI models and solutions tailored to the distinct needs of a growing number of sectors based on a DIOS.

- (i) *Domain Training and Fine-Tuning:* Our industry-specific models will be further trained and fine-tuned using vast repositories of domain knowledge, technical know-hows, and specialized terminologies. This ensures that the outputs generated by our AI are not only technically accurate but also contextually relevant and actionable for professionals within each sector.

- (ii) *Accelerated Deployment and Modularization*: To maximize the impact and accessibility of our solutions, we are adopting a modular approach to model development and deployment. This strategy allows us to shorten the time-to-market for new applications, reduce implementation complexity, and enable customers to quickly integrate advanced decision intelligence capabilities into their existing workflows.

Through these strategic initiatives, DIOS is active in the field of decision intelligence. Our unwavering focus on technical excellence, industry relevance, and scalable impact will enable us to continue delivering innovative solutions that seize new opportunities and address the evolving needs of our customers and society at large.

Deepening and Broadening Industry Applications

Building on our proven track record, we are committed to further deepening our expertise in our current core domains including public sector services, media and communications and commercial decision making, while broadening the reach of our AI applications into an even wider array of industries.

Key areas of expansion include but are not limited to:

- (i) *Science and Education*: Our initiatives include launching a new AI for Science foundational model and upgraded Yayi LLM, both tailored for scientific research and technical content generation. For researchers, we intend to offer AI-powered research services covering scientific knowledge, experimental procedures, and literature interpretation, significantly boosting productivity and decision-making, aiming to drive the practical application of the models and platforms across high-value scientific scenarios, such as biology, materials science, and chemistry. We also plan to offer intelligent agent interfaces to ensure integration with research tools and workflows, enabling automation and allowing engineers and scientists to focus on scientific discoveries and innovation.
- (ii) *Energy and Sustainability*: Our expansion into the energy sector focuses on empowering relevant clients with advanced knowledge management and business decision-making tools. By leveraging AI for data aggregation, trend analysis, and scenario simulation, we help energy and sustainability companies optimize operations, manage risk, and make informed strategies in a rapidly evolving market landscape. For example, based on our AI capabilities, we have been exploring and developing systems that enhance power grid security and efficiency by identifying weaknesses, modeling grid health based on various data sources, and generating emergency response and power dispatch plans when faults are detected.
- (iii) *Healthcare*: We are developing AI-powered services to modernize the healthcare industry. We are partnering with China Academy of Chinese Medical Sciences to develop a specialized large model tailored to the Chinese medicine practices. By harnessing large volumes of Chinese medicine literature and knowledge, our specialized large model can uncover treatment patterns and support the development of personalized treatment plans. We intend to expand our healthcare AI offerings to a wider spectrum of application scenarios, such as hospitals, community clinics and homecare. For instance, our AI capabilities could be leveraged to support use cases such as diagnosis and patient management system for medical institutions, and patient service platform for pre-diagnosis and health management in home and community settings.

We remain dedicated to deepening our impact in established domains while selectively pursuing new frontiers. Through strategic partnerships, ongoing research, and continued innovation, we will continue to broaden the horizons of AI, empowering industries at scale.

Expanding Service Offerings

We plan to broaden our service portfolio to meet diverse customer needs, expand accessibility, and address a wider range of use cases:

- ***Offering DIOS on Cloud.*** One of our key initiatives is the development of DIOS on cloud, a cloud-based infrastructure designed to deliver our AI services. This platform will cater to customers who do not require on-premise system deployment or extensive local applications. We aim to reach a broader audience, including small and medium-sized enterprises, start-ups, and professional users. This approach will make advanced AI capabilities more accessible, scalable, and cost-effective, allowing organizations of all sizes to leverage cutting-edge technology without substantial amount of upfront investment.
- ***Developing Enterprise-grade AI Infrastructure.*** In parallel, we are investing in the development of enterprise AI infrastructure for larger organizations, combining hardware, software and services. Our comprehensive solutions will support clients in establishing end-to-end AI capabilities, from data management to advanced analytics and decision automation. By offering tailored AI services, we will help enterprises seamlessly incorporate decision intelligence into their existing IT ecosystems, maximizing the value of their digital transformation efforts.
- ***Integrating with Edge Devices.*** Expanding our reach further, we intend to integrate our AI services powered by DIOS with edge devices, such as IoT devices and wearables, for business partners. For example, we are working with a smart device maker to embed advanced analytics capabilities that can monitor health and provide personalized guidance.

By diversifying our offerings and leveraging the latest technologies, we deepen customer engagement, improve service delivery, and establish ourselves as a leader in AI services across a wide array of markets. We believe that access to robust, scalable, and cost-effective computing power is fundamental to these next-generation AI services. To this end, we aim to undertake strategic initiatives to secure access to and utilize high-performance computing resources. Our strategic expansion in offerings ensures that organizations and individuals alike can access, integrate, and benefit from intelligent solutions tailored to their unique needs.

Pursuing International Expansion

In addition to expanding domestically, we are pursuing growth opportunities in International markets, with an initial focus on Hong Kong, the Middle East, and Southeast Asia. To succeed in these regions, we will conduct detailed market research to ensure that our products and services are effectively localized and aligned with regional demands and regulatory requirements. Strategic partnerships with local businesses will be essential for expanding our reach and enhancing service delivery. These efforts are central to strengthening our global competitiveness and becoming a premier international provider of AI services. In line with this, we aim to cooperate with Cherrypicks International to market our services to its existing client base and leverage our technical support to create localized offerings tailored for regional demands in Hong Kong, Macau, and other key markets out of mainland China, which is expected to us with immediate and effective channels to introduce our AI services to customers in these regional markets, enabling us to effectively penetrate new markets and acquire new customers for mutual benefit.

Strengthening Talent Cultivation and Incentives

Talent is the cornerstone of our long-term success and a key driver of innovation in the rapidly evolving AI industry. To maintain our leadership position and ensure sustainable growth, we are committed to attracting, nurturing, and retaining top-tier R&D professionals, particularly those specializing in next-generation AI technologies, such as decision intelligence, multimodal learning, enterprise data governance, and world model development.

Our strategy to strengthen talent cultivation and incentives includes several key initiatives. We are focused on attracting world-class AI talent to join our team. We nurture our employees through comprehensive training and development programs designed to enhance their skills and expertise. To retain top-tier talent, we intend to offer incentive mechanisms that reward high performance and long-term commitment. We actively support a culture of continuous innovation and foster a strong sense of belonging within our organization.

Additionally, we build partnerships with leading universities and industry partners to expand our talent pool and research capabilities. We have established an academic partnership with the Institute of Automation of the Chinese Academy of Sciences and multiple universities to drive collaborative research and facilitate talent exchange. We also plan to offer structured internship programs that provide hands-on experience and cultivate future AI professionals. Furthermore, we will continue to engage in international collaborations and exchanges to broaden perspectives and attract global talent.

By implementing these initiatives, we will build a highly skilled, motivated, and loyal workforce. Our commitment to talent cultivation and incentives will not only ensure our competitive edge but also position us as a leader in the AI industry for years to come.

OUR AI SERVICES

Overview

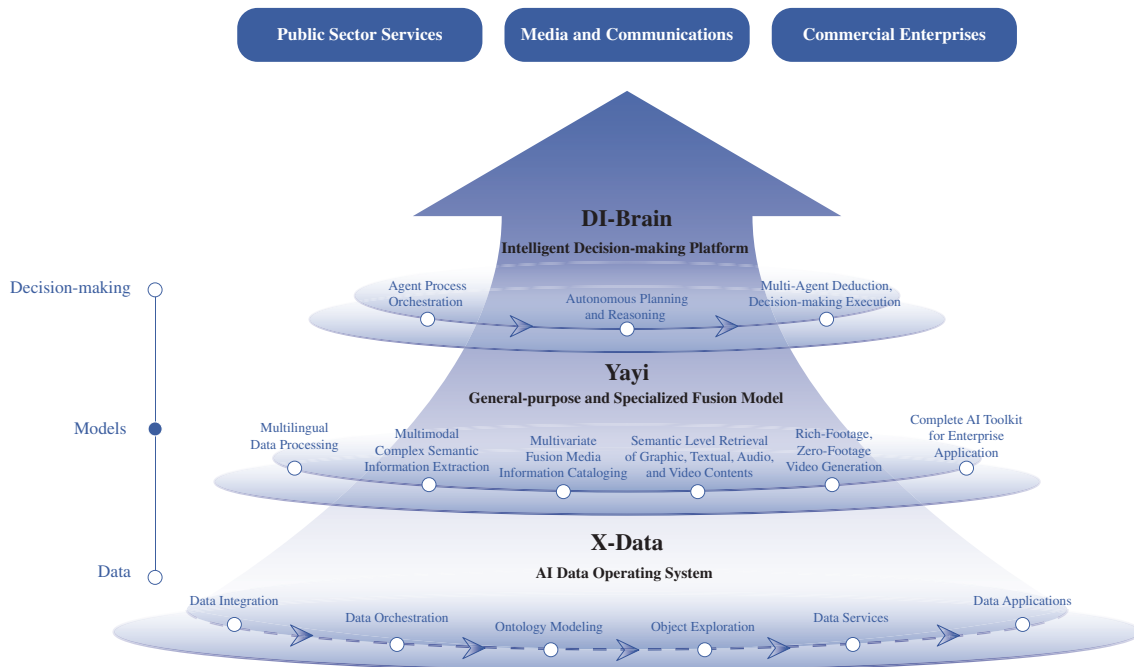
DIOS delivers customized enterprise AI services across a wide range of industries and use cases. Since its inception, DIOS has evolved through multiple generations, each reflecting technological advancements and expanded capabilities.

DIOS 1.0: Released in 2017, DIOS 1.0 focused on open-source big data analytics, enabling integration of diverse data sources and offering data development, governance, and visualization tools for deeper insights.

DIOS 2.0: Released in 2020, DIOS 2.0 marked a major step in enterprise data processing and AI-driven analytics. A new system-module, X-Data, supported integration and analysis of both open-source and proprietary data across various formats, including images, text, audio, and video. With an expanded repository of specialized AI models and advanced knowledge graph capabilities, DIOS 2.0 enabled rapid development and deployment of industry-specific applications, transforming it into a comprehensive enterprise AI platform.

DIOS 3.0: Released in 2023, DIOS 3.0 represented the next evolution of our decision-making capabilities. It integrates our advanced Yayi LLM for rich-media content generation, complex information extraction, multi-modal understanding, long-text processing, and world model interaction. The enhanced X-Data system features superior data insight and quality. A newly added component, DI-Brain, supports complex multi-agent simulations, autonomous reasoning, and streamlined development of highly tailored AI agents, enabling organizations to address increasingly complex challenges with greater efficiency and strategic foresight across diverse industries.

DIOS integrates advanced technologies into a unified framework, comprising three core levels. Below is an illustrative chart of the structure of DIOS:



To support our next phase of growth, we are upgrading our DIOS through the implementation of our data, ontology, models and agents, or, DOMA, framework. This upgrade strengthens the infrastructure and platform capabilities of DIOS by enhancing integration, standardization and architectural consistency across data, models and agents. We believe this evolution reinforces DIOS as a scalable platform-based infrastructure for enterprise AI and supports our long-term development as a decision intelligence provider.

X-Data: Turning Fragmented Data into AI-Ready Datasets

Modern organizations are overwhelmed with vast amounts of data, much of which remains fragmented, siloed, and underutilized. For decision-makers, raw data holds limited value unless it is connected to real-world business constructs — customers, products, transactions, and more. The inefficiency of manually unifying disparate data often results in time and resource investments, leaving organizations without a solid data foundation needed to make timely and informed decisions.

X-Data addresses these challenges by transforming diverse and unstructured information into actionable, structured data objects that are universally understandable within the organization. This creates a solid foundation for generating insights and enabling AI-driven automation.

Data Integration and Orchestration

X-Data integrates data from diverse sources, whether via APIs or direct file access, ensuring compatibility with a wide range of systems. Through visual, user-friendly workflows, X-Data orchestrates data transformation, allowing users to define how data is collected, cleansed, and unified. This makes integration and orchestration accessible, efficient, and repeatable.

Ontology-Driven Structure

At the heart of X-Data is ontology management, which standardizes business concepts into discrete, structured data objects, such as “Customer,” “Order,” or “Product”. These objects are defined with attributes, relationships, and rules that mirror real-world entities and align with business logic.

Our X-Data platform utilizes ontology models and dynamic data mapping technologies to standardize business concepts across multiple industries. In the context of artificial intelligence, an “ontology” refers to a formal, structured representation of knowledge within a specific domain, defining key concepts, entities, attributes, and relationships to provide a common vocabulary and framework for both humans and machines to organize and process information. Fundamentally, this approach decouples business semantics from technical implementation by abstracting business entities from different sectors into unified objects, attributes, and relationships. Dynamic ontology mapping rules and a multi-layered ontology architecture enable the standardization of data structures across industries.

Specifically, ontology mapping rules in X-Data facilitate the transformation of multi-source data into a standard ontology through three key mechanisms:

- Attribute mapping, which associates original data fields with ontology attributes;
- Relationship binding, which defines logical associations between objects; and
- Semantic unification, which ensures consistent terminology through predefined industry classification models.

The multi-layered ontology architecture comprises a foundational ontology layer (covering universal objects such as person, location, and time), an industry extension layer (adding sector-specific attributes and relationships, such as “insurance type” in healthcare or “energy consumption index” in the energy sector), and a customer customization layer (enabling enterprises to add proprietary fields such as “internal contract code”).

In summary, the X-Data platform achieves conceptual unification using industry ontologies and dynamic ontology mapping, supporting standardized processing of business concepts across sectors.

AI-Ready Datasets

X-Data prepares high-quality training data for LLMs, enhancing their performance in specific tasks or scenarios. X-Data can extract domain-specific knowledge from raw data, offering rich knowledge resources for AI agents. This enables intelligent reasoning and decision-making in complex scenarios. The result is AI-ready datasets that power LLMs and AI agents, driving accuracy in AI applications.

Each dataset, workflow, and application built on X-Data contributes to the collective intelligence of the organization. High-quality datasets enhance the performance of large models and AI agents, delivering more accurate, actionable insights. This, in turn, drives further adoption and innovation, creating a self-reinforcing cycle of improvement.

Key Capabilities of X-Data

- *Heterogeneous Data Integration:* Seamlessly combines data from diverse sources and formats using AI-driven technologies, eliminating the need for complex coding.
- *Visual Orchestration:* Empowers users to create, monitor, and manage data workflows, and simplifies the extraction, transformation and featurizing processes, making data orchestration more efficient.

- *Ontology Management*: Structures and standardizes business data into reusable, interoperable formats, and ensures consistency and integration across multiple systems.
- *Domain Knowledge Construction*: Constructs knowledge graphs from customer operational and value chain data to power Knowledge-Augmented Generation (“KAG”), and enriches AI models with domain-specific insights, enhancing their performance in specialized tasks. The knowledge graphs generated from a customer’s operational data are strictly confined to the customer’s local IT system and remain private. We do not reuse these knowledge graphs to train models or systems for other customers, ensuring the confidentiality and exclusivity of each customer’s data.
- *High-Quality Corpora Generation*: Produces curated datasets for supervised fine-tuning of LLMs, enabling organizations to tailor AI models to specific industries and tasks.
- *Data Security Safeguards*: Protects sensitive information through advanced measures, such as de-personalization, access controls, risk identification, and data masking.

Yayi LLM: Advanced LLM for Enterprises

Yayi LLM is our proprietary, independently developed large language model, purpose-built to address enterprise challenges such as fragmented data and inefficient analytics. Engineered for advanced semantic analysis, reasoning, ultra-long text comprehension, complex information extraction, and intelligent task planning, Yayi LLM has been trained in over 50 languages, supporting diverse multilingual pre-training and application scenarios. The model, trained from scratch, is designed for enterprise-level performance and can be flexibly deployed on private clouds, ensuring data security and compliance. Through continuously refined task model tuning, controlled content generation and active learning, Yayi LLM is able to adapt to the evolving requirements of various industries, thereby empowering a wide range of business applications.

Yayi LLM also delivers advancements in cross-modal capabilities, seamlessly managing and generating content across video, image, and text formats. By integrating intelligent text-to-video and text-to-audio functionalities, industry-specific data augmentation, and advanced AI tools such as multi-modal Chain of Thoughts technology, Yayi LLM provides enterprises with solutions for complex content generation and analysis. The model excels in accurate chart and image analysis, sophisticated data analytics, and the production of coherent long-form textual or visual outputs. It also facilitates intelligent tool usage, such as search engines and intelligent task planning, further enhancing operational efficiency. These capabilities enable enterprise-grade video production and multimodal content management, offering features, such as hierarchical video chunking, summarization, and intelligent content retrieval. As a result, Yayi LLM ensures control, completeness, and professionalism throughout end-to-end workflows, helping enterprises achieve higher results in content creation, management, and analytics.

Capabilities of Yayi LLM

Yayi LLM is designed to deliver performance validated against international benchmarks and to excel in multilingual comprehension, multimodal semantic extraction, and AI toolkit integration. Yayi LLM demonstrates notable customizability, allowing it to be fine-tuned for specific tasks or industries, and meeting the unique requirements of each application.

Yayi LLM employs an advanced diffusion and transformer structure with multi-agent collaboration.

Tailored AI Services for Industry Applications

To adapt our general-purpose models to meet industry-specific requirements, we combine the strengths of general LLMs with industry-specific expertise, enabling effective application in specialized enterprise scenarios. We tailor our Yayi LLM to industry-specific requirements through a process of supervised fine-tuning and curated instruction sets, consisting of task-specific prompts and responses, and guide the models to produce high-quality, context-aware outputs.

We have adopted a systematic approach of supervised fine-tuning utilizing both high-quality open-source and licensed industry-specific data. Our model training datasets are constructed from a variety of sources to ensure broad coverage, reliability, and accuracy. These sources include widely recognized open-source datasets such as Common Crawl, RedPajama-Data, and Wikipedia, which, according to CIC, are among the most commonly used public datasets for mainstream LLM training and offer extensive knowledge coverage and comprehensive information. We utilize these open-source datasets to achieve the massive data scale and diversity essential for LLM training, as they provide an expansive breadth of general knowledge and real-world linguistic patterns.

To substantiate the reliability of these open-source datasets and mitigate risks associated with open and user-contributed content, we have implemented a comprehensive data governance and safety framework. For data quality control, we implement pre-processing procedures, including automated algorithmic filtering designed to remove sensitive, harmful, or infringing content and personal information, and potential problematic user-contributed content contained in these databases, cross-validation and deduplication against authoritative, trusted sources, such as official publications, to the extent practicable, and manual sampling reviews as necessary by a dedicated team. This approach is inherently designed to filter out substandard or malicious data regardless of its origin prior to model training. These procedures are further reinforced by regular manual safety audits that continuously guide our model optimization and testing efforts. In addition, we leverage licensed industry data obtained through agreements with third-party suppliers, such as media databases from established media groups.

Our fine-tuning process begins with a comprehensive analysis of industry requirements, which are then broken down into fundamental tasks suitable for LLM processing. Each task is clearly defined in terms of input and output formats, business rules, and expected outcomes. Through prompt engineering and adjustment of inference parameters, we further optimize the model's output quality and accuracy. For more complex requirements where deep domain expertise is necessary, our approach is to have our own data scientists and experts annotate the data and construct our industry-specific instruction datasets. This ensures our models are trained on high-fidelity knowledge. Rigorous quality control measures, including manual review, answer validation, and algorithmic filtering, are implemented to ensure the integrity and reliability of the training data. Upon completion of fine-tuning, the model is evaluated using standard test sets and real-world business scenarios. Tasks that do not meet performance standards are subject to iterative refinement through a closed-loop optimization process.

Comprehensive Model Training Services

We provide end-to-end AI services for the development and customization of enterprise large models. This includes the construction of datasets through data augmentation, template design, and domain-specific instruction development. We also ensure that datasets meet rigorous training standards through data cleansing. In addition, we deliver detailed technical reports and guidance documenting dataset construction and model performance. Our training services encompass full-parameter fine-tuning, pre-training on customer-provided datasets, model distillation for varying parameter sizes, reinforcement learning for specialized reasoning tasks and end-to-end custom training for industry-specific applications.

For customers who deploy our AI services locally, we enable them to use their own proprietary data, such as industry know-how and business databases, to further fine-tune our models according to their specific requirements, either independently or with our technical support and services. Importantly, any customer-side fine-tuning activities and resulting models remain private and are confined within the customer's own IT infrastructure, to which we have no access. This approach ensures confidentiality and security of customer data while allowing the model to be continuously tailored to the evolving needs and requirements of each customer.

Continuous Model Iterations

We update Yayi LLM and its derivative model families approximately every six to twelve months. These iterations incorporate insights gained from industry engagement and customer feedback, ensuring the models remain up-to-date and deliver optimal performance.

In addition, we place significant emphasis on the timely updating of industry-specific knowledge, particularly in response to changes in industry practices, regulations, or policies. In such cases, model fine-tuning is typically performed internally on the customer side, eliminating the need for frequent updates to the Yayi LLM itself. Based on customer requirements and industry practices, we believe that updating the customer-side Yayi LLM on a semi-annual to annual basis is generally sufficient to meet most industry application scenarios.

Proprietary Technologies

Yayi LLM is built on a sound foundation of proprietary technologies:

- *Cross-Modal Deep Semantic Understanding*: Integrates and interprets information across text, images, audio and video for richer, more explainable AI responses.
- *Multimodal Semantic Retrieval*: Delivers efficient semantic-level processing, storage, and retrieval of extensive multimodal data through the underlying multimodal large model and task-specific intelligent agents, enabling intelligent content management and context-aware search.
- *Multimodal Content Generation*: Powers text-to-image, text-to-video, and text-to-audio generation, supporting creative production across modals.
- *Domain Knowledge-Driven Decision Support*: Combines knowledge graphs and decision models developed by us to solve complex industry problems using AI and operations research methods.

Benchmark Leadership

Yayi LLM has demonstrated notable performance in benchmarking evaluations. These achievements underscore the model's advanced capabilities in semantic understanding, reasoning coding, and domain-specific task enabling.

- Yayi LLM ranked **2nd** by *C-EVAL* in January 2025, in a category highlighting its ability to handle diverse and complex challenges with precision.
- Yayi LLM achieved **7th** place by *SuperCLUE* in March 2025 in terms of total scores measured in seven categories, reflecting this model's strength in processing and reasoning within the Chinese language.
- Yayi LLM ranked **7th** by *SuperCLUE* in March 2025 in the category of AI agent task completion.
- Yayi LLM ranked **10th** by *OpenCompass* in January 2025, in a category highlighting its versatility and adaptability in addressing varied use cases.
- Yayi AI-Scientist, built on our proprietary agent framework and launched in July 2025, ranked 1st globally by *GAIA* and *SimpleQA* in categories recognizing its leadership in scientific tool use and complex reasoning, and ranked 2nd domestically by *HLE* in a category underscoring its ability to perform across mathematics, natural sciences, and humanities with rigorous problem-solving capabilities.

The advanced capabilities of Yayi LLM empower organizations to streamline workflows, enhance operational efficiency, and unlock creative potential in multimedia and domain-specific knowledge applications. This model delivers context-aware insights that support informed decision-making and scale AI services across diverse industries and applications.

Use of Third-Party LLMs in Our Services

At the request of our customers, in addition to our proprietary Yayi LLM, we also provide customers with the flexibility to integrate third-party LLMs into our locally deployed AI services via DI-Brain. The principal third-party LLMs currently available for integration include DeepSeek by DeepSeek AI and Qwen by Alibaba. These third-party LLMs are selected based on their technical performance, market adoption, and suitability for addressing our customers' specific business requirements.

Integration of third-party LLMs is typically initiated by customers according to their own preferences and needs. Any costs incurred from the use of such third-party LLMs are borne by the customers. As of the Latest Practicable Date, both DeepSeek and Qwen are available to our customers. The responsibility for ensuring the privacy and security of customer data processed by these third-party LLMs rests with the respective LLM providers, rather than with us.

DI-Brain: Advanced AI Agent Development and Orchestration Platform

DI-Brain is the decision intelligence component of DIOS that integrates artificial intelligence, decision science, game theory, and social computing frameworks and methods to solve complex real-world problems. This low-code platform is designed for the rapid development and deployment of industry-specific AI agents, enabling them to navigate complex, dynamic environments and execute intricate decision-making processes. This platform empowers customers to bridge the gap between data, models, and actionable decisions, providing enhanced support for complex and dynamic decision-making needs.

Key facets of DI-Brain's reasoning and operational architecture include:

- *Single-Agent Deliberation:* Individual agents can operate autonomously, processing multi-sourced information, applying domain-specific logic, and arriving at reasoned conclusions or recommendations based on their task-specific training and objective settings. These agents are constructed using either domain task logic expressed as rules or specialized computer code or automatically distilled expertise from enterprises' knowledge repositories or past problem-solving incidents.
- *Multi-Agent Collaborative Simulation:* Multi-agent collaborative simulation focuses on modeling complex real-world systems in a virtual environment to analyze and predict outcomes based on the interactions of numerous agents. DI-Brain excels in orchestrating these complex simulations where multiple, heterogeneous agents, each with distinct roles, perspectives, and behavioral models, interact within a shared, dynamic environment. This allows for the modeling of intricate systems (e.g., market dynamics, organizational workflows, societal responses), the exploration of emergent behaviors, and the derivation of collective intelligence to facilitate informed decisions.
- *Autonomous Planning and Goal-Oriented Execution:* A cornerstone of DI-Brain is its capacity for speedy autonomous planning. AI agents can intelligently decompose high-level, ambiguous objectives into a structured sequence of actionable sub-tasks. They can dynamically formulate, evaluate, and adapt plans in response to evolving conditions, unforeseen events, or new information, thereby enabling robust goal-oriented behavior with minimal human intervention and optimizing pathways to desired outcomes.
- *Dynamic Tool Integration and Contextual Resource Utilization:* DI-Brain equips AI agents with the ability to dynamically discover, select, and utilize a wide array of external tools, APIs, proprietary enterprise systems, and data repositories. Through intelligent function calling and contextual understanding, agents can autonomously invoke necessary resources, such as a search engine for real-time information, a calculation module for quantitative analysis, or an internal database for proprietary data, thereby significantly extending their operational reach and problem-solving versatility in real-world scenarios.

Additionally, we intend to support innovation and the science community in China by open-sourcing parts of DI-Brain, especially frameworks and agent architectures for scientific research. By making these services open-source, we aim to enhance market recognition and expand our customer base. These open-source services are foundational in nature and will not affect our AI service sales or affect our market competitiveness. Instead, they are designed to attract more users and foster broader adoption of our technology, ultimately strengthening our position in the industry. According to CIC, it is common practice for technology companies to open-source parts of their services to promote innovation, gain market trust, and enhance their ecosystem. We also believe this initiative will provide researchers in China with advanced AI tools and promote collaboration in AI-driven science.

USE CASES OF OUR AI SERVICES

Overview

We work closely with our customers in various domains to develop scenario-specific AI applications tailored to their unique needs. Our AI services have delivered great value to organizations across industries:

- **Public Sector Services:** Government and regulatory agencies often struggle with data silos that hinder cross-domain analytics and real-time decision-making. Our AI services break down data silos using X-Data, enabling cross-domain analytics and informed decisions. In our public sector services segment, we primarily provide our standardized, general-purpose commercial AI products and solutions to various levels of government agencies and public institutions. Our services in this segment are designed to enhance administrative efficiency, empower digital transformation, and improve public welfare. The core application scenarios utilizing our AI capabilities generally encompass: (i) public administration and welfare, such as public health resource allocation and digital community services; (ii) economic and industrial development, such as macroeconomic analytics and technological innovation support; and (iii) public engagement and cultural promotion, such as city branding and promotion. Our AI solutions offered to the public sector are general-purpose cognitive tools typically deployed on customers' on-premise infrastructure. This localized deployment model ensures that public sector customers retain control over their internal systems, while utilizing our AI capabilities within their own secure environments.
- **Media and Communications:** Media organizations face many challenges such as ineffective manual searches for valuable news, difficulty in fact-checking, lack of support for topic selection, and time-consuming reporting and content generation. Analyzing dissemination effectiveness, managing video and image assets, and producing videos also require considerable manual effort. Our AI services address these issues by enabling AI-driven extraction of news elements, intelligent summarization, and guided content generation. AI clustering and analysis of trending topics support editorial decision-making, while AI-powered fake news detection ensures authenticity. We also provide intelligent media asset management that leverages AI to automate the analysis, tagging and retrieval of media materials on a large scale, video cataloguing, semantic understanding, and one-click video creation and translation.
- **Commercial Enterprises:** Enterprises face challenges such as time-consuming selection of client companies and value chain partners, credit profiling, compliance reviews, and managing customer service on massive datasets. Our AI services include creating valuation models, automated financial report parsing, and AI-powered risk labeling and monitoring. We also provide market intelligence analysis, personalized recommendations, and process automation.

Through a wide range of tailored AI services, we empower our customers to overcome industry-specific challenges, improve efficiency, and make data-driven decisions. The following are real-world examples of our AI services by industry:

Public Sector Services

Our public sector services are designed to support government agencies and public institutions in their transition toward intelligent governance by enhancing the efficiency, effectiveness and responsiveness of public administration. In this segment, we primarily offer our standardized, general-purpose commercial AI products and solutions, which are generally deployed on customers' on-premise infrastructure. This localized deployment model enables our public sector customers to retain control over their internal systems and operate our AI capabilities within their own secure environments. Our solutions are designed to break down data silos, enable cross-domain analytics and support more timely, informed and coordinated decision-making across a broad range of application scenarios, including municipal governance, service delivery, office and administrative operations, as well as economic and industrial functions. By leveraging advanced AI tools and technologies, we aim to streamline processes, enhance transparency, and improve service delivery to better meet the needs of society.

During the Track Record Period, we provided public sector services-related AI services to various levels of government and public sector organizations in China.

Below are illustrations of our services and how they address customer needs:

Scenarios	Our AI Services	Advantages
Comprehensive AI-powered Government Affairs & Community Governance Platform	• 24/7 online intelligent Q&A covering public sector services, urban management, and other areas • Intelligent guidance finding and using public sector services • Intelligent assistant for government staff, offering legal/regulatory advice, workflow queries, and document drafting help • Flexible knowledge management with easy integration and updates for public sector departments	• Offers immediate response to citizen needs, with increased satisfaction, and reduced staff workload • Helps clients identify applicable policies • Provides information and productivity support for government workers improving efficiency and accuracy
Economic Brain: AI-Driven Enterprise Risk Migration & Industrial Value Chain Decision . . .	• AI-powered consulting for industrial value chain research • Intelligent risk identification models, offering tracking of key enterprises, in the region and predicting the possible relocation of these enterprises. • Regional industrial cluster analysis, and integration of innovation and industrial chains	• Provides comprehensive, data-driven insights for industrial chain planning, supporting effective decision-making • Enables early alerts for enterprise relocation, ensuring retention of key enterprises • Supports systemic management of industrial chain risks and deficiencies

Case Study 1: Intelligent Industry Chain Analysis and Development System

Effective regional economic decision-making and policy formulation are essential for optimizing industrial chain development, attracting high-potential enterprises and sustaining economic growth. However, local governments often face challenges in processing vast and complex background and enterprise-specific data, identifying actionable insights, and proactively managing risks within dynamic and competitive industry environments.

A city district in a major industrial and innovation hub, home to over 330,000 enterprises as of the Latest Practicable Date, sought to develop an AI-driven platform to support decision-making in local industry chain development. The district government aimed to integrate and analyze vast amounts of economic and industry data to provide actionable insights for optimizing industrial chain layouts, mitigating risks, and fostering localized economic growth.

AI Services

To address the district's requirements, we developed an AI-enabled platform based on DIOS. This platform utilizes X-Data to collect multimodal data from various sources, including enterprise information and industry trends, which is then refined and analyzed at scale, through DI-Brain.

The capabilities of this platform are further enhanced by Yayi LLM, which is fine-tuned with domain-specific corpora, such as macroeconomic data, government policies, industry research, regional studies, and enterprise data.

We incorporated specialized models into the platform to analyze industry chains. These models include tools for analyzing an industry chain in general, identifying and assessing enterprises within the industry chain, finding merits and deficiencies of these chains and key nodes, and recommending improvement and risk mitigating strategies. Collectively, these models cover more than 50 analytical indicators, ensuring robust and detailed analysis.

The platform provides key functionalities, such as offering strategic recommendations for industrial chain development and layout optimization, identification of high-potential enterprises within the district, discovery of out-of-district enterprises suitable for localized development and prompting alerts regarding enterprises planning to relocate out of the region. Furthermore, the platform integrates DI-Brain capabilities, applying multiple valuation models and visualizing analytical results to provide clear and actionable insights.

Key Benefits

The platform provides visual representations of economic and industry data, such as situational awareness of industry chains and key economic indicators, to support strategic decision-making. Its risk identification function enables district government to proactively address vulnerabilities, stabilize industry chains, and strengthen the local economy. By delivering strategic recommendations for industrial chain development, layout optimization, and enterprise attraction, the platform fosters economic growth while equipping district leadership with data-driven insights for effective planning and resource allocation.

Media and Communications

Our AI services support a diverse set of media and communications scenarios, including tracking breaking news, selecting potentially newsworthy topics, analyzing ongoing events, and interpreting multimedia data. Leveraging Yayi LLM, our media and communications services facilitate the creation of diverse multimodal content to improve productivity.

During the Track Record Period, we provided media and communications AI services to a large number of the media groups and communications department of various public institutions and corporations in China.

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Below are illustrations of our services for this industry and how they address specific customer challenges:

Scenarios	Our AI Services	Advantages
Intelligent Video Semantic Understanding, Editing, Generation & Management	• Assisted video editing and content creation • Media video asset management and archiving • Video clipping and publishing • Video semantic understanding and intelligent indexing	• Streamlines video editing and production process • Enables efficient content management and retrieval • Facilitates targeted distribution
Automated Multimedia Content Generation	• Automated new content generation using trending media assets • Marketing video creation • Enterprise and tourism promotional video generation	• Incorporates an expanded set of media assets • Accelerates content production • Enhances creativity • Supports multi-channel distribution
AI-Driven Multilingual Translation	• Multilingual news dissemination • Multilingual marketing video generation • Media content translation and dubbing for international audiences	• Improves content translation and dubbing productivity • Expands in global reach • Attracts diverse audiences • Reduces localization time and cost
Automated News & Event Coverage	• On-site news reporting with integrated audio, photo, and text • Press release writing from event recordings • Event promotional article generation	• Reduces manual editing effort on site • Enables AI-powered synthesis of multimedia inputs • Provide adaptable summarization • Ensures timely and accurate reporting of news

Case Study 2: Breaking News Detection and Analytics System for a National Media Group

A national media group in China faced technical barriers in developing capabilities to search in real-time global news coverages and recommend topics to be covered. The traditional process relied on multilingual teams conducting manual searches across fragmented media, news sites, and regional platforms to maintain 24/7 coverage. Information overload and platform fragmentation hindered timely tracking and news topic selection, leading to time-consuming reporting with lots of room for improvements.

AI Services:

To address these challenges, we developed a multilingual news recognition and reporting platform powered by *DIOS*. The platform integrates and stores public domain data, orchestrates news content, and applies ontologies to enable large-model processing. Yayi LLM conducts semantic clustering of news hotspots, performing entity recognition, annotation, summarization, opinion extraction, and sentiment analysis, while promptly generating business-specific recommendation indexes and analysis labels. DI-Brain manages agent workflow, performing quantitative and qualitative analysis of trending events and uncovering related content to support topic selection and reporting.

Key Benefits

Our system built on top of Yayi LLM, offers 24/7 global news hotspot recognition by continuously searching global news sources. With its multilingual understanding capabilities, Yayi LLM integrates native corpora from multiple languages, allowing it to understand news directly in their native languages without the need for translation. The AI-assisted report generation agent produces reports with both quantitative and qualitative news analysis, visually presenting trending topics and offering in-depth analysis of topic evolution.

This AI-driven system significantly enhances our customer's ability to search, analyze, and report on global news, providing timely and accurate coverage while reducing manual labor.

Case Study 3: Yayi LLM for a Major Provincial-Level Media Group

This media group customer faced challenges in its traditional content production processes. These included lengthy production cycles that made it difficult to meet the demands of Internet platforms and short video formats, as well as high labor costs due to resource-intensive manual workflows. Additionally, this customer struggled with managing its extensive video library, encountering issues, such as inconsistent quality, inefficient media asset management, and limited value extraction from existing content. The customer required a systematic and intelligent approach to data processing, media management, and content generation.

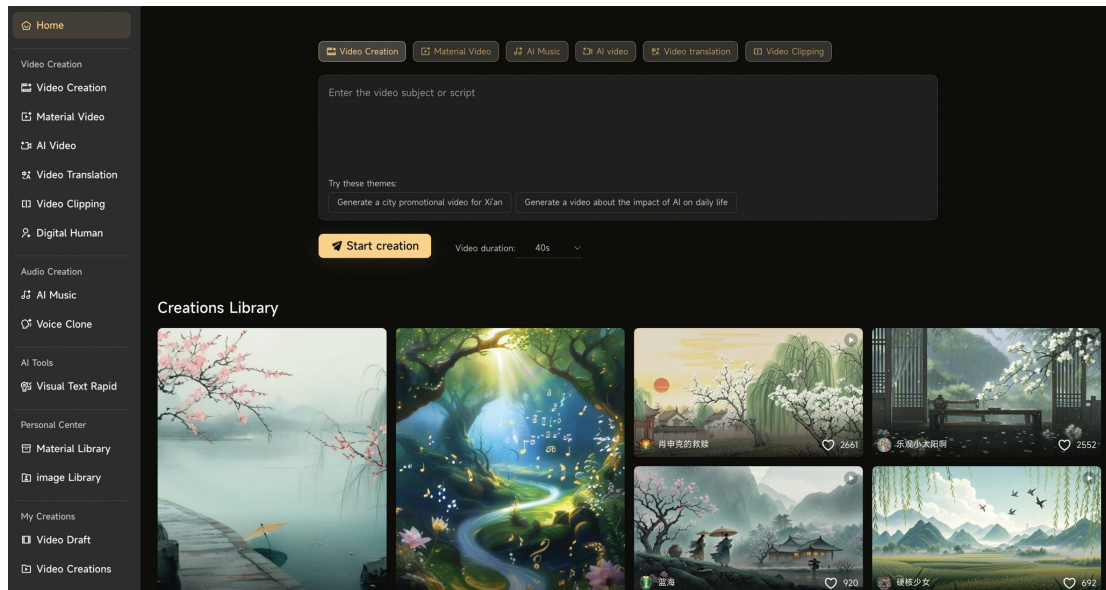
AI Services:

To tackle these challenges, we developed and implemented an AI-powered multi-modal content production system based on DIOS. This system was specifically designed to enhance video quality, automate workflows, and enable generative AI applications for the media industry.

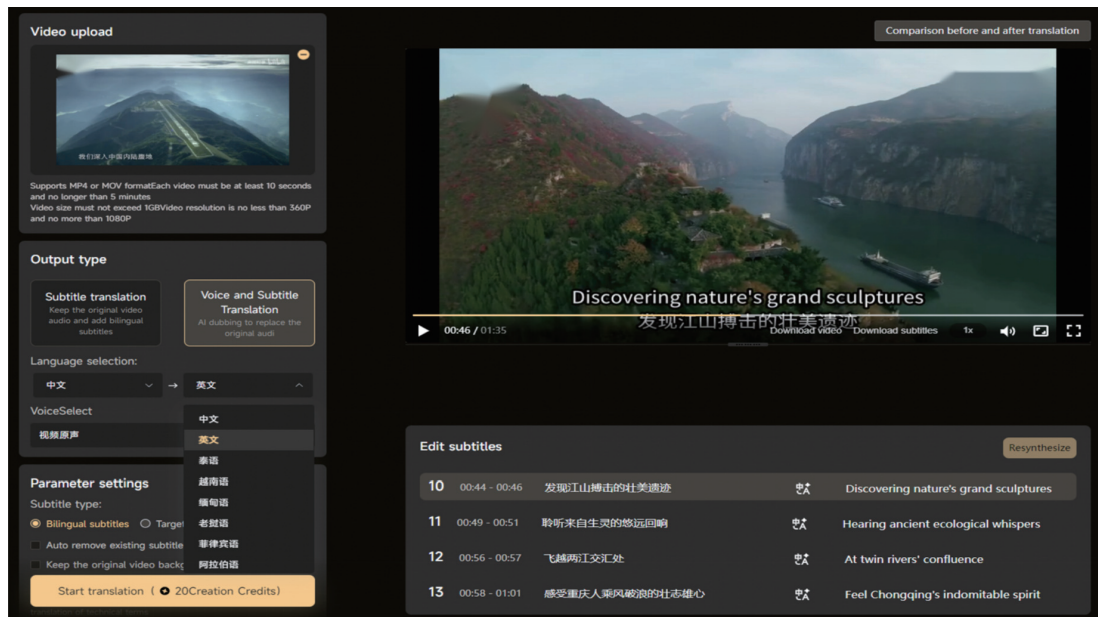
This system delivers comprehensive video content understanding and cataloguing by integrating and analyzing multi-source data, including visual, audio, subtitle, character, and contextual information. It enables the extraction of semantic information across multiple dimensions, such as scenes, emotions, entities, camera movements, and visual descriptions. Smart video editing capabilities facilitate the automated generation of video scripts based on thematic prompts or textual input. The system also employs cross-modal semantic retrieval to match video footage with relevant script segments, synchronize subtitles with narration timing, and intelligently select or generate background music, creating immersive viewing experiences.

Through Yayi LLM, our multimodal generation capabilities enable the production of music from text, videos from text descriptions, and the conversion of images into video sequences. Additionally, the system offers cross-language functionality by automating multilingual subtitle and voice translation. This feature supports multiple languages while preserving the emotional tone and stylistic nuances of the original content.

This screenshot illustrates the home page of our multi-modal content production system:



This screenshot illustrates how the system automates multilingual subtitle and voice translation:



Key Benefits

The implementation of this media content production system delivered several critical benefits to the customer. It significantly enhanced media asset management by improving multimodal content understanding, thereby increasing search accuracy and enabling the efficient integration and utilization of media resources. It also streamlined video production and editing processes through automated workflows, enabling production cycles that were significantly faster than traditional manual methods. Furthermore, the system's multilingual subtitle and voice translation capabilities facilitated the rapid conversion of videos into multiple languages while maintaining the original emotional tone and stylistic integrity, thus saving valuable production time and resources.

Commercial Enterprises

Our AI services leverage advanced LLMs to enable commercial enterprises to perform daily tasks more efficiently by delegating work-intensive processes to AI. This solution addresses challenges such as the efforts and time required for data analysis in investment decision-making and post-investment management. During the Track Record Period, we provided AI services to a wide range of commercial enterprises in China, such as banks and other financial institutions, as well as industrial and manufacturing companies.

Below are illustrations of our services for this industry and how they address customer challenges:

Scenarios	Our AI services	Advantages
Intelligent Investment Research & Asset Management	- Automated enterprise profiling and industry analysis - Post-investment operational and risk analysis - AI-driven valuation, risk modeling, and multi-dimensional risk tagging - Automated financial report parsing, Q&A, and offering regulatory reporting - AI-powered risk labeling and real-time risk monitoring - Automated risk profiling, early warning, and ongoing compliance monitoring	- Provides comprehensive investment research capabilities powered by LLMs and agents - Offers modular, low-code integration for flexible deployment - Provides valuation and risk modeling capabilities - Enables real-time alerts and multi-level analytics for proactive risk management - Offers a compliance-ready and secure infrastructure to meet regulatory requirements
AI-Driven Compliance & Credit Report Automation for Banks . . .	- Automated review of internal policies and comparative analysis of internal versus external standards - Compliance Q&A and knowledge graph - AI-powered due diligence material processing - Multi-agent collaborative credit report drafting	- Enables real-time regulatory tracking and compliance management - Provides efficient, accurate, and auditable credit report generation - Enhances compliance intelligence and operational transparency
AI-Driven Business Intelligence	- Brand reputation management - Consumer insights and complaint observation - New product launch tracking	- Offers brand perception modeling and consumer behavior analysis - Provides granular industry-specific knowledge graphs

Case Study 4: Customer Service of a Leading Home Appliance Company

A leading home appliance company in China encountered challenges in collecting and analyzing user feedback to improve its products. The manual process of gathering data from diverse sources, such as e-commerce platforms, media, and websites, proved inefficient and limited this customer's ability to make timely, data-driven decisions.

AI Services

To address these challenges, we provided this customer with a Yayi LLM-driven market intelligence services, fine-tuned specifically for the home appliance industry. Our services organize and analyze data from multiple online channels to extract actionable consumer insights.

Leveraging a domain-specific knowledge graph and corpora developed from extensive home appliance data and knowledge, our services utilize a fine-tuned LLM to process vast amounts of consumer feedback related to product quality, after-sales services, and user experience. Our services automate the generation of function-specific reports, enabling this customer to make informed decisions for product and service improvements.

Key Benefits:

By extracting granular insights from diverse feedback channels, this customer can align product development, feature enhancements, and service offerings with actual market demands, driving innovation and competitiveness. Our AI services accelerate the identification and resolution of customer issues and product shortcomings, directly improving customer satisfaction. Additionally, these services streamline internal processes for managing feedback, enhancing overall operational efficiency.

TECHNOLOGY STRATEGY AND INFRASTRUCTURE

We host, train, and manage our AI services by combining managed cloud services for operational stability with customized, self-hosted solutions for specialized, high-performance tasks.

- **Cloud Environments:** The training and operating environments for our core AI services, such as our Yayi LLM, are deployed on leading cloud service providers in China, such as Alibaba Cloud and Volcanic Cloud.
- **Self-Hosted Environments:** Our AI model training, inference operations, and development/testing environments are also deployed on self-owned servers located in our data centers across four cities in China. These systems are connected to our cloud environments via secure, high-speed dedicated network lines, providing us with control over specialized and performance-critical workloads. Our key hardware infrastructure includes GPUs, computer servers, network switches, and storage systems.

Core Technology Stack

Each of our core AI service components, X-Data, Yayi LLM, and DI-Brain, has been developed internally by our dedicated research and development team. We rely on a variety of widely adopted open-source software and technologies that can be installed and deployed by the users to develop, train, test, and host these services. Key components include:

- **AI and Machine Learning:** *PyTorch* as our foundational deep learning framework, *DeepSpeed* for large-scale model training and *Verl* for reinforcement learning fine-tuning.
- **Operating System and Containerization:** *CentOS*, an enterprise-grade Linux distribution, along with *Kubernetes* and *Docker-CE* for automated deployment, scaling, and management of containerized applications.
- **Programming Languages:** *Python* and *Java*, which are widely adopted open-source programming languages.

For core middleware functions, we primarily adopt widely-used open-source software by utilizing enterprise-grade managed services from our cloud providers. We leverage these hosted solutions for our relational databases (*HBase/PostgreSQL*), and high-performance in-memory caching (*Redis*). Furthermore, we use managed Apache Kafka to handle asynchronous, high-throughput data streams between our microservices and utilize cloud-based network-attached storage (NAS) for the persistent storage of our AI models and application assets.

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Commercial Software

While our AI services rely predominantly on open-source software that does not incur licensing fees, we also procure commercial software to support our business and administrative operations. These include customer relationship management (CRM), enterprise resource planning (ERP), and cybersecurity systems, as well as productivity tools. The costs for these products were RMB2.5 million, RMB5.3 million and RMB2.9 million in 2023, 2024 and 2025, respectively.

KEY OPERATING DATA

The following table sets forth our key operating data during the Track Record Period:

	As of or for the year ended December 31,		
	2023	2024	2025
Number of customers served⁽¹⁾	262	342	404
<i>By use cases</i>			
– Public Sector Services	81	117	116
– Media and Communications	39	67	102
– Commercial Enterprises	131	157	184
<i>By delivery method</i>			
– Localized deployment	79	108	153
– Analytic reports	78	101	77
– SaaS	145	179	216
– Maintenance services	19	29	46
Benchmark Clients⁽²⁾	35	47	42
Number of new customers⁽³⁾	142	159	220
Average revenue per customer			
(RMB in thousand)⁽⁴⁾	953.0	929.1	1,003.3
<i>By use cases</i>			
– Public Sector Services	1,563.2	1,281.5	1,275.2
– Media and Communications	1,952.1	1,272.6	1,193.4
– Commercial Enterprises	276.6	477.3	702.2
<i>By delivery method</i>			
– Localized deployment	2,370.7	2,095.0	1,926.1
– Analytic reports	383.6	400.7	448.8
– SaaS	146.9	205.1	266.6
– Maintenance services	588.6	493.8	401.9
Customer retention rate⁽⁵⁾	54.1%	66.5%	55.4%
Net dollar retention rate⁽⁶⁾	66.1%	89.8%	139.5%
Average acquisition cost per customer			
(RMB in thousand)⁽⁷⁾	357.4	289.2	216.2
Average delivery lead time (days)⁽⁸⁾	185.0	105.9	80.2
Backlog (RMB in thousand)⁽⁹⁾	168,688	133,486	288,873
Value of new contracts signed (RMB in thousand)⁽¹⁰⁾	284,082	304,424	529,431

(1) Number of customers who contributed to our revenue in the respective period, calculated on a consolidated basis. Under this methodology, the sum of customers across various use cases or delivery methods may not equal the overall number of customers. This is because customers who purchase services in multiple categories are counted within each of those categories, but only once in the overall customer count.

(2) Customers who have contributed an aggregate revenue of more than RMB3.0 million during the Track Record Period.

(3) Number of customers who contributed to our revenue for the first time in the respective period, calculated on a consolidated basis.

(4) Calculated as contract the total revenue divided by the number of customers in the respective period.

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- (5) Customer retention rate refers to the percentage of customers on a consolidated basis for the immediately preceding year which remained to be the company's customers for the current year.
- (6) Net dollar retention rate refers to the ratio of revenue contribution of a customer on a consolidated basis in the immediately preceding year to the revenue contribution of the same group of customers for the current year.
- (7) Average acquisition cost per paying user equals total marketing and sales fees (excluding share-based payment expenses) divided by number of customers (on a consolidated basis) in the given period.
- (8) Lead time refers to the period between the date of contract signing and the delivery and acceptance of AI services provide through localized deployment.
- (9) Backlog refers to total value of customer contracts that have been signed but not yet recognized as revenue as of the dates given.
- (10) Value of new contracts signed refers to total value of new customer contracts that was signed during the given period.

The substantial increase in the number of customers served during the Track Record Period was primarily attributable to the rapid growth in our client base within the public sector services and commercial enterprise sectors. This expansion was the direct result of our proactive client outreach initiatives and strategic business development efforts specifically targeting these two core sectors. This growth was also reflective of our efforts for each of our delivery methods. For our localized deployment services that is relatively mature, the growth was due to our penetration into new verticals to expand our customer base and acquire new orders. For our analytic reports and SaaS, the growth was mainly attributable to our strengthening of marketing network and scaling our outreach to attract a wider customer base. Our concerted actions to enhance brand recognition, coupled with the increasingly effective capabilities of our DIOS platform, further fueled this growth. Notably, the increase in the number of our Benchmark Clients during the Track Record Period was largely driven by customer acquisition in the media and communications as well as public sector services. These gains were underpinned by enhanced client loyalty, particularly among public sector customers, and ongoing improvements in our product capabilities and user experience, which helped customer satisfaction and engagement.

The overall increase in the number of new customers acquired during the Track Record Period was mainly attributable to the addition of new commercial enterprise customers. This was facilitated by our rising brand visibility, the continuous enhancement of DIOS's technical capabilities, and escalated marketing efforts aimed at expanding our market reach in key commercial sectors. These factors collectively enabled us to tap into new market segments and further diversify our customer base.

Our average revenue per customer decreased from RMB953.0 thousand in 2023 to RMB929.1 thousand in 2024, primarily due to a reduction in the value of the contracts with customers in the public sector services and media and communications sectors. The reduction was also related to the decrease in the average revenue per customer for our localized deployment services over the same period as we strategically shifted our focus from securing high-value contracts from Benchmark Clients toward acquiring a larger volume of contracts from scaled-up, broader base of customers, consistent with our phased go-to-market approach of leveraging the experience and reputation established with early, high-value clients to build a more resilient and scalable business by serving a diversified customer base. Such effort has benefited the increase in both the number of customers and our revenue over the Track Record Period. Additionally, increased revenue contribution from commercial enterprises, which generally have a lower average contract value relative to customers in other two sectors, contributed to this decline in average revenue per customer. Our average revenue per customer increased from RMB929.1 thousand in 2024 to 1,003.3 thousand in 2025, primarily due to (i) the increase in average revenue per customer in the commercial enterprises segment; and (ii) average revenue per customer for our analytic report and SaaS offerings showed an upward trend during the same period, attributable to the increasing maturity of our base offerings and our ability to offer a wider range of functional modules. This reflected our efforts to broaden our service coverage while catering to a wider variety of customer needs.

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Both our customer retention rate and net dollar retention rate increased in 2024 as many of the new customers acquired in 2023 began to engage in repeat business with us, reflecting the efficacy of our customer relationship management and product value proposition. Our net dollar retention rate continued its upward trend in 2025, reflecting our ability to deepen engagement and increase the revenue contribution from our customer base. Our customer retention rate decreased in 2025 due to our strategic emphasis on expanding our commercial enterprise customer base, coupled with natural fluctuations in the project cycles of our existing clients.

Our average customer acquisition cost decreased over the Track Record Period, reflecting the growing efficiency and effectiveness of our sales and marketing initiatives. As our brand recognition and market presence have strengthened, we are able to attract and convert new clients with lower incremental investment. Additionally, improvements in our marketing activities, targeted outreach strategies, and increased word-of-mouth referrals contributed to a reduction in the resources required to secure each new customer.

Concurrently, our average delivery lead time per project continued to decrease throughout the Track Record Period. This improvement was driven by enhanced deployment efficiency, which was achieved as we accumulated greater experience in project implementations; as our service offerings became increasingly standardized; and as our technology platform, DIOS, offers increasingly smarter toolkits, more powerful LLM and more innovative decision-making aids, and becomes more versatile. The resulting operational efficiencies have enabled us to deliver services and projects more rapidly and consistently, further strengthening our reputation for reliability and customer satisfaction.

Our period-end backlog, which represents total value of customer contracts that have been signed but not yet recognized as revenue as of the end of a period, fluctuated in 2023, and subsequently, experienced substantial growth from 2024 to 2025, driven by the significant surge in our new customers.

The value of our new contracts signed showed a trend of steady growth during the Track Record Period, reflecting our sustained and effective business development efforts to expand our customer base, driven by the underlying AI capabilities of our DIOS and strong customer reception of it.

RESEARCH AND DEVELOPMENT

Our ability to create new technologies to solve complex practical problems is the tenet of our business. Therefore, we invest substantial resources in R&D activities. Our research and development expenses were RMB179.5 million, RMB131.0 million, and RMB187.5 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our R&D was primarily focused on the development of the DIOS platform and its components.

Our R&D Team

As of December 31, 2025, our R&D team comprised 250 employees, accounting for 43.9% of our total workforce, including 66 individuals holding master's and doctoral degrees, mainly in artificial intelligence, computer science, software engineering, information systems, or telecommunications. Their expertise spans natural language processing, advanced model prompting, generative adversarial networks, custom transformer architectures, machine learning, data mining, multi-modal data fusion, visualization, decision-support, and anomaly detection. As of December 31, 2025, our R&D team averages over eight years of experience in technology and AI.

Our three co-founders are experts in the fields of AI, decision science, and social computing, recognized for their technical contributions and leadership in guiding the R&D of big data mining, semantic understanding, and multi-agent reasoning. Also see “— Our Strengths — Strong Shareholder Support and Founding Team.”

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Our R&D team includes over 30 experienced AI scientists. Among them, we have designated five individuals as the representatives of our core R&D team members, each with an average of more than ten years of R&D-experience in AI-related industries. All core members have been with us since 2020, and each specializes in a distinct area. The following table summarizes their profiles:

Core R&D team member	Profile
Dr. Luo Yin (羅引)	Executive Director and chief executive officer of our Company. He obtained a Ph.D. from Beijing Institute of Technology (北京理工大學) and obtained the professional title of senior principal engineer when he worked at the CASIA. Dr. Luo is currently responsible for the overall R&D strategy of our Group. See “Directors and Senior Management — Board of Directors — Executive Directors.”
Cao Jia (曹家).	Executive Director and chief technology officer of our Company. Mr. Cao previously served as a senior engineer at the Institute of Automation, Chinese Academy of Sciences. He obtained a master’s degree of software engineering from Peking University (北京大學). He is currently the head of AI general application division of our Company. See “Directors and Senior Management — Board of Directors — Executive Directors.”
Dr. Xu Nan (徐楠)	Mr. Xu obtained a Ph.D. from the University of Chinese Academy of Sciences (中國科學院大學) and is an associate professor-level researcher at the CASIA. Mr. Xu is currently the head of AI R&D center and the head of AI research institute of our Company, responsible for the development of Yayi LLM.
Wang Xiaodong (汪小東)	Mr. Wang obtained a master’s degree from Northeastern University (東北大學). He has eighteen years of experience in big data industry. He currently serves as deputy general manager of AI general application division of our Company and is responsible for the development of X-Data.
Wang Yigang (王一剛)	Mr. Wang obtained a master’s degree from Beijing University of Aeronautics and Astronautics (北京航空航天大學). He has fifteen years of experience in R&D and management in the media industry. Mr. Wang currently serves as the head of the media AI Division of our Company.

We retain key management and R&D staff through competitive remuneration packages and invest in continuing education and training programs to upskill these personnel. If a key staff member requests termination of employment, we engage in close communication to understand the reasons for their departure. The salient terms of our agreements with management and R&D staff are set out below:

- **No conflict:** During the employment, employee shall not engage in any other employment arrangement, whether full-time or part-time.
- **Inventions:** We shall own all right, title and interest (including patent rights, copyrights, trade secret rights, and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-hows, ideas and information made or conceived or reduced to practice, in whole or in part, by the employees during the term of the employment contract to the fullest extent allowed by applicable laws. All employees shall promptly disclose all inventions to us.
- **Proprietary information:** All inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) the employee develops, learns or obtains during the term of the employment contract that relate to us or the business or demonstrably anticipated

business of us, or that are developed in whole or in part on our time or using our equipment, supplies, facilities or confidential information, or that are received by or for us in confidence, constitute proprietary information. The employee shall hold in confidence and not disclose or, except within the scope of the employment, use any proprietary information.

- **Confidentiality:** During the employment, except as necessary to perform their duties, and for all time thereafter, employees shall not, without our prior written consent, disclose, divulge, announce, publish, impart, transfer or otherwise make known to any third party, or in any way use any information, such as technical and trade secrets, belonging to us or belonging to any other party for which we have a duty of confidentiality.
- **Non-competition:** We have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, employee shall not engage in any competitive behavior.

During the Track Record Period, there was no legal claim or proceeding that may have an influence on the R&D of our Specialist Technology Products.

Key Ongoing Internal Research Projects

Project Title	Key Research Tasks	Relevant DIOS Component
An AI-oriented data analytics platform	Developing an enterprise-level data integration and analytics platform that enables integration of distributed, multimodal, and heterogeneous data. This platform will incorporate hundreds of AI operators, providing end-to-end intelligent data processing and AI-driven analytics.	X-Data
Yayi LLM for Science	Developing a customized version of LLM for academic data augmentation and scientific reasoning. Based on the outcome of this research, we plan to launch a series of AI products, facilitating literature review, data modeling, experimental plan formulation, and scientific tool integration.	Yayi LLM
X-Agent: Enterprise AI Agent Development Platform	Developing an AI agent platform suitable for various industries and scenarios, integrating large models, knowledge base, and workflows via a low code environment. This platform aims to satisfy diverse needs for AI application development, supporting both rule-based and autonomous reasoning.	DI-Brain
DecisionOne (D1): Decision Intelligence Platform	Developing a novel decision intelligence platform making use of LLMs and advanced simulation, complex social and economic situations require AI-enabled decision making. D1 is a multi-agent interactive platform to address such needs. The Platform understands the decision scenarios based on natural language descriptions from the users and automatically sets up the internal logic of interacting agents from the literature and internal reports. It then enables multi-agent reasoning, either in a confrontational or in collaborative manner, to generate decision recommendations.	DI-Brain

Our Collaboration with CAS

During the Track Record Period, we collaborated with multiple institutions affiliated with CAS, primarily technical services and academic exchanges. These activities were conducted on an arm's length basis but were not related to joint development of any commercial AI products and services which we offer.

There were no cost-sharing arrangements for technology development between us and institutions affiliated with CAS. None of our core AI capabilities was developed in collaboration with CAS. None of the revenue recognized in the Track Record Period is attributable to products or technologies developed by CAS, as we conducted all R&D and commercialization activities in-house and did not incorporate any technology co-developed with CAS. The AI services we provide were delivered via individual projects awarded to us through standard commercial tender or procurement processes with arm's length negotiations. Aggregate revenue from institutions affiliated with CAS (excluding CASIA) was approximately RMB1.8 million in 2023, RMB4.6 million in 2024, and RMB1.9 million in 2025.

Our Collaboration with CASIA

During the Track Record Period, we entered into multiple analytical research contracts with CASIA. In certain projects, we provided a range of AI services to CASIA, including proprietary data intelligence platforms (X-data services), custom software development, multilingual data analysis, and research support through technical services. Each contract defines the project scope, typically has a duration of six to twelve months, and requires deliverables in the form of software tools or technical reports. We assume responsibility for the design, development and delivery of the solutions, while CASIA provides project direction and access to relevant data. In other instances, we commission CASIA under project-specific agreements to jointly undertake research. For example, pursuant to a commissioned technology development agreement in November, 2018, we collaborated with CASIA on a research project focusing on multi-source information fusion, knowledge graphs, and semantic understanding.

To capture the significant opportunities in the AI for Science domain, we collaborated with the CASIA in developing AI for Science foundational model, which was released in July 2025. This specialized platform is engineered to understand complex scientific concepts and multi-modal scientific data, such as waves, spectra, and fields, offering researchers powerful functions and tools such as professional understanding of multi-modal scientific data, extraction and fusion of scientific literature, scientific knowledge reasoning, and orchestration and planning of scientific tools. This initiative not only enhances research efficiency but also establishes our strong foothold in a high-potential new vertical, where we designed and executed the model training as the main entity. We then applied the insights gained to enhance our proprietary Yayi LLM's scientific-research capabilities, with all development carried out in-house. The new platform has not begun to generate any commercial revenue during the Track Record Period.

The intellectual property rights arising from collaboration with CASIA were defined on a project-by-project basis pursuant to contractual terms. In general, pre-existing IP remained with the original party, and new IP generated during cooperation was either jointly owned or separately owned, depending on the parties' respective contributions as agreed. In most cases, certain contracts explicitly grant co-ownership to both parties with both sides entitled to apply and share related benefits, while limited others assign full IP ownership to one party. None of our core AI capabilities was developed in collaboration with CASIA.

None of the revenue recognized in the Track Record Period is attributable to products or technologies developed by CASIA, as we conducted all R&D and commercialization activities in-house and did not incorporate any technology co-developed with CASIA. Aggregate revenue from CASIA was approximately RMB4.1 million in 2023, RMB7.1 million in 2024, and RMB1.2 million in 2025.

Our Collaboration with China Academy of Chinese Medical Sciences

We have co-established a Beijing Municipal Key Laboratory for Intelligent Traditional Chinese Medicine (北京市重點實驗室), in partnership with the CACMS and Guang'anmen Hospital. The lab had been formally approved by the end of 2024. Under the Laboratory Co-building Agreement, we (i) provided funding and AI expertise, (ii) integrated the CACMS-focused research achievements with our data-driven model development, and (iii) leveraged clinical scenarios from Guang'anmen Hospital to develop diagnostic platforms, such as advanced pulse-recognition devices and multimodal Traditional Chinese Medicine decision-support models that was released in May 2025. We have completed the development of the foundational Traditional Chinese Medicine model, based on which we have developed multiple disease-specific models. Each party retains its pre-existing IP; new IP arising from joint R&D is allocated pursuant to project-specific agreements, under which certain inventions are co-owned and others wholly assigned, with detailed terms to be set out in separate business contracts. We have not used any jointly developed IP in our commercial product development. None of our core AI capabilities was developed in collaboration with the CACMS. Aggregate revenue from CACMS was nil in 2023, approximately RMB1.6 million in 2024, and approximately RMB24 thousand in 2025.

Below sets forth the information of our ongoing government-sponsored research as of the Latest Practicable Date:

Key Sponsored Research Projects

<u>Project Title</u>	<u>Major Funding Agencies</u>	<u>Project Duration</u>	<u>Project Details</u>
Large Model Security Evaluation and Protection Service Platform	Beijing Advanced Innovation Center for Artificial Intelligence	May 2025 to May 2026	The project will receive RMB4.0 million in grants from the funding agency. The project aims to develop a comprehensive platform to perform testing on large models for the safety, security and compliance evaluation.
Research on Key Technologies and Application of Multilingual News Media Corpus Construction and Multi-format Translation Platform . .	Beijing Municipal Science & Technology Commission	October 2025 to October 2026	The project will receive RMB3.0 million in grants from the funding agency. The project aims to build a large-scale, multilingual news media corpus and develop a platform for multi-format translation.
Research on Key Technologies of a New Generation Intelligent R&D Platform for Traditional Chinese Medicine Empowered by AI4S Paradigm. . . .	Beijing Municipal Science & Technology Commission	July 2025 to June 2028	The project will receive RMB4.2 million in grants from the funding agency. The project aims to build an AI-empowered intelligent R&D platform for traditional Chinese medicine to accelerate the innovation and modernization of its research.

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Project Title	Major Funding Agencies	Project Duration	Project Details
Enhancing the Scientific Capabilities of the ScienceOne Foundation Model	Beijing Municipal Science & Technology Commission	December 2025 to December 2026	The project will receive RMB1.5 million in grants from the funding agency. The project aims to enhance the scientific capabilities of the ScienceOne foundation LLM for application and validation in specific scientific domains.
An Integrated Platform for Risk Monitoring and Early Warning of Emerging Illegal Fundraising Activities .	Ministry of Science and Technology	November 2023 to October 2026	The project will receive RMB12.2 million in grants from the funding agency. The project aims to develop large-scale modeling technologies and build an integrated risk-monitoring and early-warning platform for the rapid screening and identification of illegal fundraising schemes

Outsourced R&D Arrangements

All research activities of our core technologies are carried out in-house. At the same time, to better focus on our core mission, and technological strengths and to make our operations leaner and more cost-effective, we engage third-party vendors to carry out development activities of non-core technology, such as coding and testing of our software systems.

We also engage independent software developers for certain outsourced R&D arrangements from time to time for our proprietary research. In line with the industry norm according to CIC, we generally outsource relatively basic-level and work-intensive portions in non-core technical areas to third parties. The salient terms of our standard outsourced service agreement are set out below:

- ***Intellectual Property:*** All the resulting intellectual properties of the project belong to us. The engaged party would not infringe third parties' intellectual properties for performance of its obligations under the agreements and would indemnify us for any losses suffered due to third parties' demand for compensations.
- ***Pricing and payment:*** The pricing of the outsourced R&D services depends on the type of the specific R&D work. We generally make payments on a monthly basis or after the services are accepted.
- ***Confidentiality:*** The engaged party is responsible for keeping strict confidentiality of all the information provided by us and would be responsible for any breach of confidentiality.
- ***Termination:*** The agreements will be terminated by mutual agreement, or by other means as set forth in the agreements. We typically assign our employees as project representatives to participate in the project implementation, and to oversee and coordinate the working process to ensure quality.

In 2023, 2024 and 2025, our third-party service fees in relation to outsourced R&D arrangements with such technical service providers were RMB10.4 million, RMB15.5 million, and RMB49.0 million, respectively, accounting for 5.8%, 11.8%, and 26.1% of our total R&D expenses

in the respective periods. The increase of third-party service fees in absolute amount and as a percentage of our total R&D expenses was primarily due to our increased engagement of third-party technical services, including more commissioned third-party development, and procurement of data and data governance services to facilitate model training. This was driven by the practical needs of training large AI models and algorithms as well as other R&D initiatives, in order to improve overall R&D efficiency, lower trial-and-error costs, and shorten the R&D cycle.

R&D Process

Our R&D activities are guided by a home-grow AI-centric engineering methodology that differs markedly from traditional software engineering. We emphasize the engineering of data, models, and applications in a unified, platform-driven process. This approach is centered on our DIOS platform and leverages AI to maximize efficiency, facilitate rapid project iterations, and enable low-code development. Our proprietary R&D process consists of the following key stages:

Requirements Engineering: We begin by identifying high-value industry challenges and customer needs through market analysis. Each potential project is assessed for its technical feasibility, strategic alignment with our DIOS roadmap, and commercial viability. This ensures our R&D efforts are directed toward creating solutions with a growing market impact.

Project Planning: Once a project is approved, a dedicated team defines clear objectives, technical specifications, and delivery timelines. We allocate resources, including R&D personnel and computing power, and establish key performance indicators to guide the development and validation phases.

AI-Assisted Development: In the development stage, we leverage our DIOS platform to accelerate the R&D cycle. Our teams utilize internal low-code toolchains and AI-powered assistants for tasks such as data processing, code generation, and model configuration. This AI-assisted approach enhances productivity and allows our scientists and engineers to focus on core innovation.

Product Validation: New products and features undergo rigorous validation to ensure they meet our standards for accuracy, performance and reliability. This stage includes quantitative benchmarking against industry standards and, where applicable, the deployment of AI agents to conduct automated testing of system functions and model outputs. This automated validation process improves both the efficiency and the thoroughness of our quality assurance.

Product Release: Following successful validation, new technologies are integrated into our DIOS platform. This can involve releasing new versions of X-Data, Yayi LLM, or DI-Brain, or deploying new standardized AI service modules. The release is carefully managed to ensure integration for our customers.

Continuous Iteration: We have established a systematic feedback loop where application data and customer input are channeled back into our R&D process. This information drives planned, iterative upgrades to our platform and models, ensuring our technologies evolve in response to real-world operational demands and maintain their competitive edge.

OUR ACHIEVEMENTS

As an emerging enterprise AI service provider in China, we have built our technology portfolio across three key domains: multi-modal data fusion, cross-modal semantic representation and understanding, and multi-agent modeling and decision-making.

As of the Latest Practicable Date, we have published over 120 research papers in renowned international journals and conferences, including *TMM*, *ACL*, *EMNLP*, and *AAAI*, among others, and we have also applied for 233 invention patents, of which 126 have been granted. These cover advanced technologies including decision intelligence, autonomous planning, agent-based simulation, cross-modal text-video retrieval, virtual human video synthesis, spatiotemporal predictive analytics, quantum language modeling, and privacy protection for large models.

We are dedicated to develop multimodal and multilingual large models that support a wide range of languages and cross-lingual applications. Notably, our development of the CCI Chinese Internet Corpus (中文互聯網語料庫), a sizable and well-structured Chinese dataset, has enhanced our capabilities in data governance, model training, and application optimization. This resource enables us to construct precise industry-specific knowledge graphs and deliver secure, tailored AI services. With our capabilities in decision intelligence, we are spearheading the development of general AI agent-based decision evaluation in open and competitive environments. We have received grants from major funding agencies, and our research outcomes have been successfully applied in a multitude of complex decision-making and policy-making scenarios.

Our research has been widely recognized and cited by leading AI scholars. This reflects our significant academic influence in the fields of large models, and multi-agent systems.

As testaments to our research excellence, our research capabilities are demonstrated through:

- Receipt of government funding for 12 research projects at national and provincial levels, among which are six National Key Research and Development Programs of China including three projects under the “New Generation of AI (2030)” initiative;
- A co-lead in establishing the Beijing Key Laboratory of Safe AI and Superalignment (人工智能安全與超級對齊北京市重點實驗室);
- A founding member of Beijing Institute of AI Safety and Governance (北京前瞻人工智能安全與治理研究院);
- A co-founder in the Beijing Key Laboratory of Digital-Intelligent Equipment of Traditional Chinese Medicine Four Diagnostic Techniques with the China Academy of Chinese Medical Sciences (中國中醫科學院); and
- Designated as the Beijing Key Laboratory of Smart Radio and Television (北京市智慧廣電重點實驗室) by the Beijing Municipal Radio and Television Bureau.

Our achievements have been acknowledged with numerous awards and recognitions, including:

- National “Specialized, Refined, Differentiated, and Innovative” Little Giant Enterprise, as identified and acknowledged by the MIIT;
- National-Level High-Tech Enterprise certification;
- Second prize of the Beijing Science and Technology Progress Award (北京市科學技術進步獎);
- Second prize of the Science and Technology Progress Award of the Chinese Institute of Electronics (中國電子學會科學技術獎);
- First prize of the Wang Xuan News Science and Technology Award (王選新聞科學技術獎);
- First place in the AIWIN Algorithm Technology Competition (世界人工智能大會AIWIN算法技術賽);
- First place in the financial field of the Beijing AI Industry Large Model Innovation Application Competition (北京市人工智能行業大模型創新應用大賽金融領域);
- Ranking third in the Science and Technology Innovation Pioneers list by the Chinese Academy of Sciences Innovation and Investment Industrial Union (中國科學院科技創新投資產業聯盟);
- Inclusion in China’s Top 20 AI Large Model Enterprises for comprehensive competitiveness by MIIT Thinktanks; and
- Listing in the Forbes China AI Technology Enterprise Top 50.

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OUR FEE MODEL

We provide enterprise solutions built upon our proprietary and modular DIOS. Our approach is to holistically leverage the three core level of our DIOS, namely, X-Data, Yayi LLM, and DI-Brain, while selecting and configuring specific functional modules from within each of these layers to deliver tailored and scalable services for our customers based on their needs. During the Track Record Period, we mainly adopted a project-based model for charging fees, with certain occasions of subscription-based model.

We primarily deliver enterprise AI services through (i) localized deployment; (ii) delivery of analytic reports; and (iii) provision of SaaS. We also provide maintenance services of localized deployment. The table below sets forth content, fee model and pricing policies of our services by delivery methods.

	Content of Delivery	Fee Model and Pricing Policy
Localized deployment . . .	Localized deployment of AI services on IT infrastructure of customers primarily achieved via a hybrid cloud deployment combining public and private cloud environments. Built based on our proprietary DIOS, our localized deployment enables clients to leverage the full power of our integrated AI capabilities within their existing systems.	Fixed fee, taking into account a number of factors, typically including (i) the scope and modules of our proprietary AI services; (ii) the complexity and scope of the required technical services, including customization and implementation, which primarily determines the required man-days of our technical team; (iii) the costs of any necessary third-party software or hardware to be procured; and (iv) the prevailing market prices for comparable services.
Analytic reports	Customized analytic reports, generated by our AI platforms and reviewed by our internal data scientists with industry expertise, covering and meeting specific topics and demands, such as analysis around brand recognition and promotion, delivered directly to customers or through our platform via automated push notifications and self-service downloads.	Fees are charged and paid upon payment milestones. See “— Business Flow and Revenue Recognition.”
SaaS	User accounts and/or APIs provided to customers, for accessing the platform of our AI capabilities deployed on cloud. The platform delivers customized push notifications and data feeds to our customers based on their specified requirements on data field, among others.	Fixed fees, largely based on the specific modules customers are granted access to. Fees are charged and paid upon payment milestones. See “— Business Flow and Revenue Recognition.”
Maintenance services . . .	Ongoing support and maintenance services to customers of localized deployment on an ad-hoc basis over a period of time after the quality assurance period expires, provided and delivered either remotely or through on-site visits	Fixed fees, determined by the complexity of maintenance. Fees are charged on a periodic basis. See “— Business Flow and Revenue Recognition.”

Business Flow and Revenue Recognition

During the Track Record Period, we mainly adopted a project-based model for charging fees, with certain occasions of subscription-based model. Below are business flows and revenue recognition policies of our AI services by delivery method:

Localized deployment

Revenue from our AI services through localized deployment is recognized at a point in time, usually based on contract milestones where we are able to claim customer payments. Customer's payment obligation is typically due after we have issued respective VAT invoices to the customer following each payment milestone. Below sets forth key stages, timespan of key stages, and the portion of contract sum we are able to claim at each payment milestone during a typical localized deployment project.



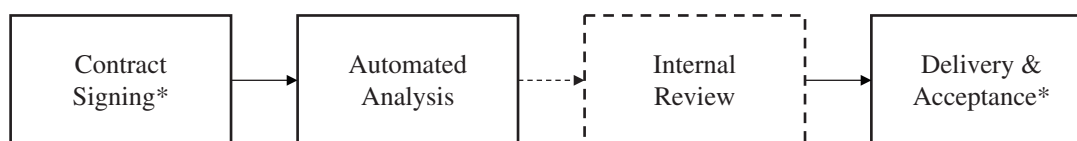
* Payment milestone

- **Pre-sales engagement:** This stage involves initial communication with potential customers, understanding their business requirements, demonstrating our technical capabilities, and preparing a preliminary service proposal. The time we spend on such communication and analysis of customer demand varies, depending on the size and complexity of the potential project.
- **Contract signing:** Upon confirmation of the proposal, we enter into formal contract negotiations and sign a legally binding agreement with the customer. It typically takes one week for us to confirm contract terms and undergo internal approval processes. We typically receive an upfront payment of 30% of total contract value at this stage. For projects with fewer customization demands from the customer, we may negotiate with the customer for an alternative payment plan and receive upfront payment of 50-70% of total contract value at this stage.
- **Service development and DIOS deployment:** Following contract signing, our team conducts in-depth analysis and designs a detailed technical plan to finalize the specific configuration and integration for the required modules. The designing process, including but not limited to user interface (UI) design, database design, system architecture, and API design, usually runs in parallel with system and service development. Service design and development typically take one to three months. For projects with less customized needs, this phase may be simplified. Our team then runs internal testing to ensure the stability of our system before deployment. Upon successful testing, we proceed with deploying DIOS on the customers' designated IT infrastructure.
- **Localized configuration and adjustment:** Following the initial deployment, we begin the localized configuration and adjustment phase, during which our team focuses on fine-tuning the applicable modules and performance optimization of the deployed system. We work in close communication with our customer to monitor their real-world operational environment, gathering user feedback and making necessary adjustments to ensure the system is aligned with their specific business requirements. This phase typically spans approximately one month.

- **Acceptance:** Upon completion of deployment and testing, the customer conducts tests to confirm that pre-agreed specifications and performance criteria are met. We typically receive a significant portion of 60% of total contract value upon formal acceptance. For projects that are more standardized and we receive 50-70% of total contract value upon contract signing, we typically receive milestone payment of 20-40% of total contract value at this stage.
- **Quality assurance period:** The quality assurance period generally lasts 12 months following customer acceptance, during which we provide ongoing technical support and maintenance services to ensure the long-term stability of the solution. The final retention payment of 10% is typically received upon the expiration of this period. For projects without quality assurance period, the portion is received upon formal acceptance instead.

Analytic reports

Revenue from our AI-powered analytic report generation services is usually recognized at specific points in time. For revenue from contracts requiring analytic reports to be delivered on a regular, periodic basis, we usually recognize such revenue ratably over the term of such contracts. The key stages, their estimated duration, and the portion of the contract sum we are entitled to claim at each payment milestone, are set forth below.



* Payment milestone

† In cases where analytic demands are more standardized and less complex, this phase may be simplified or omitted as pre-agreed by the customer.

- **Contract signing:** This initial stage involves finalizing the service scope and entering into a legally binding agreement with the client. It typically takes one month for both parties to go through the initial communication, confirm contract terms and complete internal approvals. Upon signing, we generally receive an upfront payment of 50% to 70% of the total contract value.
- **Automated analysis:** Following initiation, our team processes and refines the necessary information and data, which is primarily provided by customers or publicly available, to serve as the foundation for the analysis. Leveraging core AI capabilities of our DIOS, the system then analyzes such information to identify and extract critical data points and analytic results, which are then synthesized into a coherent, structured report.
- **Internal data scientist review:** Following the automated generation of the initial draft, our team of seasoned data scientists with industry expertise conducts a rigorous review, enriching the analysis with deep industry context. This human-in-the-loop process ensures the final report combines the efficiency of AI capabilities with the nuanced judgment of our data scientists. In cases where analytic demands are more standardized and less complex, this phase may be simplified or omitted as pre-agreed by the customer.
- **Delivery and acceptance:** We deliver the final, reviewed report to the customer, after a term pre-agreed by the customer considering the volume and complexity of the analytic report required. The customer then conducts a final review to confirm that the pre-agreed specifications have been met. For contracts of regular multiple deliveries, this stage is repeated periodically over time. We usually receive the remaining 30% to 50% of the contract value upon formal acceptance from the customer.

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SaaS

Revenue from SaaS provides recurring revenue stream for us and is recognized ratably over the service period. We may offer trial subscription for potential customers for up to one month before signing the contract. Upon entering into the SaaS agreement with our customer, which sets out scope of access and subscription term, we typically receive an upfront payment of 50% to 70% of the total contract value. We then set up user accounts or issue API to our customers so that they can access our AI services deployed on cloud, which could be completed within one day. Upon the expiration of the subscription term, we are entitled to receive the remaining 30% to 50% of the contract value. Customers may then enter into a new agreement to renew their subscription.

Maintenance services of localized deployment

Revenue from our maintenance services provided to customers following the expiration of quality assurance period of localized deployment provides recurring revenue stream for us and is recognized ratably over the service period. We typically receive 50% of the total contract value upon signing the maintenance service contract, and the other 50% upon expiration of the maintenance services. Our maintenance service contracts are typically renewed annually.

The table below provides a summary for how each of our DIOS and AI services falls within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialist Technology Products	Specialist Technology Industry Acceptable Sectors:	Main Function Analysis
AI services powered by DIOS	Artificial intelligence (AI-empowered algorithm programming: image recognition, audio-visual learning, natural language processing (NLP), machine learning, and deep learning)	One key component of our AI service offering is Yayi LLM, a proprietary large language model. The training of Yayi LLM encompasses full-parameter fine-tuning, pre-training on customer-provided datasets, model distillation for varying parameter sizes, and end-to-end custom training for industry-specific applications for efficient analytics.
	Artificial intelligence (AI services: the design and provision of AI services used in different industry verticals)	Our AI services were primarily delivered by local deployment of software or combined with hardware. They were tailored to accommodate customers' needs from various industries.
	Cloud-based services (Software as a service (SaaS): the delivery of software applications over cloud infrastructure enabling companies to conduct their operations using the application)	A portion of our AI services are delivered via clouds through subscriptions.

Our industry consultant, CIC, confirms, and our Directors are of the view, that based on the information above, each of our services falls within an acceptable sector of a Specialist Technology Industry, namely Artificial Intelligence and Cloud-based services as defined under Chapter 18C of the Listing Rules.

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COMMERCIALIZATION AND PATH TO PROFITABILITY

We have demonstrated revenue growth during the Track Record Period, proving our ability to commercialize AI services effectively. Our revenue rose from RMB249.7 million in 2023 to RMB317.8 million in 2024, and further to RMB405.3 million in 2025. Gross profit was RMB109.9 million, RMB160.1 million and RMB207.7 million for the respective years, with gross profit margins of 44.0%, 50.4% and 51.2%, respectively.

Since our inception, we have invested substantial resources in R&D activities. Our R&D expenses were RMB179.5 million, RMB131.0 million, and RMB187.5 million in 2023, 2024 and 2025, respectively, accounting for 71.9%, 41.2%, and 46.3% of our total revenue during those periods. During the Track Record Period, our R&D efforts were primarily focused on the development of DIOS and associated technologies. Such strategic investments, while resulting in losses during the Track Record Period, have led to our distinctive competitive advantages, fueling our technological advancements and continuous growth.

We began commercializing AI services in 2017, initially targeting the public sector services, followed by the media and communications clients, and expanding to commercial enterprises in 2020. Our commercialization strategy focused on initially securing large-value projects with Benchmark Clients, primarily in government and public sectors. Since 2020, we have broadened our client base to include medium to large organizations and ventured into additional industry sectors, such as finance, industrials and healthcare. The following table summarises the timeline of the commercialization of our AI services in vertical industries:

	Launch	Year of revenue generation
Public Sector Services	2017	2017
Media and Communications	2017	2017
Commercial Enterprises	2020	2020

We recorded net losses during the Track Record Period, and we anticipate continuing to incur net losses and operating losses in the short term, primarily driven by ongoing investments in R&D and accelerated customer and market expansion. Nevertheless, we believe our leading position in enterprise large model-driven decision intelligence service, portfolio of full stack AI services, market-leading R&D and technologies, and established customer loyalty have laid a solid foundation for our business sustainability and long-term development. To support our next phase of growth, we are upgrading our DIOS through the implementation of our data, ontology, models and agents, or, DOMA, framework. This upgrade strengthens the infrastructure and platform capabilities of DIOS by enhancing integration, standardization and architectural consistency across data, models and agents. We believe this evolution reinforces DIOS as a scalable platform-based infrastructure for enterprise AI and supports our long-term development as a decision intelligence provider. In particular, we expect that our profitability will be elevated by the following factors:

Deepening Core Industry Expertise and Broadening into Additional Sectors and Customer Base

We are committed to further deepening our expertise in our core domains while broadening the reach of our AI applications into an even wider array of industries.

To expand the adoption of our AI services, we will actively engage customers across core domains such as public sector services, media and communications, and commercial enterprises, leveraging our expertise to attract high-value clients. For customers in the public sector services, and media and communications sectors, our focus will be on continuously improving service quality, reducing response times, and boosting overall customer satisfaction. We are also extending and deepening our AI capabilities in these segments to serve address a broader spectrum of specific

use cases. For instance, within the media and communication vertical, we are participating as a key technology partner in a major R&D project backed by a provincial-level government and led by top-tier academic and industry players, to develop next-generation platforms for AI-powered intelligent publishing. By prioritizing these areas, we aim to establish benchmark cases that will not only strengthen our reputation but also increase our market share within these core industries.

The effectiveness of our effort is substantiated by our commercial progress over the Track Record Period. Our efforts to deepen ties with existing customers have been effective, as evidenced by the increase in number of Benchmark Clients, being 35, 47 and 42 in 2023, 2024 and 2025, respectively.

Moreover, our strategy to secure new business opportunities also yielded significant progress during the Track Record Period. Our total number of customers served grew from 262 in 2023 to 404 in 2025 with the number of new customers we engaged being 142, 159 and 220 in 2023, 2024 and 2025, respectively. Our backlog, representing contract value in hand yet to be recognized as revenue, increased substantially from approximately RMB133.5 million as of December 31, 2024 to approximately RMB288.9 million as of December 31, 2025. Our value of new contracts signed increased from approximately RMB284.1 million in 2023, to approximately RMB304.4 million in 2024, and further to RMB529.4 million in 2025, reflecting the success of our strategy in translating technology capabilities into strong commercial momentum.

On the other hand, we are expanding into new sectors where AI transformation is rapidly driving value creation: Instead of building entirely new service paradigms from scratch for each industry, our process begins by ingesting and structuring the foundational data and core domain knowledge of a target sector, followed by applying our AI capabilities to this new knowledge base. This approach enables us to rapidly configure and deploy tailored services that address the unique challenges of the new industry, which is expected to shorten our time-to-market, positioning us to effectively capture emerging business possibilities.

- ***Science and Education:*** The AI for Science domain is rapidly emerging as a national strategic focus in the science and education sphere in China, driven by strong policy support aimed at fostering indigenous innovation. Our initiatives include launching a new AI for Science foundational model and upgraded Yayi LLM, both tailored for scientific research and technical content generation. For researchers, we intend to offer AI-powered research services covering scientific knowledge, experimental procedures, and literature interpretation, significantly boosting productivity and decision-making. We also plan to offer intelligent agent interfaces to ensure integration with research tools and workflows, enabling automation and allowing engineers and scientists to focus on scientific discoveries and innovation. Building upon this foundation, we have been progressing to the commercialization stage. For instance, we have been assisting customers in areas such as regional AI-for-Science infrastructure, as well as intelligent academic research workflows. We successfully initiated commercialization in this sector in 2025, securing new contracts with an aggregate value of approximately RMB15.8 million.
- ***Energy and Sustainability:*** In response to the profound transformation and increasing data complexity within the energy sector, we have strategically expanded our focus to address the industry's critical operational challenges. Our entry into this sector is supported by our internal team with deep industry experience, including specialists in energy sector digitalization and power systems. This team acts as the essential bridge between business scenarios and our technology, leveraging its critical domain know-how to translate the specific operational challenges of our energy sector customers into actionable solution designs for our core AI capabilities and technology platform. Since securing initial projects that focused on leveraging our AI capabilities to support data analysis and decision make in the new energy sector, and testing our capabilities in a real-world setting, we have been deepening our insights in the sector, reflected by a

portfolio of intellectual property specific for the application and scenarios relevant to the energy industry. For instance, based on our AI capabilities and since December 2024, we have been serving a major customer in the energy industry to develop a system that enhances power grid security and efficiency by identifying weaknesses, modeling grid health based on various data sources, and generating emergency response and power dispatch plans when faults are detected. We aim to empower energy companies with advanced AI tools for aggregating diverse datasets, analyzing trends and running complex simulations for operational planning and risk management. During the Track Record Period, we have successfully established a foothold in the market during 2025, securing new projects with customers in the segment totaling approximately RMB17.8 million in contract value, serve as strong evidence of our capabilities' adaptability to meet the novel needs of transforming industries.

- **Healthcare:** Modernizing traditional Chinese medicine with AI-powered knowledge management, diagnostic assistant and prescription formulation is enabling personalized and evidence-based treatment plans. This sector is still in an early stage of development for us and its efforts have been focused on these initial exploratory activities. For instance, we have entered into a partnership with the CACMS to co-establish a municipal-level key laboratory for intelligent traditional Chinese medicine. This collaboration leverages our AI expertise and our partners' deep clinical knowledge to develop next-generation TCM diagnostic tools, providing us with invaluable domain knowledge accumulation and a foundational R&D platform, establishing a strong basis for our future development and potential commercialization of intelligent healthcare services. Our collaborative research in this area also explores concepts for potential future applications, such as health management supported by our AI capabilities. We secured new contracts with an aggregate value of approximately RMB12.2 million in 2025. Furthermore, in the three months ended March 31, 2026, we secured new contracts with an aggregate value of approximately RMB2.1 million in this sector.

To date, we have provided customized AI services to government and corporate organizations, boosting their operational efficiency. Looking ahead, we aim to broaden our customer base by targeting commercial enterprises in additional verticals needing scalable, robust AI services. Leveraging DIOS and in particular Yayi LLM, we can quickly adapt to new industries and secure additional contracts.

As we continue to upgrade our DIOS platform, we expect broader adoption and increased revenue. We will further deepen collaboration with strategic customers and develop new AI services to meet evolving market needs.

Enriching and Expanding Our Offerings

We are committed to enhancing our product portfolio through continuous upgrades of DIOS and the development of new products and services.

One of our key initiatives is the development of DIOS on Cloud, a cloud-based infrastructure designed to deliver our AI services online. This platform will cater to customers who do not require localized deployment or extensive local applications. By offering DIOS as a subscription-based service, we aim to reach a broader audience, including small and medium-sized enterprises, start-ups, and professional users. This approach will make advanced AI capabilities more accessible, scalable, and cost-effective, allowing organizations of all sizes to leverage advanced technology without upfront investment.

Additionally, we are investing in the development of enterprise AI infrastructure for larger organizations and institutions. Our comprehensive solutions will support clients in establishing end-to-end AI capabilities, from data management to advanced analytics and decision automation. We are committed to ensuring our infrastructure meets the high standards of security and regulatory compliance, making it suitable for critical sectors such as finance, healthcare, and government. By offering tailored AI services, we will help enterprises seamlessly incorporate decision-making AI into their existing IT ecosystems, maximizing the value of their digital transformation efforts.

We are well-positioned to significantly expand our customer base and diversify our revenue streams. By introducing DIOS on Cloud as a flexible, subscription-based platform, we can attract a wider range of clients. At the same time, our continued investment in robust enterprise AI infrastructure enables us to serve large organizations and critical sectors with tailored, high-value offerings. This dual approach not only broadens our market reach, but also creates sustainable, recurring revenue opportunities, driving long-term growth and reinforcing our leadership in the enterprise AI industry.

Additionally, expanding our reach further, we intend to integrate our AI services with IoT edge devices for industries. For example, we are working with a smart device maker to embed advanced analytics capabilities that can monitor health and provide personalized guidance. To facilitate these integrations, we are developing universal interfaces and standardized workflows that ensure compatibility with a wide range of hardware systems. This standardization will streamline deployment, reduce integration timelines, and enable rapid rollout of large-scale service operations.

Enhancing our Operational Efficiency and Economies of Scale

We have established robust operational structures and maintained an optimal team size across management, operations, and R&D functions. As of the Latest Practicable Date, our experienced R&D team has played a pivotal role in driving innovation and advancing our DIOS and AI service offerings.

Historically, we have made substantial investments in R&D, focusing on the development of core technologies such as the X-Data platform for data integration, the Yayi LLM, and the DI-Brain AI agent platform. These investments have strengthened our technical capabilities and provided a solid foundation for continued innovation. Looking ahead, we plan to leverage our intellectual property, technical expertise, and deep industry knowledge to improve development efficiency, reduce costs, and optimize resource allocation. Our stable R&D team size reflects enhanced workload management and productivity. Moving forward, we will concentrate resources on major R&D projects with clear commercialization prospects, ensuring a more focused and impactful innovation pipeline.

As adoption of our AI services expands and greater economies of scale are achieved, our research and development expense ratio declined as foundational research efforts have been effectively materialized, transitioning from basic model development to vertical industry model applications, and we expect R&D expenses as a percentage of revenue to further decline. We are committed to continuously optimizing our cost structure and operational efficiency. For example, we anticipate achieving better cost control through centralized procurement of computing power and IT hardware. At the same time, we expect to enhance sales and marketing efficiency, supported by our growing brand recognition. Additionally, as our sales network matures nationwide and our established customer base grows, the efficiency of our sales and marketing personnel is expected to increase. In 2023, 2024 and 2025, our average acquisition cost per customer were RMB357.4 thousand, RMB289.2 thousand, and RMB216.2 thousand, respectively reflecting enhanced efficiency in customer acquisition. We have also implemented expense control measures to prudently manage our administrative expenses. As our services gradually mature, we will develop

more reusable software components, which will further improve our deployment efficiency. Our accumulated experience in local project deployments has already led to a significant reduction in delivery timelines with average lead time decreased from 185.0 days in 2023 to 105.9 days in 2024, and further to 80.2 days in 2025.

Additionally, we plan to further utilize AI to enhance management and operating efficiency across our organization. With a strong cash and liquidity position, we are well-positioned to fund internal strategic growth and operational optimization initiatives. We remain dedicated to achieving sustainable profitability in the near future, underpinned by our commitment to operational excellence and innovation.

Enhanced Sales and Marketing Efforts

We are committed to strengthening our sales and marketing efforts across China. In 2024, we have increased investments in sales and marketing activities, with a particular focus on establishing a localized sales structure to better serve customers in diverse regions.

As of the Latest Practicable Date, our dedicated local sales team currently comprises 41 members, strategically covering sales channels in over 20 provinces. This localized presence enables us to respond rapidly to customer needs, build strong relationships with key clients, and tailor our offerings to each regional market. By positioning our team members in major provincial capital centers, we are able to maintain close proximity to our target customers and provide timely support throughout the sales process. Going forward, we plan to establish localized sales force in almost all provinces in China.

In addition to our direct sales force, we plan to develop a network of integrated channel partners. These partners play a critical role in extending our reach and coverage, allowing us to penetrate more regions and customer bases. Through close collaboration with these channel partners, we are able to leverage their market knowledge, established customer bases, and distribution capabilities to maximize our sales effectiveness.

International Expansion

We are actively pursuing opportunities to expand into overseas markets, beginning with Hong Kong, the Middle East, and Southeast Asia. To ensure success in these regions, we will conduct comprehensive market research to localize our products and services, to align with regional preferences and demands.

In addition, we will collaborate with local businesses internationally to enhance our market reach and improve service delivery. These strategic partnerships will allow us to navigate regional markets effectively. For instance, we aim to cooperate with Cherrypicks International, a Hong Kong-based digital transformation solutions provider, where Cherrypicks International is expected to facilitate marketing our services to its existing client base and will leverage our technical support to create localized offerings tailored for regional demands in Hong Kong, Macau, and other key markets out of mainland China.

Our international expansion efforts are designed to drive revenue growth while minimizing the impact on our cost structure, enabling us to achieve sustainable and scalable growth in global markets.

Selective Acquisitions and Strategic Alliances

To accelerate growth and enhance our competitive edge, we plan to pursue selective acquisitions and establish strategic alliances with technology leaders, R&D firms, and sales partners. Through targeted acquisitions, we aim to integrate complementary technologies, diversify our product portfolio, and strengthen sales and marketing capabilities in next-generation enterprise AI services. These acquisitions will focus on companies specializing in niche areas such as domain-specific AI applications, smart city, and fintech solutions. For instance, in the first half of 2025, we completed and settled the acquisition of Xinhua Mobile, which we considered to offer synergies with our current business operation.

In parallel, we will forge strategic partnerships to co-develop innovative solutions, share resources, and create synergies that drive mutual success. These alliances will enable us to build robust ecosystems, penetrate new markets, and reinforce our position as a trusted provider of enterprise AI services. By leveraging these collaborations, we aim to expand our market presence and deliver greater value to our customers.

INTELLECTUAL PROPERTY

As of December 31, 2025, we owned 154 registered patents in China and 108 patent applications in China. As of the same date, we had 439 software copyrights, 151 registered trademarks and 10 registered domains in China. As of December 31, 2025, of all the 262 registered patents and patent applications in China, 212 were solely owned by us and 50 were co-owned, and we had 127 registered patents solely owned by us and 27 co-owned. As of the Latest Practicable Date, we had four registered patents co-owned with CASIA and two registered patents co-owned with CACMS. We did not co-own registered patents with CAS-affiliated institutions other than CASIA as of the same date. Other external co-owners of our registered patents mainly include our collaborative R&D partners, and the patents were generated as joint inventions during specific projects or collaborative research initiatives. These co-owned patents do not involve our core technologies, and our business and ability to provide AI services are not dependent on these co-owned patents. Each of the co-owners has valid title to such registered patents under PRC law, and there are no contractual tenure and material payment obligations associated with such co-owned registered patents and patent applications as of the Latest Practicable Date. We have entered into several collaborations with external partners, notably top research institutes such as CASIA, and leading media groups to jointly develop project-specific software and algorithms. These joint efforts typically integrate our AI and engineering strengths with our partners' domain expertise or data, resulting in 50 co-owned registered patents and patent applications in China, such as custom software systems and co-invented technologies as of December 31, 2025. We and our partners share equal rights to use, protect, and commercialize these jointly developed IP assets, but any such use or commercialization, including to utilize such patents to generate revenue, beyond the original project requires mutual agreement in accordance with our collaboration agreements. In each of these projects, both parties' background IP remain with their original owner, and the agreements clearly define ownership of any new or derivative IP created together. For example, we co-developed an epidemic risk prediction platform CASIA that is jointly owned; however, we have not incorporated any technology from that co-owned project into our commercial service offerings. Similarly, many co-owned software copyrights have arisen from building localized "media convergence" mobile applications in partnership with local media centers, where our platform technology was combined with the partner's content and operational know-how. In all such cases, neither party can unilaterally transfer or disclose the jointly owned results to third parties or use them outside the collaboration's scope without the other's consent, ensuring that our core business remains unencumbered by these co-ownership arrangements while allowing both sides to benefit fairly from the joint innovations.

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The table below lists the portfolio of material patents and patent applications for our core technologies of which we are the registered owner as of the Latest Practicable Date:

The Technology Component in which the intellectual properties operate	Key Function of the Intellectual Properties	Patent	Patent Applications
X-Data	Deep Fusion and Knowledge Construction of Multi-modal Data	202010226687.6	202410364624.5
		201811608345.X	202311868316.8
		202310347961.9	202311110409.4
		202410907835.9	202310217049.1
		202111199899.0	202410649214.5
		202111199634.0	
		202211287916.0	
		201811068797.3	
		202310964411.1	
		202210377444.1	
		202411434591.3	
		202311296035.X	
		202211268116.4	
		201811260185.4	
Yayi LLM	Secure and Controllable Generation for Multimodal Content	202011259475.4	202410038893.2
		202411402787.4	
		202311412797.1	
		202210343005.9	
Yayi LLM	Cross-Modal Deep Semantic Alignment	202311415357.1	202311371318.6
		202111493451.X	
		202210470144.8	
Yayi LLM	Cross-Domain Knowledge Extraction and Contextual Intelligence	202310347857.X	
		202311374453.6	
		202311671334.7	
		201911019149.3	
		201911368962.1	
		202011596697.5	
		202011561236.4	
		202110881327.4	
		202111389485.4	
		202111564484.9	
		202111616638.4	
		202210340732.X	
		201810435632.9	
		201810418503.9	
		201811577909.8	
		202010340711.9	
		202011593291.1	
		201811552104.8	
		202311409539.8	
		202010648949.8	
		202111317971.5	

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The Technology Component in which the intellectual properties operate	Key Function of the Intellectual Properties	Patent	Patent Applications
Yayi LLM	Multimodal Content Understanding and Intelligent Synthesis	202411092157.1	202510117975.0
		201810488427.9	202411916870.3
		202110569146.8	202411916262.2
		202211583636.4	202411916261.8
		202110003232.2	202311607433.9
		202210363659.8	
		202211572783.1	
		202310864682.X	
		202310964424.9	
		202311224982.8	
		202310696721.X	
		202310724745.1	
		202310964008.9	
		202310967284.0	
		202411952374.3	
DI-Brain	Predictive Reasoning for High-Stakes Decision Analysis	201910260924.8	202411988650.1
		201910471730.2	202010214388.0
		201810218371.5	202210261961.2
		202310346366.3	
		202310346367.8	
		202310347374.X	
		201811069882.1	
		202010266045.9	
		202211583589.3	

The tenure of our intellectual properties is summarized below:

As of December 31, 2025, the filing dates of our registered patents in China are mainly within 2018 to 2024; and the expiration dates are mainly within 2028 to 2044. As of the same date, the expiration dates of our software copyrights are not earlier than 2064.

Save for the owners, other person does not have any rights on these material patents as of the same date. Regarding the payment obligations in relation to our intellectual properties, for issued invention patents, we are mainly required to pay the annual patent fee to authorities. We have kept track of the payment requirements for annual fees and made payment accordingly. Up to the December 31, 2025, all of our registered patents in PRC are valid according to our PRC Legal Advisor.

As the intellectual properties for our Specialist Technology Products are all self-developed or transferred from third parties and have not been licensed by third parties. There are no outstanding corresponding license or transfer fees that we are obligated to pay. Some of our patent or software copyright applications filed before 2022 are still pending for approval.

The term of an individual patent may vary based on the countries/regions in which it is granted. In China and most other countries and regions in which we file patent applications, the term of an issued patent for invention is generally 20 years from the filing date of the earliest non-provisional patent application on which the patent is based in the applicable country. We cannot provide any assurance that patents will issue with respect to any of our owned pending patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our registered patents or any such patents that may be issued in the future will be commercially useful in protecting our product candidates and methods of designing the same.

We may rely, in some circumstances, on trade secrets and/or confidential information to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, advisors and contractors. We have entered into agreements with confidentiality and non-competition clauses with our senior management and certain key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard employment contract, which we use to employ our employees, contains an assignment clause, under which we own all the rights to all inventions, technology, know-hows and trade secrets derived during the course of such employee's work.

These agreements may not provide sufficient protection of our trade secret and/or confidential information. These agreements may also be breached, resulting in the misappropriation of our trade secret and/or confidential information, and we may not have an adequate remedy for any such breach. In addition, our trade secret and/or confidential information may become known or be independently developed by a third party or misused by any collaborator to whom we disclose such information. Despite any measures taken to protect our intellectual property, unauthorized parties may attempt to or successfully copy aspects of our products or to obtain or use information that we regard as proprietary without our consent. As a result, we may be unable to sufficiently protect our trade secrets and proprietary information. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. See “Risk Factors — Risks Relating to Our Business and Industry — Our technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyberattacks. Our reputation, business and results of operations may be harmed by service disruptions or by our failure to timely and effectively scale and adapt our existing technology and infrastructure.”

We also own a number of registered trademarks and pending trademark applications. As of the Latest Practicable Date, we had registered trademarks for our Company and our corporate logo in China and other jurisdictions and are seeking trademark protection for our Company and our corporate logo in other jurisdictions where available and appropriate.

We have formulated our intellectual property management protocols and entered into proprietary information and inventions agreement with employees to clearly define the scope of intellectual property rights, clarify the ownership of intellectual property rights and determine the confidentiality obligations of employees. We set up detailed intellectual property procedure guidelines, including scope and application procedures of intellectual property, to largely protect our intellectual property rights. The intellectual property committees review the inventions of employees to determine which inventions should be filed as patents or software copyright, or which should be kept as trade secrets. In addition, we provide incentives for employees to disclose their inventions to encourage internal R&D. The confidential clauses are required for employees to sign to avoid core invention or technologies disclosure.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material legal, arbitral or administrative proceedings or claims of infringement of any intellectual property rights, in which we may be a claimant or a respondent. Our Directors confirm that they are not aware of any material legal, arbitral or administrative proceedings of infringement of any third parties' intellectual property rights by us as of the Latest Practicable Date. For details, see “Statutory and General Information — 2. Further Information about Our Business — B. Our Intellectual Property Rights” in Appendix VI to this prospectus. For risks related to intellectual property rights, see “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to intellectual property infringement claims, which could be time-consuming or costly to defend and may result in diversion of our financial and management resources, and indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.”

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk Management Framework

Risk management is critical in our business operations. We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we deem appropriate for our business operations. We are dedicated to continuously improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations. Our internal audit committee is responsible for supervising and reviewing our internal control system.

Our audit committee will review our annual internal control audit plan and a self-assessment report on internal controls for submission. The audit committee implements appropriate review procedures to evaluate the effectiveness of our internal controls from time to time. If we discover internal control deficiencies during the review process, the audit committee members will urge the relevant departments to develop corrective measures and timelines, conduct follow-up reviews of internal controls, and oversee the implementation of the corrective actions.

In preparation for the Global Offering, we have engaged an independent third-party consultant (the “Internal Control Consultant”) to perform a review of selected areas of our internal controls. The Internal Control Consultant performed procedures and put forward suggestions for improvement. We have further strengthened our internal control process based upon the Internal Control Consultant’s suggestions.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

Compliance Risk Management

Compliance risk management is the core of our risk management activities, the foundation for effective internal controls and an important aspect of our corporate culture. Our Board of Directors is responsible for establishing our internal control system and reviewing its effectiveness.

We have implemented a series of internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. Our material decision-making is undertaken by the chief executive officer, the Board of Directors, and Shareholders’ Meeting, as the case may be. We have established internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and monitor the status and effectiveness of those licenses and approvals. Additionally, we have adopted various measures in connection with our data protection. See “— Data Privacy and Security” for more details.

Human Resources Risk Management

We provide different training courses tailored to the needs of our employees in different departments. Through these training courses, we ensure that our staff’s skills remain up-to-date and enable them to discover and meet customers’ needs. We have in place an employee handbook, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence and corruption. We also provide employees with resources for explanation on guidelines contained in the employee handbook. We make our internal reporting channel open and available to our staff for any reporting of wrongdoing or misconduct. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings.

Internal Control Measures on Export Control Measures

To mitigate export control risks, we have implemented a supply chain localization strategy to maintain compliance as to procurement. Our Directors are of the view, we can source chip models at comparable price and quality, and such supply chain diversification does not have material adverse impact to our financial performance, business operation or product offering, based on (i) during the Track Record Period, over 90% of our AI inference and training tasks during our business were conducted based on third-party cloud computing resources; we are not dependent on hardware or hardware suppliers in carrying out our research and development and other operations; (ii) for the portion of our tasks currently not handled by cloud resources, we have located and already completed the adaptation for our major AI services to run on viable domestic chip models sourced under our supply chain localization strategy; (iii) the domestic chip models sourced under our supply chain localization strategy are adequate in providing commercially viable solutions for our needs. As a result, the price-to-performance ratio for our specific use cases in our operations is generally comparable under our current procurement portfolio. We will continue to utilize flexible cloud computing resources and implement a diversified procurement strategy to reduce reliance on any single hardware supplier. However, we cannot guarantee that future changes in U.S. export control laws or other regulatory actions will not impose restrictions on other GPUs and hardware which intend to source, which could limit our access to critical computing resources. Any such restrictions may adversely impact our R&D capabilities, operational efficiency, and competitiveness.

To further strengthen our risk management framework and prevent any recurrence of business activities relating to export controls and sanctions, we have implemented comprehensive and specific internal control measures, including:

- *Standardized Sanctions Screening Mechanism:* We have established and maintained a standardized sanctions and export control screening mechanism, including an internal foreign sanctions checklist for background screening and due diligence on our customers, suppliers, and business partners.
- *Export Control Classification Assessment:* We proactively conduct export control classification assessments on our self-developed solutions and technologies. This ensures that the AI services and products we provide are not subject to the jurisdiction of the U.S. Export Administration Regulations.
- *Rapid Response Mechanism:* We closely track developments in international export controls to swiftly identify, intercept, and halt the procurement, usage, or transfer of any hardware or technologies that become subject to new export control restrictions.

We have undertaken to the Stock Exchange that we will not finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Comprehensively Sanctioned Countries or any other government, individual or entity sanctioned by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories or Australia, including, without limitation, any government, individual or entity that is specifically identified on the SDN List maintained by OFAC or other restricted parties lists maintained by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories and Australia that would cause us to violate International Sanctions. Further, we have undertaken not to pay any damages for terminating or transferring any contract that violates International Sanctions. In addition, we have undertaken not to enter into any future business that would cause us, the Stock Exchange, HKSCC, HKSCC Nominees or our Shareholders and investors to violate or become a target of international sanctions laws by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories or Australia. We will also disclose on the respective websites of the Stock Exchange and our Group if we believe that the transactions our Group entered into in Countries subject to International Sanctions or with Sanctioned Targets would put our Group or our Shareholders and investors to risks of being sanctioned, and in our annual reports or interim reports (i) details of any new activities in Countries subject to International Sanctions or with Sanctioned Targets; (ii) our efforts on monitoring our business exposure to sanctions risks; and (iii) the status of, and the anticipated plans for any new activities in Countries subject to International Sanctions and with Targets. If we were in breach of such undertakings to the Stock Exchange, we would be subject to the risk of possible delisting of our Shares on the Stock Exchange.

DATA PRIVACY AND SECURITY

Data security and protection are among our highest priorities. In this regard, we have designed strict data protection and information security policies to ensure strict compliance with applicable laws, regulations and prevalent industry practice. We have established and implemented a comprehensive set of cybersecurity management policies and operational procedures, including our information security management policy, security operations management standards, and emergency response plans. To ensure clear accountability and effective oversight of cybersecurity matters, we have established an internal cybersecurity organizational structure, the cloud computing technology department, which is responsible for IT, network, and security operations and maintenance. This department comprises operations engineers, network engineers, and security engineers, with clearly defined responsibilities for maintaining cybersecurity. We have also appointed a designated person responsible for cybersecurity and have clearly delineated such person's duties. We are committed to complying with the legal requirements, and we adhere to this in the following manner:

Data Collection

During the process of providing AI services to users through Yayi LLM on website and mobile application, we accept users' entrustment to collect personal information and other data related to our services. For the purposes of account registration, login, and profile completion on the Yayi LLM website and mobile application, we may collect users' basic personal information and network identity information, such as mobile phone number and profile picture. To provide users with dialogue functions and to improve our products and services, we may collect personal communication information, such as users' historical dialogue information, feedback, and complaint suggestions. For the purposes of secure operation and risk control verification, we may also collect other information, such as users' product version numbers and clipboard data, etc. We set forth the purpose, duration, method, type of personal information, protective measures, and the rights and obligations of each party in our privacy protection agreement with end-users. We adhere to the agreed purposes and methods of processing personal information as stipulated in the agreement.

For the purposes of training our LLM, product development, and service provision, we may collect data from third-party data service suppliers. To ensure data compliance, our suppliers are required to undertake to us that they possess the legal authorization to provide such data, and that all data supplied to us complies with applicable laws and regulations, guaranteeing its lawful and legitimate sources. Our data suppliers must also undertake to us that the data supplied contains no undisclosed personal information or corporate trade secrets and does not infringe upon any third-party intellectual property rights.

Our model training and knowledge graph are constructed from a variety of data sources, including widely recognized open-source datasets such as Common Crawl, RedPajama-Data, and Wikipedia. In addition, we leverage licensed industry data obtained through agreements with third-party suppliers, such as media database from established media groups. The costs paid to data suppliers were RMB5.5 million, RMB5.5 million and RMB6.0 million in 2023, 2024 and 2025, respectively.

In addition, we utilize web search engine technologies to collect publicly available online data. We have implemented a comprehensive compliance policy to ensure the secure and lawful collection and use of data, which includes, but is not limited to strictly following robots' protocols, controlling daily request rates per website below industry thresholds, conducting pre-web-search policy analysis, and monitoring protocol updates. We have established a dedicated web search engine technology compliance team responsible for conducting regular system security tests and legal compliance checks.

During local deployment of our AI services, data processing activities occur exclusively to assist enterprise clients in AI development and training initiatives, with customer data remains private and securely stored within the customers' own IT infrastructure, which has strict isolation protocols and access controls limiting data interaction exclusively to project-specific needs. Furthermore, we do not routinely have access to customers' operational data, even during service maintenance, except where locally deployed AI training requires limited engagement with operational datasets under customer-authorized protocols, thereby ensuring the confidentiality and security of their information. We exclusively utilize processed training outputs rather than collecting raw datasets. The responsibility for data security during the use of our AI services rests solely with the customer. While we provide technical support and guidance to assist customers in implementing appropriate security measures, we do not access, store, or manage their raw data without authorization. This operational model aligns with industry standards for data protection and reflects our commitment to safeguarding customer privacy.

Data Storage and Deletion

The personal information and data processed in our daily business operations are all stored within the PRC. The data collected and generated within the territory of the PRC will not be stored or transmitted to overseas locations, organizations, or individuals.

We retain end-user's personal information only for the shortest period necessary to achieve the intended service purposes, and we will delete or anonymize the personal information when the retention exceeds the shortest necessary period. Additionally, users can contact us to request deletion of the personal information they have provided.

Data Sharing and Transmission

We share necessary user personal information with third-party partners only for lawful, necessary, specific and explicit purposes, including but not limited to: (i) enabling content sharing to third-party applications; and (ii) supporting mobile number verification/login, query processing and risk control where telecom partners collect IP address, carrier type, phone number, device model and OS information. These practices are disclosed in our agreements with users, specifying processing purposes, data fields, methods, third-party names and their privacy policy links.

Data Security Compliance

Our Directors are of the view that our AI services comply with data privacy and cybersecurity laws in the PRC effectively in all material respects. However, we cannot guarantee whether we will be subject to cybersecurity review in the future, or if new rules or regulations promulgated in the future will impose additional compliance requirements on us. See "Risk Factors — Risks Relating to Our Business and Industry — Actual or alleged failure to comply with data privacy, cybersecurity, cross-border data transfer, and AI-related laws and regulations could damage our reputation, deter current and potential customers from using our AI services, and subject us to significant legal, financial and operational consequences." Further, the Cybersecurity Review Measures grants authorities the discretion to initiate cybersecurity review against any entity if they believe such entity's data processing activities may or does affect national security. For a detailed explanation of the relevant regulations, see "Regulatory Overview". Under the Cybersecurity Review Measures, a cybersecurity review could be triggered if, (i) the use of network products and services purchased by a critical information infrastructure operator, or CII, that affect or may affect national security (ii) a network platform operator that possesses the personal information of more than one million people intends to be listed abroad; or (iii) for any member of the cybersecurity review working mechanism believes that any network product or service or data processing activity affects or is likely to affect national security. After our real-name telephone interview with China Cybersecurity Review, Certification and Market Regulation Big Data Center ("CCRC") conducted on May 8th, 2025, the CCRC has confirmed that (i) since Hong Kong is a special administrative region of the PRC, a listing in Hong Kong is not considered a listing "abroad"

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and, therefore we are not subject to the application for cybersecurity review under Article 7 of the Cybersecurity Review Measures; (ii) if no notification is received from the competent authorities requesting a cybersecurity review for the data process activity that “affects or is likely to affect national security” conducted by network platform operator under Article 16 of the Cybersecurity Review Measures, there is no need to declare or conduct a cybersecurity review at this time.

As of the Latest Practicable Date, (i) we had not been notified of being classified as a CIIO, nor had we received any notice from the CAC or other relevant authorities that we are required to conduct a cybersecurity review, nor had we received any inquiry notice, warning, or sanctions in such respects; (ii) we had formulated effective cybersecurity and data protection policies, procedures, and measures to ensure secured storage and transmission of data and prevent unauthorized access or use of data, and there had been no material data leakage during our business operations during the Track Record Period and up to the Latest Practicable Date; and (iii) we had not received any inquiry, notice, warning from any PRC government authorities, and have not been subject to any investigation, sanctions or penalties made by any PRC government authorities regarding data privacy and security risks, and national security risks caused by our business operations or the proposed Listing.

OUR CUSTOMERS

Our Major Customers

Our major customers comprise (i) media and multimedia companies, (ii) government agencies, and (iii) commercial enterprises. Revenue generated from our largest customer in each year or period during the Track Record Period accounted for 24.3%, 19.9%, and 19.1%, respectively, of our revenue for the respective year or period. Revenue generated from our five largest customers in each year or period during the Track Record Period accounted for 48.0%, 32.5%, and 37.6%, respectively, of our revenue for the respective year or period. The table below sets out certain details of our five largest customers for the periods indicated:

2025

Rank	Customer	Background	Major products/ services purchased	Major segments of services provided	Approximate transaction amount (RMB'000)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
1	Customer A*	A state media group	AI software, hardware, platforms, technical services	Media and communication	77,583	19.1	2017	5 days to 30 working days since the payment milestone is achieved
2	Customer J†	A software development service provider	AI software, platforms, technical services	Commercial enterprises	23,917	5.9	2021	15 working days since the payment milestone is achieved
3	Customer N	A leading integrated telecommunications operator	AI software, platforms, technical services	Public sector services	21,430	5.3	2022	15 to 30 business days upon achievement of payment milestones
4	Customer O	A cross-border technology trade and service platform	AI software	Public sector services	18,679	4.6	2025	15 days upon achievement of payment milestones
5	Customer P	A high-performance computing and IT infrastructure provider	AI software, platforms, technical services	Public sector services	10,894	2.7	2021	5 to 180 days upon achievement of payment milestones

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2024

Rank	Customer	Background	Major products/ services purchased	Major segments of services provided	Approximate transaction amount (RMB'000)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
1. . .	Customer A*	A state media group	AI software, hardware, platforms, technical services	Media and communication	63,257	19.9	2017	5 days to 30 working days since the payment milestone is achieved
2. . .	Customer C*	A provincial government information center	AI technical services	Public sector services, and media and communication	11,289	3.6	2019	Immediate payment since the payment milestone is achieved
3. . .	Customer D*	A state information center	AI platforms and technical services	Public sector services	10,658	3.4	2018	10 working days to 30 days since the payment milestone is achieved
4. . .	Customer E	A government institute	AI technical Services	Public sector services	9,990	3.1	2022	15 working days since the payment milestone is achieved
5. . .	Customer M	A technical services provider	AI platforms and technical services	Public sector services	7,906	2.5	2024	7 to 20 days since the payment milestone is achieved

2023

Rank	Customer	Background	Major products/ services purchased	Major segments of services provided	Approximate transaction amount (RMB'000)	Percentage of total revenue (%)	Year of commencement of business relationship with us	Typical credit term
1. . .	Customer A*	A state media group	AI software, hardware, platforms, technical services	Media and communication	60,776	24.3	2017	5 to 150 working days since the payment milestone is achieved
2. . .	Customer E	A government institute	AI technical Services	Public sector services	26,480	10.6	2022	15 working days since the payment milestone is achieved
3. . .	Customer D*	A state information center	AI platforms and technical services	Public sector services	13,411	5.4	2019	5 to 30 working days since the payment milestone is achieved
4. . .	Customer F	A technology service provider	AI platforms and technical services	Public sector services	13,288	5.3	2021	7 working days to 10 days since the payment milestone is achieved
5. . .	Customer G	A technology service provider	AI technical Services	Public sector services	5,925	2.4	2023	10 to 30 working days since the payment milestone is achieved

* Indicates that the transaction amount of this customer has included the amounts from its subsidiaries and branches.

† Also one of our top five suppliers during the same year.

General Terms of Contracts with Customers

We enter into written agreements with our customers. The value of our contracts with customers can vary substantially from customer to customer, depending on their business needs. The salient terms and conditions of our agreements with customers are set out below:

- **Deliverables:** For sales by way of SaaS, we typically provide non-exclusive licenses of use rights of our solutions and maintenance services related to the solutions. For application development and other services, we typically develop customized applications based on the customer's specification. Certain customers require us to deliver by way of reports of the information they require.
- **Pricing:** The price of our software license is primarily based on the estimated computing power consumption and the AI applications our users plan to deploy. We charge SaaS customers by taking into account the required computing power, license fees of our software and service fees for deployment, operation and maintenance. For customer requires local deployment, we typically charge customers on a project basis, the pricing of which is primarily based on the manpower consumption of the relevant services.
- **Credit terms:** The credit terms vary from 3 days to 6 months.
- **Customer Support:** We typically provide free technical support for one year after the sale of our AI services and free training to help our customers learn to use and maintain our solutions.
- **Ownership:** For customized AI service project, all intellectual property rights relating to the project AI services that we deliver under the agreement, including but not limited to copyrights, patents ownership of the proprietary technologies and trademarks, belong to customers. However, those intellectual property owned by us before the development belong to us.

To the best of our knowledge, our five largest customers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

OUR SUPPLIERS

Our Major Suppliers

Our business and AI services are supported by a variety of third-party suppliers. In addition to free, open-source software and programming languages, we primarily purchase cloud computing services, hardware infrastructure and commercial software:

- **Cloud Computing Services:** We leverage major cloud service providers such as Alibaba Cloud and Volcanic Cloud to support our AI service offerings.
- **Hardware:** The development and operation of our AI services require robust hardware infrastructure, including GPUs, computer servers, network switches, and storage systems.
- **Commercial Software:** While our AI services rely predominantly on open-source software that does not incur licensing fees, we also procure commercial software to support our business and administrative operations, including customer relationship management (CRM), enterprise resource planning (ERP), and cybersecurity systems, as well as productivity tools.

Our major suppliers comprise (i) providers of computing resources, (ii) providers of IT equipment, and (iii) providers of software services. Purchase costs from our largest supplier in each year or period during the Track Record Period accounted for 7.1%, 8.0%, and 8.0%, respectively, of our total purchases for the respective year or period. Purchase costs from our five largest

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suppliers in each year or period during the Track Record Period accounted for 25.4%, 26.8%, and 24.0%, respectively, of our total purchases for the respective year or period. The table below sets out certain details of our suppliers for the periods indicated:

2025

Rank	Supplier	Background	Major products/services purchased	Approximate transaction amount (RMB'000)	Percentage of total purchases (%)	Year of commencement of business relationship with us	Typical credit term
1 . .	Supplier E	A cloud computing service provider	Computing resources	21,413	8.0	2023	6 to 60 days since the payment milestone is achieved. Milestones include contract signing, service usage
2 . .	Supplier L	A computing resources service provider	Equipment procurement	13,274	5.0	2025	Full payment within 7 business days upon signing of the order
3 . .	Supplier M	A technical services provider	Technology services	11,779	4.4	2024	Within 3 to 5 business days upon achievement of payment milestones, including contract signing and issuance of monthly bills.
4 . .	Supplier N	An IT infrastructure and system integration solutions provider	Equipment procurement	9,185	3.4	2025	Full payment within 7 days upon acceptance of goods and issuance of the acceptance documents
5 . .	Customer J [†]	A software development service provider	Research and development services	8,540	3.2	2024	Within 7 business days upon achievement of payment milestones, including contract signing, completion of development, and final acceptance.

2024

Rank	Supplier	Background	Major products/services purchased	Approximate transaction amount (RMB'000)	Percentage of total purchases (%)	Year of commencement of business relationship with us	Typical credit term
1 . .	Supplier A	A software developer	Software services	10,297	8.0	2019	10 days since the payment milestone is achieved. Milestones include contract signing, final delivery and acceptance
2 . .	Supplier B	A cloud computing service provider	Computing resources	9,149	7.1	2020	Prepayment before usage
3 . .	Supplier C	A cloud computing and technology service provider	Equipment procurement	5,420	4.2	2024	Immediate payment since the contract signing. 10 working days since project acceptance

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Rank	Supplier	Background	Major products/ services purchased	Approximate transaction amount (RMB'000)	Percentage of total purchases (%)	Year of commencement of business relationship with us	Typical credit term
4. . .	Supplier D	A multimedia equipment manufacturer	Equipment procurement	5,248	4.1	2021	5 to 7 working days since the payment milestone is achieved. Milestones include contract signing, service and products acceptance.
5. . .	Supplier E	A cloud computing service provider	Computing resources	4,332	3.4	2023	6 to 60 days since the payment milestone is achieved. Milestones include contract signing, service usage

2023

Rank	Supplier	Background	Major products/services purchased	Approximate transaction amount (RMB'000)	Percentage of total purchases (%)	Year of commencement of business relationship with us	Typical credit term
1. . .	Supplier A	A software developer	Software services	11,251	7.1	2019	10 days since the payment milestone is achieved. Milestones include contract signing, final delivery and acceptance
2. . .	Supplier E	A cloud computing service provider	Computing resources	9,005	5.7	2023	6 to 60 days since the payment milestone is achieved. Milestones include contract signing, service usage
3. . .	Supplier B	A cloud computing service provider	Computing resources	8,165	5.1	2020	Prepayment before usage
4. . .	Supplier F	A technology service provider	Technology services	6,505	4.1	2020	5 days since confirmation since the quarterly billing confirmation
5. . .	Supplier G	A value-added telecommunication service provider	Equipment procurement	5,381	3.4	2023	The same day when the payment milestone is achieved

† Also one of our top five customers during the same year.

- (1). Supplier A is a big data company focused on SaaS-based services. It was established in 2018 and located in Hunan, China.
- (2). Supplier B is a leading cloud computing technology company. It was established in 2019 and located in Guizhou, China.
- (3). Supplier C is a provider of cloud computing services and big data services. It was established in 2019 and located in Shandong, China.
- (4). Supplier D is a provider of audiovisual products and digital solutions, listed on NEEQ. It was established in 1997 and located in Sichuan, China.
- (5). Supplier E is a company primarily engaged in cloud computing services. It was established in 2011 and located in Beijing, China.
- (6). Supplier F is a company providing big data and AI services. It was established in 2019 and located in Tianjin, China.

- (7). Supplier G is a provider of computing power services and AI infrastructure construction and operation services. It was established in 2022 and located in Beijing, China.
- (8). Supplier L is a provider of high-performance computing power solutions and located in Sichuan, China. It was established in 2022 and we are interested in less than 0.01% equity interest in its holding company as of the Latest Practicable Date.
- (9). Supplier M is a technology service provider specializing in intelligent equipment and technical support. It was established in 2020 and located in Beijing, China.
- (10). Supplier N is a provider of IT infrastructure, equipment procurement, and system integration services. It was established in 2014 and located in Jiangsu, China.
- (11). Supplier O is a leading industry application software and digital integration provider, listed on the Shenzhen Stock Exchange. It was established in 2001 and located in Beijing, China.

General Terms of Contracts with Suppliers

Key terms of our agreements with providers of R&D services are set out below:

R&D services. Our suppliers provide R&D services based on our requirements as specified in the agreement.

Delivery and inspection. Our suppliers shall complete the project within the prescribed time period and deliver all relevant software and documents. We are entitled to inspect their work products and provide written comments for suppliers to address.

Copyright. We are entitled to all copyrights in relation to the R&D projects, including but not limited to the right to transfer and use.

Termination. The agreement may be terminated upon mutual consent between the parties. Key terms of our agreements with providers of implementation services are set out below:

Implementation services. Suppliers shall implement the development according to the timetable stipulated in the agreement, typically set forth in milestone.

Pricing and payment. Prices of implementation services are agreed in the agreement, due within an agreed period since the issuance of VAT invoice.

Termination. The agreement may be terminated upon either party's bankruptcy, force majeure and required law. In addition, we are also entitled to terminate the agreement if suppliers do not deliver the product after 30 days of the stipulated timetable.

Key terms of our agreements with hardware suppliers are set out below:

Hardware supply. We procure hardware such as servers and related components from suppliers based on our technical specifications. Suppliers warrant that products are brand-new and compliant with agreed standards.

Delivery and acceptance. We inspect and test hardware upon delivery, and reserve the right to reject non-conforming items. Risk and title pass to us after acceptance.

Pricing and payment. Pricing is fixed and inclusive of tax, freight, and other costs. Payment may be made upfront or in stages, subject to valid VAT invoicing.

Quality warranty. Suppliers must repair or replace defective products during the warranty period. We are entitled to compensation if they fail to meet contractual standards.

Termination. We may terminate for material breach or significant delivery delays. Termination clauses also cover force majeure and insolvency.

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Key terms of our agreements with providers of software licenses and services are set out below:

Software license and services. We obtain perpetual licenses and may engage suppliers to install or customize software. Suppliers must ensure the legality, functionality, and security of the software.

Delivery and testing. Acceptance testing is performed after installation, with the software deemed accepted upon meeting agreed criteria. We may reject software that fails to meet requirements.

Pricing and payment. We usually pay in two installments tied to delivery and final acceptance. Suppliers must issue valid invoices for each payment.

Support and maintenance. Suppliers provide free technical support and maintenance for a defined period, covering bug fixes and performance issues.

Termination. We may terminate for non-performance or repeated failure to deliver. Standard termination provisions also apply for mutual agreement, force majeure, or insolvency.

Key terms of our agreements with providers of cloud services are set out below:

Cloud services. We engage suppliers to provide services such as network security assessments or platform resources. Deliverables are defined contractually.

Responsibilities and data security. Suppliers must protect data confidentiality and avoid disrupting our systems. Work products are typically owned by us.

Pricing and payment. Fees are fixed and typically paid in two installments, subject to invoicing and acceptance of deliverables.

Acceptance of services. We review service results within a defined period. If deliverables are incomplete or non-compliant, suppliers must rectify them at their own cost.

Intellectual property and confidentiality. Suppliers are required to maintain strict confidentiality and ensure that all tools used are properly licensed. IP generated under the contract belongs to us.

Termination. Contracts may be terminated for breach, delay, or force majeure. Penalties may apply for late performance, without prejudice to our rights to claim damages.

As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers.

OVERLAPPING CUSTOMER AND SUPPLIER

In 2025, Customer J was also among our five largest suppliers for the same year. We primarily procured research and development services from, and provided AI software, platforms, and technical services to Customer J. In 2025, our revenue generated from Customer J accounted for 5.9% of our total revenue of the same year, and our procurement from Customer J accounted for 3.2% of our total purchases of the same year. We did not make procurement from Customer J in 2023 or 2024.

Negotiations of the terms of our sales to and purchases from Customer J were conducted on an individual basis. Our sales and procurement involved distinct entities within Customer J's group. To the best of our knowledge, these entities operate independently with separate business scopes. Furthermore, the sales and purchases were neither inter-connected nor inter-conditional with each

other. We provided AI software, platforms, and technical services to Customer J, whereas our procurement from Customer J was driven by our research and development needs. Our Directors are of the view that all of our sales to and purchases from Customer J were conducted in the ordinary course of business under normal commercial terms and in arm's length transactions, which is concurred by the Sole Sponsor. According to CIC, our sales to and purchases from customers are in line with industry practices.

Save as disclosed above, none of our five largest customers was also among our five largest suppliers in the same year during the Track Record Period, and vice versa.

MARKETING AND SALES

We have established a strategic sales network covering key economic regions across China, with a primary focus on core cities including Beijing, Shenzhen, Tianjin, Shanghai, Changsha, Chongqing, and Xi'an, and continue to expand into other high-growth target markets. Our sales teams are strategically located in close proximity to our customers, enabling rapid response times and localized service support.

As of the Latest Practicable Date, our dedicated local sales team currently comprises 41 members, strategically covering sales channels in over 20 provinces. This localized presence enables us to respond rapidly to customer needs, build strong relationships with key clients, and tailor our offerings to each regional market.

In addition to our direct sales force, we plan to develop a network of integrated channel partners. See “— Commercialization and Path to Profitability”.

Our marketing strategy is developed based on evolving AI technology trends and market demands. We utilize integrated online and offline brand marketing initiatives to enhance brand awareness, reach targeted customers, generate sales leads, and consistently position ourselves as a leading brand for government and corporate organizations market segments.

We host new product launches and actively participate in over 40 international industry exhibitions, technology forums, industry summits, and high-level executive events per annum during the Track Record Period, showcasing our benchmark case studies across sectors. Our sales approach combines direct sales through our own professional sales force and indirect sales through channel partners. Our dedicated marketing support teams, comprising experienced sales professionals and technical experts, provide tailored big data and AI services to government and enterprise customers. These teams effectively drive project implementation through efficient execution aligned with specific market requirements. We adhere strictly to applicable regulatory requirements and industry standards, implementing market-oriented pricing strategies while regularly monitoring competitor pricing dynamics to ensure our products and services remain competitively priced. Our refined Customer Relationship Management system meticulously manages the entire sales lifecycle from lead generation to revenue recognition, closely monitoring daily activities of sales managers and coordinating channel partner collaborations. This structured approach has enabled us to achieve substantial market share across multiple industries, serving thousands of government and enterprise customers with comprehensive big data and AI application services.

COMPETITION

Our operations are influenced by developments in China's enterprise AI industry, particularly the enterprise large model-driven decision-making market. China's enterprise large model-driven decision intelligence market is fragmented. Based on 2025 revenue, the top five players accounted for a combined market share of 44.8%. We were the largest enterprise large model-driven decision intelligence company in China in terms of 2025 revenue, with a market share of 10.2%. Furthermore, we were the eighth largest player in China's enterprise large model market in 2025 with a market share of 2.2%. We face competition from peers who also provide enterprise large model and large model-driven decision-making services in China. Among this peer group, the

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leading players are mostly major Chinese AI incumbents. However, we believe we are well positioned due to our strong in-house R&D capabilities, extensive industry experience and commercialization track record as well as our experienced core management team. For further information regarding the enterprise large model-driven decision-making market, see “Industry Overview” and “Risk Factors — Risks Relating to Our Business and Industry — If we do not successfully develop and deploy new technologies to address the needs of our customers or if our investment in research and development does not yield the expected results, our business, financial condition and results of operations may be materially and adversely affected.”

SEASONALITY

Our revenue, operating results, and other key performance metrics are subject to seasonal fluctuations, typically increasing during the second half of the year, particularly in the fourth quarter. This pattern is common among enterprises providing similar services. As most of our enterprise and government customers’ financial years end on the last day of the calendar year, our sales tend to peak in the fourth quarter, with the majority of our revenue generated during this period. This is because our customers generally complete project inspections and progress recognition close to year-end. Consequently, our revenue in the second half of the year during the Track Record Period was higher than in the first half.

EMPLOYEES

Our human resources department is responsible for talent acquisition, employee capability enhancement, performance and incentive management. As of December 31, 2025, we had 570 full-time employees, most of whom were based in seven cities across China and Hong Kong. The table below sets forth the number of our employees by function as of December 31, 2025:

	As of December 31, 2025	% of Total
R&D	250	43.9
Engineering	87	15.3
Sales and Marketing	144	25.3
Administration	89	15.6
Total	570	100.0

We require fairness and transparency in our recruitment processes and place emphasis on diversity in our recruitment. We welcome talents from different backgrounds to join us in order to increase our workplace diversity. We adopt a hybrid recruitment process and recruit candidates through both online and traditional methods.

We provide various forms of incentives for our employees. We have implemented reward systems such as share incentive schemes, performance appraisal bonuses, sales bonuses, operation bonuses, innovation bonuses, among others, to reward employees for outstanding performance and innovation at work. We provide a variety of employee benefits, including medical insurance, holiday gifts and other benefits to create better work-life balance for our employees. We pay attention to our employees’ individual career development plans. We implement transparent promotion procedures, including a performance review system under which our employees’ performance and competence are regularly evaluated. We aim to more closely align the personal career development of our employees with business development. We provide training for newly hired employees and conduct training sessions from time to time. For sales personnel, we offer sales training programs. We abide by the relevant labor laws and regulations in our dismissal process. As required under PRC law and regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, maternity, work-related injury and unemployment benefit plans.

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During the Track Record Period, we have not paid social insurance and housing provident fund contributions for certain of our employees in full amount in accordance with laws and regulations related to social insurance and housing provident funds. In addition, our newly acquired subsidiary, Xinhua Mobile Group, did not make full contributions to social insurance and housing provident funds for certain employees as required under the relevant PRC laws and regulations. In addition, since Xinhua Mobile Group has not established a local branch in certain cities, it is unable to open social insurance and housing fund accounts for certain employees based in these cities and entrusts third-party agency to pay social insurance and housing fund contributions under the name of Xinhua Mobile Group. Under the terms of the share transfer and capital increase agreement, the existing shareholders of Xinhua Mobile Group have undertaken that if Xinhua Mobile Group is required to compensate employees or make supplementary payments for social insurance, housing provident fund, late fees, or penalties due to failure to make full contributions, or due to entrusting third parties to make such contributions on its behalf, all such liabilities shall be borne solely by the existing shareholders, excluding Ucap Technology.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any administrative penalties by the competent government authorities as a result of our contribution shortfall. As of the Latest Practicable Date, we did not receive any notification from the relevant PRC authorities alleging that we had not fully contributed to the social insurance premiums and housing provident funds and demanding payment of the same before a stipulated deadline.

INSURANCE

Our Directors believe our insurance coverage is adequate and in line with industry norms that we maintain insurance policies for certain properties, such as our vehicles. In line with general market practice, we do not maintain any product liability insurance, business interruption insurance or key-man life insurance, which are not mandatory under PRC Laws. See “Risk Factors — Risks Relating to Our Business and Industry — Our limited insurance coverage could expose us to significant costs and business disruption.” During the Track Record Period, we did not make any material insurance claims in relation to our business.

AWARDS AND RECOGNITIONS

The table below sets forth a summary of the major awards and recognitions we received during the Track Record Period:

Year	Award/Recognition	Issuing authority/organization
2025	Second Prize, Beijing Science and Technology Progress Award	Beijing Municipal People’s Government (北京市人民政府)
2025	AI 100 Industry Application Benchmarks (人工智能百人會AI 100應用標杆)	Organizing Committee of the Global AI+ Summit
	National “Specialized, Refined, Differentiated, and Innovative” Little Giant Enterprise	MIIT
2025	Yayi LLM featured in “Panorama of High-Quality Digital Transformation Products and Services (2024)”	China Academy of Information and Communications Technology (中國信息通訊研究院)
2025	Outstanding Chinese Artificial Intelligence Enterprise	Beijing Economic-Technological Development Area Management Committee (北京經濟技術開發區管理委員會); Hurun China Forbes Rich List (胡潤中國財富榜)
2024	Comprehensive Competitiveness of Large Model Enterprises Top 20	China Center for Information Industry Development (CCID) (中國電子信息產業發展研究院(賽迪研究院))

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Year	Award/Recognition	Issuing authority/organization
2024	Top 30 Value-Creating AI Startups in China	OxValue (牛津智能)
2024	2024 Innovation Award (WIA2024) & “Top 50 Central SOE Intelligent Transformation Solution Providers”	WIM2024 Organizing Committee & EqualOcean (WIM2024組委會及億歐)
2024	Model Partner, Third Batch of Beijing General Artificial Intelligence Industry Innovation Partner Program	Organizing Committee of 2024 Global Digital Economy Conference Artificial Intelligence Forum (2024全球數字經濟大會人工智能專題論壇組委會)
2024	Typical Application Case of Large Model Scenario Application — Yayi Large Model Empowering Bank of Beijing	Organizing Committee of 2024 Global Digital Economy Conference Artificial Intelligence Forum (2024全球數字經濟大會人工智能專題論壇組委會)
2024	Second Prize for Scientific and Technological Progress	China Institute of Electronics (中國電子學會)
2024	2023 Innovation Award (WIA2023)	WIM2023 Organizing Committee & EqualOcean (WIM2023組委會及億歐)
2024	Yayi 2.0 Among 15 evaluated large models in China-Selected large model	2024 China Large Language Model Evaluation Analysis Result
2023	2023 China Data Analytics and Artificial Intelligence Technology Maturity Curve — Sample Vendors of Decision Intelligence	Gartner
2023	Second Prize, Beijing Science and Technology Progress Award	Beijing Municipal People’s Government (北京市人民政府)
2023	2023 Top 10 Pioneer Enterprises in Scientific and Technological Innovation 1st in AI Track	CAS III Union (中國科學院科技創新投資產業聯盟), sponsored by Chinese Academy of Sciences Innovation and Investment Industrial Union (國科控股)
2023	Second Prize, Grand Final of 2023 “Straight to Wuzhen” Global Internet Competition	Organizing Committee of “Straight to Wuzhen” Global Internet Competition (“直通烏鎮”全球互聯網大賽組委會)
2023	Super AI Leader Award for DIOS (SAIL獎)	2023 World Artificial Intelligence Conference

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to promoting corporate social responsibility and sustainable development and integrating it into our business operations. We view corporate social responsibility as part of our core philosophy that is pivotal to our ability to create sustainable value for our shareholders by embracing diversity and public interests. Accordingly, we will adopt a policy on environmental, social and corporate governance, or ESG, responsibilities (the “**ESG Policy**”) based on requirements set forth in the Appendix C2 Environmental, Social and Governance Reporting Code of Main Board Listing Rules.

Our Board has the collective and overall responsibility for overseeing the ESG vision, policy and target of the Group, and evaluating, determining and addressing our ESG-related risks at least once a year. We have established an Environmental, Social, Governance Working Group (“**ESG Working Group**”), which is oversighted by the Board and comprises members of management representative including but not limited to representatives from the human resources center, financial center. Our Board may assess and review the ESG-related risks and opportunities with the ESG Working Group and approve ESG-related business strategies to enhance our ESG management schemes. Our ESG Working Group holds regular meetings to discuss ESG, internal control and risk management-related matters and receives reports from relevant departments, and submits reports to our Board for evaluation on a regular basis.

The key responsibility, authority and discretion of the ESG Working Group are as follows:

- Deal with ESG, internal control and risk management-related matters;
- Oversee and assess any ESG-related risks that we may face in our business operations;
- Identify and assess climate-related risks and opportunities that have potential impacts on us; and
- Developing strategies of responding to climate change, setting targets of reducing greenhouse gas (“GHG”) emissions and guiding implementation efforts.

ESG Strategy and Risk Management

Assessment of ESG-related Issues

Our Group will conduct a risk assessment at least once a year to cover the current and potential risks that we may face, including but not limited to, the risks arising from the ESG aspects and strategic risk around disruptive forces such as climate change. Our Board will assess or engage an external expert to evaluate the risks and review our existing strategies, targets and internal control measures, and necessary improvement will be implemented to mitigate the risks.

In identifying, assessing, and prioritising material ESG topics, we consider our Group’s business development strategies, industry characteristics, national policies where we operate, and stakeholder expectations. Through stakeholder engagement and industry analysis, we have identified key ESG issues that are most relevant to our operations. The table below outlines the material ESG-related issues we identified, their potential risks and impacts, and the corresponding strategies:

Material ESG-related issues	Potential risks and impacts	Our strategies (adopted/to be adopted)
GHG emissions.	During our operations, we may generate GHG emissions inevitably, which exposes us to potential climate-related risks.	We regularly review the GHG emission profile of our operation to better manage and control the emissions.
Resource management.	Ineffective management of resources can potentially result in excessive energy consumption, leading to increased operational costs.	We implement measures for resource management and promote energy conservation in our operation.
Climate change.	Physical and transition risks induced by climate change may cause disruption during our operation and could increase the operational cost.	We constantly monitor the changes in ESG-related regulatory requirements and market trends.

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Material ESG-related issues	Potential risks and impacts	Our strategies (adopted/to be adopted)
Employee management	Failure to comply with labor laws can lead to lawsuits and fines. In addition, insufficient resources dedicated to the development of human capital, such as a lack of training and promotion opportunities, may pose a risk of higher turnover rates and a less competent workforce.	We prioritize the protection of the lawful rights and interests of our employees. To ensure compliance with employment regulations, we have established internal policies. We also provide employees with various social benefits and career development opportunities.
Data privacy	Neglecting data privacy can result in severe consequences, including regulatory penalties, financial losses, reputational damage, all of which could lead to business decline.	We are committed to protecting the privacy of all our employees and any personal information shared by our customers. We have implemented internal rules and policies to govern how we use personal information and protect personal information from loss, abuse, unauthorized use, leakage, alteration and destruction.

Identification of Climate-related Risks

Due to our business nature and operational model, we face minimal climate-related risks. In terms of physical risk, extreme weather events, such as more frequent storms, could disrupt operations. In terms of transition risk, potential regulatory shifts in carbon emissions, energy efficiency standards or disclosure requirements could impose compliance costs. We will actively monitor updates in ESG compliance standards and industry developments.

Environmental Matters

We are committed to reducing the environmental impact of our operational activities. As we are primarily engaged in providing AI technology services, we are not subject to significant health, work safety, social or environmental risks. In addition, we believe that there are no environmental laws and regulations in respect of air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on our business and operations. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any fines or other penalties due to non-compliance in relation to health, work safety, social or environmental regulations, nor have we incurred any material costs in relation to compliance with applicable environmental protection rules and regulations. Given our business nature, we do not expect that we will incur significant costs for compliance with applicable environmental protection rules and regulations in the future.

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We are committed to improving our resource efficiency and increasing our employees' environmental awareness. Owing to the nature of our business, we believe that our operations are not major sources of environmental pollution as they do not involve any significant direct air emissions, wastewater emissions, noise emissions and waste generation. Nonetheless, we have implemented related internal ESG policies, including but not limited to the ESG Management Policy (《ESG管理制度》) and Climate Change Policy (《氣候變化政策》). By implementing energy-saving measures outlined in the Energy Management Policy (《能源管理政策》), we encourage employees to conserve energy, specifically in computing power management and in office operation. We have monitored our electricity consumption levels and implemented energy-saving measures. In addition, we have monitored our water consumption levels and implemented water conservation measures and we have implemented various measures to better conserve resources in our operations.

For AI solutions providers like us, computing power and IT equipment constitute a key component of our energy footprint. While we primarily utilize third-party cloud computing services for our model training and inference, thereby minimizing our direct environmental impact, we remain committed to optimizing energy efficiency across our proprietary IT infrastructure. Our Energy Management Policy also governs the energy consumption of our computing power resources and IT equipment, under which we prioritize the procurement of IT equipment with recognized environmental and energy-saving certifications. Furthermore, we conduct regular inventories and maintenance of our IT assets to phase out high-energy-consumption devices. These measures are designed to ensure that our AI capabilities remain aligned with our broader target of reducing electricity consumption intensity by approximately 3% by the end of 2030.

Social Matters

We are committed to creating an equal, harmonious workplace that is free from discrimination and harassment. We have implemented employment policies, such as Employee Handbook (《員工手冊》), Employee Code of Conduct (《員工行為規範管理制度》) and Compensation and Performance Management Policy (《薪酬績效管理制度》), covering topics including but not limited to benefit, dismissal, equal opportunity and anti-discrimination. We do not tolerate any form of discrimination or harassment from our employees, customers, suppliers and other relevant persons.

We are committed to protecting the privacy of all our employees and any personal information shared by our customers. We have implemented internal rules and policies, including but not limited to Data Security Management Policy (《數據安全管理辦法》) and Information Security Management Policy (《信息安全管理制度》) to govern how we use personal information and protect personal information from loss, abuse, unauthorized use, leakage, alteration and destruction.

Due to our business nature, we are not subject to significant health and occupational safety risks. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents, claims for personal or property damage or compensation to employees and we did not experience any material non-compliance of health and work safety laws and regulations.

ESG-Related Metrics

As we are an AI technology company and our business does not involve any manufacturing or other industrial production, our operations do not have a direct negative impact on the environment. However, we will adjust our operations to reduce indirect negative impacts on the environment.

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Total electricity and water consumption relevant to our business operations during the Track Record Period are set out below:

Type of energy/resource	Year ended December 31,		
	2023	2024	2025
Electricity			
Total consumption amount ⁽¹⁾ (MWh)	404.9	446.7	442.0
Electricity consumption (MWh)/Employee . .	0.58	0.89	0.78
Electricity consumption (MWh)/Revenue (RMB in millions)	1.62	1.41	1.09
Water			
Total water consumption ⁽¹⁾ (tonne)	1,248.1	977.6	1,013.5
Water consumption (tonne)/Revenue (RMB in millions)	5.00	3.08	2.50

(1) Our consumptions of electricity and water were calculated based on the bills kept by us and the respective charge in each year. Given that different locations may have different prices and prices may vary within a year, the above data will vary from the actual use.

Our electricity consumption remained relatively stable, which is primarily driven by general office size and requirements, including lighting, air-conditioning, office equipment, and IT infrastructure required to support our operations, commensurate with our daily business activities. Regarding water usage, the consumption is primarily correlated with our employees' daily usage. The higher water consumption in 2023 primarily reflected the consolidation of our operations into dedicated office facilities and an increase in regional headcount in 2023. Water consumption figures were calculated and derived on a pro rata basis using available utility bills and actual usage data, while accounting for fluctuations in employee headcount. The subsequent decrease in water consumption in 2024 was primarily attributable to the optimization of our team structure and employee headcount, as well as their enhanced awareness and our efforts on water conservation.

Total GHG emissions relevant to our business operations during the Track Record Period are set out below:

GHG emissions ⁽¹⁾	Year ended December 31,		
	2023	2024	2025
Scope 1 (tonne carbon dioxide equivalent ("tCO ₂ e"))	—	—	—
Scope 2 (tCO ₂ e)	251.2	277.2	274.3
Scope 3 (tCO ₂ e)	247.1	292.5	302.7
Total GHG emissions (tCO ₂ e)	498.3	569.7	577.0
GHG emissions (Scope 1 and 2) (tCO ₂ e)/Revenue (RMB in millions) . . .	1.01	0.87	0.68
GHG emissions (Scope 1, 2 and 3) (tCO ₂ e)/Revenue (RMB in millions) . . .	2.00	1.79	1.42

(1) The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Due to the business nature of the Group, there are no Scope 1 (Direct) emissions. Scope 2 (Energy Indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations. Scope 3 (Other Indirect) emissions cover GHG emissions of indirect emissions in the Group's value chain, specifically arising from business air travel and electricity used for processing fresh water and sewage by government departments.

Environmental Targets

We have also set various goals to reduce our environmental impacts, and we continue to take significant steps toward these targets:

- **Electricity consumption:** Reduce electricity consumption intensity by approximately 3% by the end of 2030.
- **Water consumption:** Reduce water consumption intensity by approximately 3% by the end of 2030.
- **GHG emissions:** Reduce our Scope 1 and 2 GHG emissions intensity by approximately 3% by the end of 2030.

PROPERTIES

Our corporate headquarter is located in Beijing, China. As of the Latest Practicable Date, we did not have any land use rights or own any real property.

As of the Latest Practicable Date, we leased and occupied 25 properties across Beijing, Shanghai, Shenzhen and other cities in China with an aggregate gross floor area of approximately 11,043 square meters, which are mainly used as office space. Also see “Risk Factors — Risks Relating to Legal and Compliance Requirements — We face certain risks relating to the properties that we lease, which may disrupt our operations and relocation costs”. In particular, as of the Latest Practicable Date:

- For 19 properties leased by us, the relevant lease agreements had not been registered with the relevant housing authorities as required under PRC laws and regulations, including the PRC Urban Real Estate Administration Law and the Administrative Measures for Commodity House Leasing. According to these regulations, lessors and lessees are required to enter into written lease agreements and register such agreements with the relevant real estate administrative departments within 30 days of execution. Failure to do so may result in the competent authorities ordering rectification within a prescribed period and, in the case of non-compliance, the imposition of a fine of up to RMB10,000 per unregistered lease agreement for entities. Under the PRC Civil Code, the failure to complete lease registration and filing does not affect the validity of the lease agreements. As of the Latest Practicable Date, we have lawfully occupied the relevant leased and properties and have not received any notice from the housing authorities requiring rectification or imposing any penalty in relation to such non-registration. Accordingly, our PRC Legal Adviser is of the view that the failure to register certain lease agreements does not have a material adverse effect on our business operations or the Global Offering.
- The actual use of one leased property was for office purposes, whereas the planned use recorded in the property ownership certificate was for industrial purposes. The leased property is actually situated within an industrial park constructed and managed by the local government department, which is intended for technology enterprises’ office use. According to relevant PRC laws and regulations, including the PRC Land Administration Law, property use may not be changed without approval, and unauthorized change of use may result in the competent authorities requiring the land user to return the land or imposing penalties. Since the party that may subject to penalties for the such non-compliance is the lessor, we, as the lessee, would not be subject to any penalty therefrom, but we may not be able to continue leasing such property. We used such leased property solely for office purposes and this will not affect the safety conditions of this leased property. As of the Latest Practicable Date, (i) neither we nor our PRC subsidiaries have received any notice prohibiting the continued use of

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such property for office purposes; (ii) such property is used for office purposes and alternative property is available in the relevant regions without material disruption to our business; (iii) the area of such property is relatively small compared to our total leased properties; and (iv) the relevant lease agreement contains undertakings from the lessor to ensure our continued use of the property. Consequently, our PRC Legal Adviser is of the view that the inconsistency between the actual use and the planned use of certain leased property does not have a material adverse effect on our business operations or this offering.

LICENSES, PERMITS AND CERTIFICATES

The following table sets forth the details of the material licenses and permits which we have obtained as of the Latest Practicable Date in China:

No.	License/Permit	Entity Holding the License/Permit	Expiration Date	Issuing Authority
1. . . .	Deep Synthesis Service Algorithm Record (深度合成服務算法備案) for Yayi Large Model Content Generation Algorithm	Our Company	Filed on 2024.04, without a clear expiration date	CAC
2. . . .	Deep Synthesis Service Algorithm Record (深度合成服務算法備案) for Yayi Large Model Algorithm	Our Company	Filed on 2023.08, without a clear expiration date	CAC
3. . . .	CMMI Level V	Our Company	November 2027	CMMI Certified High Maturity Lead Appraiser
4. . . .	Data Management Capability Maturity Model Level 3	Our Company	August 2028	China Electronic Information Industry Federation (“中國電子信息行業聯合會”)
5. . . .	ITSS Information Technology Service Operation and Maintenance Level 3	Our Company	September 2026	China Electronics Standardization Association (“中國電子工業標準化技術協會”)

Pursuant to our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we obtained all material licenses, permits, approvals and certificates necessary to conduct our actual business operations from the relevant government authorities in the PRC, and such licenses, permits, approvals and certificates remain in full effect.

During the Track Record Period, we held qualification for the integration of the confidential information systems. Since foreign investors may directly hold the equity interest of us after the Listing and we would no longer be able to possess or renew the qualification after the Listing, we have completed cancellation of such qualification with the relevant authority in June 2025. Our results of operation and financial performance have not been materially and adversely impacted since such cancellation, and we do not expect any material adverse impact on our business, financial condition, or results of operations resulted from such cancellation in the future.

On July 10, 2023, the CAC promulgated the Provisional Administrative Measures for Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法) (“Generative Artificial Intelligence Services Measures”), effective on August 15, 2023, which set out the industry standards and regulatory requirements for providing large model products and services in China. We believe that we have met such industry standards and regulatory requirements, and we have completed the algorithm record of Yayi LLM in CAC and the generative artificial intelligence services record of Yayi LLM in the local cyberspace administration. For risks related to this new regulation, see “Risk Factors — Risks Relating to Our Business and Industry — Actual or alleged failure to comply with data privacy, cybersecurity, cross-border data transfer, and AI-related laws and regulations could damage our reputation, deter current and potential customers from using our AI services, and subject us to significant legal, financial and operational consequences.”

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various legal proceedings arising in the ordinary course of business. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

The Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “New Judicial Interpretation”) was enacted by the Supreme People’s Court on July 31, 2025 and effective as of September 1, 2025. According to the New Judicial Interpretation, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People’s Court shall support such claims. See “Regulatory Overview — Regulations Relating to Employment and Social Security” for details. Our PRC Legal Advisor has advised us that the New Judicial Interpretation does not expand the scope of penalties or repeal the provisions of existing laws and regulations and the risk of us being materially affected by the issue of social insurance and housing provident fund payment is relatively low, provided that we pay the unpaid amount for social insurance and housing provident fund in full amount in a timely manner if we receive notices to rectify the non-compliance from the relevant PRC authorities.

Business Activities in relation to Regions and Entities subject to International Sanctions

During the Track Record Period, our Group provided information and AI services in aspects including media data sharing, and network service maintenance to certain customers that have been designated by the BIS to the Entity List, including one customer that has also been designated by OFAC as an SDN. The Provision of “material assistance” to the said customer (and any entity owned by it at 50% or greater level) could create exposure under U.S. secondary sanctions. Based on review of all our transaction records since April 24, 2019, the transactions were denominated in RMB, with the transactions involving the aforementioned SDN customer totalling approximately RMB5.3 million, including approximately RMB0.7 million during the Track Record Period. As advised by our International Sanctions Legal Advisor, given the nature of the transactions involving the said customer, including that our Group was not engaged in any exports or transactions of any items subject to the EAR to the said customer, export restrictions applicable to the said customer being designated on the Entity List maintained by the BIS were not implicated, and as such, these transactions do not represent a violation of the International Sanctions and U.S. export controls. Furthermore, in light of the transactions with the said customer and the fact that all such transactions were of relatively small amount and did not involve any U.S. person, U.S. processing

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banks or any other U.S. nexus, as advised by our International Sanctions Legal Advisor, it is unlikely for our Group to be viewed as provision material assistance to the said customer and hence it is unlikely that such transactions will induce the exercise of discretionary authority under secondary U.S. sanctions.

During the Track Record Period, our Group procured certain PRC ICs chips that meet the parameters for the control under ECCN 3A090 from an affiliated entity of Supplier B, one of our top five suppliers in 2023 and 2024, respectively, via a third-party distributor, totalling RMB23.6 million in 2023 and RMB6.6 million in 2024 (“**Historical Procurements**”). We did not make such procurement in 2025. On May 13, 2025, the BIS issued a Guidance on Application of General Prohibition 10 (“**GP10**”) to People’s Republic of China (PRC) Advanced-Computing Integrated Chips (ICs) (the “**Guidance**”), alerting industry to the risks of using PRC advanced computing ICs and warning that the use of such PRC advanced computing ICs risks violating U.S. export controls and may subject companies to BIS enforcement action. The Historical Procurements of the said chips before May 13, 2025 when our Group had no knowledge that such chips were subject to presumption of GP10 restrictions, is unlikely to represent a violation of the relevant GP10 rule BIS quoted because the “knowledge” element is not established, and our Group has not acted in violation of the Guidance since May 13, 2025. On-premise resources provide continuous, dedicated performance with high reliability, whereas cloud computing resources offer high elasticity and scalability. We retain both to ensure our computing resources remain flexible and resilient, which is critical for effectively addressing the diverse and dynamic requirements of our R&D tasks. Throughout the Track Record Period, we predominantly utilized cloud computing resources from mainstream suppliers to handle more than 90% of our AI inference and training tasks. The said chips deployed on-premise, handling a minor fraction of our inference and training tasks during the Track Record Period, played a nonessential role in developing our AI services and core technology. The said chips have not been used in provision of services to our customers during the Track Record Period.

We had not made any subsequent procurement of any chips meeting the ECCN 3A090 parameter specified in the Commerce Control List since the issuance of the Guidance (i.e., on or after May 13, 2025). We held no inventory balance of the aforementioned chips as of December 31, 2025. Furthermore, based on the information provided by the Group, in particular, the assessment conducted by the Group, none of the AI LLM or any AI models of the Group have met the “parameters” of AI models trained utilizing 10^{26} or more “operations”, as specified under the ECCN 4E091 in the Commerce Control List. Other than the use of the aforementioned procured chips, the Group has not utilized any U.S. technology, items or involves any transfer, exports, or sales of any products subject to the EAR, during the Track Record Period. None of the said chips was used in any provision of services or any transactions with any of the customers that have been designated by the BIS to the Entity List, and since the issuance of the Guidance, the Group has not used to use such ICs internally and in any provision of services or any transactions with any customers. Therefore, as advised by our International Sanctions Legal Advisor, the Historical Procurements of the said chips do not appear to represent a violation of the applicable U.S. export controls.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon Listing, the Board will consist of nine Directors, comprising five executive Director, one non-executive Director and three independent non-executive Directors. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our Board is responsible for, and has the general authority of, the management and operation of our Company. The powers and duties of our Board include convening general meetings and reporting our Board's work at our Shareholders' meetings, determining our business and investment plans, formulating proposals for profit distributions, formulating the company's management system and exercising other powers, functions and duties as conferred by the Articles.

Our senior management is responsible for the day-to-day management and operations of our Group.

BOARD OF DIRECTORS

The table below sets out certain information in relation to our Directors:

Name	Age	Position(s)	Time of joining our Group	Date of appointment as a Director	Principal responsibilities
Wang Lei (王磊) . .	41	Chairman and executive Director	March 2017	March 2017	Overseeing the overall strategic planning, business direction and overall management of our Group
Luo Yin (羅引) . . .	40	Executive Director and chief executive officer	March 2017	March 2017	Overseeing the day-to-day operations, overall business strategy and planning of our Group
Qu Baoyu (曲寶玉)	48	Executive Director and vice-president	April 2019	March 2021	Overseeing the overall management of the internal matters of our Group
Cao Jia (曹家) . . .	42	Executive Director, chief technology officer and head of AI general application division	March 2017	March 2017	Advising on the overall development of the AI general application division of our Group
Zhang Xina (張西娜)	41	Executive Director and head of corporate business division	March 2017	June 2025	Advising on the overall development of the corporate business division of our Group
Zhou Jun (周軍) . .	52	Non-executive Director	September 2020	September 2020	Participating in the decision-making in respect of major matters of our Group
Xu Huansheng (徐歡生)	46	Independent non-executive Director	February 2023	February 2023	Providing independent advice to the Board
Gu Fenling (顧奮玲)	62	Independent non-executive Director	February 2023	February 2023	Providing independent advice to the Board
Jiang Xianling (蔣先玲)	61	Independent non-executive Director	February 2023	February 2023	Providing independent advice to the Board

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Dr. Wang Lei (王磊), aged 41, is an executive Director and Chairman of our Board, overseeing the overall strategic planning, business direction and overall management of our Group.

Dr. Wang has over 16 years of experience in AI related product and business development and management. He held various positions at the CASIA, including engineer, associate researcher, and researcher between April 2009 and June 2021. In March 2017, Dr. Wang co-found our Company.

Dr. Wang obtained a doctorate degree of management major in management of science and engineering from the Tianjin University in the PRC in January 2016.

Dr. Luo Yin (羅引), aged 40, is an executive Director and chief executive officer of our Company, overseeing the day-to-day operations, overall business strategy and planning of our Group.

Dr. Luo has over 15 years of experience in AI related product and business development and management. From August 2010 to May 2012, he served as an engineer at the CASIA. From April 2012 to March 2015, he worked as an engineer in the Operation and Maintenance Department of China Mobile Communications Group Guizhou Co., Ltd. He then worked at CASIA from July 2015 to January 2022, during which he served as deputy chief engineer and obtained the professional title of senior principal engineer in 2021. In March 2017, Dr. Luo co-found our Company.

Dr. Luo obtained a Ph.D in business administration from Beijing Institute of Technology in June 2019.

Mr. Qu Baoyu (曲寶玉), aged 48, is an executive Director and vice-president of our Company, overseeing the overall management of the internal matters of our Group.

Mr. Qu has over 24 years of experience in strategic and business development of media related technological products, and was the chief technology officer at China Daily Online between February 2001 and March 2020. Mr. Qu joined our Company in April 2019 and was a Board secretary from March 2020 to June 2025.

Mr. Qu obtained a master's degree of business administration from the University of International Business and Economics in Beijing, China in June 2016 and is a senior engineer.

Mr. Cao Jia (曹家), aged 42, is an executive Director, chief technology officer and head of AI general application division of our Group, advising on the overall development of the AI general application division of our Group.

Mr. Cao has over 12 years of experience in AI related product development. He was a senior engineer at the CASIA between July 2012 and January 2022. In March 2017, Mr. Cao joined our Company.

Mr. Cao obtained a master's degree of software engineering from Peking University in July 2012 and holds a Project Management Professional (PMP) certification.

Ms. Zhang Xina (張西娜), aged 41, is an executive Director and head of the corporate business division of our Group, advising on the overall development of the corporate business division of our Group.

Ms. Zhang has over 13 years of experience in project management. She was a project manager at the CASIA from May 2013 to January 2022. Ms. Zhang joined our Company in March 2017 and was the supervisor of our Company from March 2017 to June 2025.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhang obtained a bachelor's degree of engineering major in computer science and technology from the Second Artillery Engineering College of the People's Liberation Army in July 2008.

Non-executive Director

Mr. Zhou Jun (周軍), aged 52, is a non-executive Director, participating in the decision-making in respect of major matters of our Group.

Since 2007, he has held various positions at Shenzhen Capital Group Co., Ltd., including investment manager, deputy general manager of the North China headquarters, and currently serves as the executive general manager. He was appointed as our Director in September 2020 and was re-designated as non-executive Director in June 2025.

Mr. Zhou obtained a master's degree of business administration from Tsinghua University in July 2006.

Independent non-executive Directors

Mr. Xu Huansheng (徐歡生), aged 46, is an independent non-executive Director, providing independent advice to the Board.

Mr. Xu served as senior product manager of Baidu Online Network Technology (Beijing) Co., Ltd., a wholly owned subsidiary of Baidu, Inc. (a company listed on the Stock Exchange, stock code: 9888) from February 2012 to March 2015. Since April 2015, he has served as chief strategy officer of Dingdang Medicine Express Technology Group Ltd., a consolidated affiliated holding entity of Dingdang Health Technology Group Ltd (a company listed on the Stock Exchange, stock code 9886). He has also been an independent director of ZBOM Home Collection Co., Ltd, a company listed in the Shanghai Stock Exchange (Stock Code: 603801) since August 20, 2024. Mr. Xu was appointed as our independent non-executive Director in February 2023.

Mr. Xu obtained a master's degree of business administration from Fordham University in the United States of America in February 2009.

Ms. Gu Fenling (顧奮玲), aged 62, is an independent non-executive Director, providing independent advice to the Board.

Ms. Gu has extensive experience in academia, financial management, and corporate governance, she has been a professor of the School of Accounting of Capital University of Economics and Business in Beijing, China since July 2005 and over the years, she served various positions, including the vice dean and dean of the School of Accounting, in Capital University of Economics and Business. Ms. Gu's principal areas of research include, among others, auditing, corporate governance and internal audit and principally teaching in undergraduate, post-graduate and doctorate courses of auditing, audit theory and practice, as well as auditing in relation to specific topic (e.g. government auditing). Ms. Gu first obtained her independent director qualification from the Shanghai Stock Exchange in August 2012 and since then she has been independent directors of various PRC listed companies, including in recent years, Beijing Tiantan Biological Products Corporation Limited (a company listed on the Shanghai Stock Exchange, Stock Code: 600161), Sumavision Technologies Co., Ltd. (a company listed in the Shenzhen Stock Exchange, Stock Code: 300079) and North Navigation Control Technology Co., Ltd. (a company listed in the Shanghai Stock Exchange, Stock Code: 600435) since June 23, 2020, November 9, 2022 and June 8, 2021 respectively responsible for providing independent opinions and judgments to the board. Ms. Gu is also the chairlady of the audit committees of these listed companies responsible for reviewing of financial statements, internal control system supervision, internal and external audit communication and evaluation, and supervision of the company's financial compliance. Ms. Gu was appointed as our independent non-executive Director in February 2023.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Gu obtained a doctorate degree of management major in accounting from the Chinese Academy of Fiscal Sciences in Beijing, China in July 2005 and is a certified public accountant.

Ms. Jiang Xianling (蔣先玲), aged 61, is an independent non-executive Director, providing independent advice to the Board.

Ms. Jiang held various positions in the University of International Business and Economics in China, including professor and vice dean of the School of International Economics and Trade from January 2005 to June 2014, a director of the Academic Affairs Office from July 2014 to August 2021, dean of the International College from September 2021 to May 2023. She has served as professor of the School of International Economics and Trade of the University of International Business and Economics in China since May 2023. She was appointed as our independent non-executive Director in February 2023.

Ms. Jiang obtained a doctorate degree of economics major in international trade from the University of International Business and Economics in Beijing, China in June 2002.

SENIOR MANAGEMENT

Our executive Directors and senior management are responsible for the day-to-day operations and management of our Group.

The table below sets out certain information regarding our senior management. For information concerning our senior management who also serve as executive Directors, see “— Board of Directors” above.

Name	Age	Position(s)	Time of joining our Group	Date of appointment as a senior management	Principal responsibilities
Wang Lei (王磊) . .	41	Chairman and executive Director	March 2017	March 2017	Overseeing the overall strategic planning, business direction and overall management of our Group
Luo Yin (羅引) . . .	40	Executive Director and chief executive officer	March 2017	March 2017	Overseeing the day-to-day operations, overall business strategy and planning of our Group
Qu Baoyu (曲寶玉)	48	Executive Director and vice-president	April 2019	March 2020	Overseeing the overall management of the internal matters of our Group
Cao Jia (曹家) . . .	42	Executive Director, chief technology officer and head of AI general application division	March 2017	March 2017	Advising on the overall development of the AI general application division of our Group
Ma Li (馬力)	34	Board secretary and joint company secretary	May 2025	June 2025	Responsible for Board related matters, capital markets and corporate governance of our Group
Zheng Chaomin (鄭超敏)	35	Chief financial officer	May 2025	May 2025	Responsible for the overall implementation of financial strategy of our Group

DIRECTORS AND SENIOR MANAGEMENT

For the biographies of Dr. Wang, Dr. Luo, Mr. Qu Baoyu and Mr. Cao Jia, see “— Executive Directors” above.

Mr. Ma Li (馬力), aged 34, is the Board secretary and joint company secretary of our Company, responsible for Board related matters, capital markets and corporate governance of our Group.

From September 2016 to February 2018, he served as investment associate in CIC Capital Corporation involved in overseas direct investments. He joined the investment banking department of China International Capital Corporation Limited (a company listed on the Shanghai Stock Exchange, stock code: 601995, and the Stock Exchange, stock code: 3908) in March 2018 where he assumed various positions and last served as vice-president until November 2024. Mr. Ma was appointed as our Board secretary in June 2025.

Mr. Ma obtained a bachelor’s degree of information management and information systems and a master’s degree in accounting from the School of Economics and Management of Tsinghua University in July 2014 and June 2016, respectively.

Mr. Zheng Chaomin (鄭超敏), aged 35, is the chief financial officer of our Company, responsible for the overall implementation of financial strategy of our Group.

Mr. Zheng has over 10 years of experience in accounting and audit, and worked in notable accounting firms including ShineWing Certified Public Accountants and Grant Thornton Certified Public Accountants. From August 2019 to May 2025, he was a director of RSM China CPA LLP. Mr. Zheng was appointed as our chief financial officer in May 2025.

Mr. Zheng obtained a bachelor’s degree of pharmaceutical engineering from Tianjin University in the PRC in July 2013.

OTHER INFORMATION

Except as disclosed in this prospectus, (i) each of our Directors and senior management has not been a director of any public company whose securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this prospectus; (ii) none of our Directors has any interest in a business which materially competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules; and (iii) none of our Directors and senior management is related to other Directors and members of the senior management.

Except as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

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 in June 2025, and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the Listing Rules.

Each of our independent non-executive Directors has confirms that (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) there are no other factors that may affect his or her independence at the time of his or her appointment.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. Ma Li (馬力) was appointed as joint company secretary of our Company in June 2025. See “— Senior Management” above for his biographical details.

Mr. Lam Kang Chi (林庚堉) aged 46, was appointed as joint company secretary of our Company in June 2025. He is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited. Mr. Lam obtained a master’s degree of corporate governance from Hong Kong Metropolitan University and a bachelor’s degree of business management from The University of Bradford, the United Kingdom. He is a fellow member of the Hong Kong Chartered Governance Institute and possesses more than 10 years of working experience in the company secretarial field.

BOARD COMMITTEES

Our Board has established the audit committee, the remuneration committee and the nomination committee.

Audit Committee

We have established the audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system of our Company, risk management and internal audit, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by our Board. The audit committee consists of three members, namely Ms. Gu Fenling, Mr. Xu Huansheng and Ms. Jiang Xianling. The chairperson of the audit committee is Ms. Gu Fenling, who is our independent non-executive Director with appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration Committee

We have established the remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

The primary duties of the remuneration committee are to establish, review and provide advices to our Board on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, make recommendations to our Board the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time-to-time. The remuneration committee consists of three members, namely Mr. Xu Huansheng, Ms. Jiang Xianling and Mr. Qu Baoyu. The chairman of the remuneration committee is Mr. Xu Huansheng.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

The primary duties of the nomination committee are to review the structure, size and composition of our Board on a regular basis, assist the board in maintaining a board skills matrix, and make recommendations to our Board regarding any proposed changes to the composition of our Board; identify, select or make recommendations to our Board on the selection of individuals nominated for directorships, and ensure the diversity of our Board members; assess the independence of our independent non-executive Directors and make recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors and succession planning for our Directors; and support the Company's regular evaluation of the Board's performance. The nomination committee consists of three members, namely Ms. Jiang Xianling, Dr. Wang Lei and Mr. Xu Huansheng. The chairperson of the nomination committee is Ms. Jiang Xianling.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Our Directors and senior management receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation, pension schemes contribution and other benefits in kind.

For the years ended 31 December 2023, 2024 and 2025, the total remuneration paid to our Directors amounted to RMB26.87 million, RMB21.74 million and RMB18.85 million, respectively.

For the years ended 31 December 2023, 2024 and 2025, the total emoluments paid to the five highest paid individuals (including 4 Directors and then supervisor, 4 Directors and then supervisor and 3 Directors) by us amounted to RMB36.85 million, RMB29.06 million and RMB21.96 million, respectively.

For the years ended 31 December 2023, 2024 and 2025, no payment was made by us to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office. None of the Directors waived their remuneration during the relevant period.

Pursuant to the existing arrangements that are currently in force as of the date of this prospectus, the amount of remuneration (excluding discretionary bonuses but including share-based payment) payable to our Directors by our Company for the year ending December 31, 2026 is estimated to be approximately RMB6.42 million in aggregate.

The remuneration of our Directors and senior management is determined with reference to factors including the responsibility, risk and commitment of our Directors and senior management, the completion rate of our corporate profit, the assessment result of our target responsibility system, the performance evaluation structure of each of our corporate departments and the salaries paid by comparable companies.

Save as disclosed in this prospectus, no other payments had been made, or are payable, by any member of our Company to our Directors during the Track Record Period. For additional information on our Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, see note 8 of the Accountants' Report in Appendix I to this prospectus.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules upon Listing.

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the nomination committee of our Board will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and professional experience. In particular, our Company currently has three female Directors in the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have four non-executive Directors, including three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy. Pursuant to the board diversity policy, the nomination committee of our Board will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

CORE R&D TEAM MEMBERS

For further details of the experience of our core R&D team members, see “Business — Research and Development”.

Pre-IPO Incentive Plans

We adopted the Pre-IPO Incentive Plans. For details, see “Statutory and General Information — Pre-IPO Incentive Plans” in Appendix VI to this prospectus. As of the Latest Practicable Date, all awards under the Pre-IPO Employee Share Schemes were granted to the specified participants (by way of being limited partners of the relevant employee share platforms, namely, Wenge Jiangcai, Wenge Zhicai, Zhongke Youcai, Zhongke Cuicai, Zhongke Huicai, Zhongke Quncaai and Zhongke Yingcai; while all options under the Pre-IPO Share Option Scheme were granted to the specified participants. No further options or awards will be granted under the Pre-IPO Incentive Plans following the Listing.

COMPLIANCE ADVISER

Our Company has appointed Fosun International Capital Limited as our compliance adviser upon the listing of our Shares on the Stock Exchange pursuant to Rule 3A.19 of the Listing Rules. The material terms of the compliance adviser's agreement entered into between our Company and the compliance adviser are as follows:

- (1) the compliance adviser shall provide our Company with services including guidance and advice as to compliance with the requirement of the Listing Rules and other applicable laws, rules, codes and guidelines, and accompany our Company to any meetings with the Stock Exchange;
- (2) our Company may terminate the appointment of the compliance adviser by giving a no less than 30 days' prior written notice to the compliance adviser. Our Company will exercise such right in compliance with Rule 3A.26 of the Listing Rules. The compliance adviser will have the right to terminate its appointment as compliance adviser under certain specific circumstances and upon notification of the reason of its resignation to the Stock Exchange; and

DIRECTORS AND SENIOR MANAGEMENT

- (3) during the period of appointment, our Company must consult with, and if necessary, seek advice from the compliance adviser on a timely basis in the following circumstances:
 - (a) before the publication of any regulatory announcement, circular or financial report;
 - (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
 - (c) where the Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
 - (d) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date.

RELATIONSHIP WITH THE SINGLE LARGEST GROUP OF SHAREHOLDERS

SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, our Company was directly owned as to approximately 1.78%, 4.64%, 2.42%, 16.57%, 0.67%, 3.96% and 0.62% by Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai respectively.

Zhongke Sanshi is a limited company incorporated under the laws of PRC and owned as to approximately 75.87%, 13.43% and 10.70% by Dr. Wang, Prof. Zeng and Dr. Luo, respectively. Each of Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai, being limited partnerships established under the laws of PRC, was controlled and managed by Dr. Wang in the capacity of executive partner.

In June 2020, Dr. Wang, Dr. Luo and Prof. Zeng entered into an acting in concert agreement, pursuant to which, Dr. Wang, Dr. Luo and Prof. Zeng agreed to act in concert in the Company's decision-making and in exercising their voting rights and management rights at the shareholders' meeting and board of directors' meeting of the Company respectively. If they could not reach a consensus, Dr. Wang's opinion would be used as the opinion for unanimous action ("**Acting-in-Concert Arrangement**").

As Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai are controlled by Dr. Wang, and in view of the Acting-in-Concert Arrangement, Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai are, as of the Latest Practicable Date, collectively interested in, and are entitled to exercise control over, an aggregate of approximately 30.66% of the voting rights of our Company. As of the Latest Practicable Date, none of the limited partners of Wenge Zhicai and Wenge Jiangcai holds more than 30% of their partnership interest respectively.

Immediately upon the completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised), Dr. Wang, Dr. Luo, Prof. Zeng, Zhongke Sanshi, Hainan Xinyi, Wenge Zhicai and Wenge Jiangcai, by virtue of their shareholding together with the Acting-in-Concert Arrangement, will be entitled to exercise the voting rights of approximately 28.03% of the enlarged issued share capital of our Company, and therefore they will be our Single Largest Group of Shareholders upon Listing.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

The Single Largest Group of Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM THE SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able of carrying out our business independently from the Single Largest Group of Shareholders and their respective close associates upon Listing.

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board comprises five executive Directors, one non-executive Director and three independent non-executive Directors. For details, see "Directors and Senior Management."

RELATIONSHIP WITH THE SINGLE LARGEST GROUP OF SHAREHOLDERS

Despite that Dr. Wang and Dr. Luo, our executive Directors, are the Single Largest Group of Shareholders, our Directors are of the view that our Board and senior management team are able to manage our business independently from the Single Largest Group of Shareholders and their respective close associates for the following reasons:

- each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests;
- our daily management and operations are carried out by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see “Directors and Senior Management”;
- we have three independent non-executive Directors which (i) account for more than one-third of the Board, (ii) do not and will not hold any directorships or management positions in the Single Largest Group of Shareholders, and (iii) possess requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company;
- in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions. In addition, the interested Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or proposal in which he or she or any of his or her close associates (as defined in the Articles) has/have a material interest except for certain circumstances as set out in the Articles; and
- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Single Largest Group of Shareholders and their close associates which would support our independent management. For more details, see “Corporate Governance Measures” below.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team is able to perform the managerial role in our Group independently.

Financial Independence

Our Group has an independent financial system. We make financial decisions according to our own business needs and neither the Single Largest Group of Shareholders nor their close associates intervene with our use of funds. In addition, we have also established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems.

As of the date of this prospectus, there were no outstanding loans or guarantees provided by, or granted to, the Single Largest Group of Shareholders or their respective close associates.

Our Directors believe that, upon Listing, our Company will be able to obtain further financing, if necessary, upon market terms and conditions without relying on financial assistance or credit support from the Single Largest Group of Shareholders or their close associates.

Based on the above, our Company considers there is no financial dependence on the Single Largest Group of Shareholders or their close associates.

RELATIONSHIP WITH THE SINGLE LARGEST GROUP OF SHAREHOLDERS

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently.

Our Company, through our subsidiaries, holds the licenses and qualifications necessary to carry on our current business, and has sufficient capital, facilities, technology and employees to operate the business independently from the Single Largest Group of Shareholders.

We have access to third parties independently from and not connected to the Single Largest Group of Shareholders for sources of suppliers and customers. Based on the above, our Directors are of the view that we are able to operate independently from the Single Largest Group of Shareholders and their close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Single Largest Group of Shareholders:

- under the Articles of Association, where a Shareholders' meeting is to be held for considering proposed transactions in which any of the Single Largest Group of Shareholders or any of their associates has a material interest, the Single Largest Group of Shareholders or their associates will not vote on the relevant resolutions;
- our Company has established internal control mechanisms to identify connected transactions. If our Company enters into connected transactions with the Single Largest Group of Shareholders or any of their associates upon Listing, our Company will comply with the applicable Listing Rules;
- the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and the Single Largest Group of Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;
- the Single Largest Group of Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;
- where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and
- we have appointed Fosun International Capital Limited as our compliance adviser under Rule 3A.19 of the Listing Rules to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and the Single Largest Group of Shareholders, and to protect our minority Shareholders' interests after Listing.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately after completion of the Global Offering and the conversion of our Domestic Unlisted Shares to H Shares, assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of Interest	As of the Latest Practicable Date		Immediately following the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised)	
		Number of Domestic Unlisted Shares or Underlying H Shares	Approximate percentage of shareholding in our total share capital	Number of H Shares or Underlying H Shares	Approximate percentage of shareholding in our total share capital ⁽¹⁾
Dr. Wang	Beneficial owner	2,816,151	1.78%	2,816,151	1.63%
	Other ⁽²⁾	11,177,306	7.06%	11,177,306	6.46%
	Interest in controlled corporation ⁽³⁾	26,231,007	16.57%	26,231,007	15.15%
	Interest in controlled corporation ⁽⁴⁾	6,268,709	3.96%	6,268,709	3.62%
	Interest in controlled corporation ⁽⁴⁾	1,055,893	0.67%	1,055,893	0.61%
	Interest in controlled corporation ⁽⁴⁾	974,524	0.62%	974,524	0.56%
Dr. Luo	Beneficial owner	7,339,783	4.64%	7,339,783	4.24%
	Other ⁽²⁾	6,653,674	4.20%	6,653,674	3.84%
Prof. Zeng	Beneficial owner	3,837,523	2.42%	3,837,523	2.22%
	Other ⁽²⁾	10,155,934	6.42%	10,115,934	5.87%
Zhongke Sanshi . .	Beneficial owner	26,231,007	16.57%	26,231,007	15.15%
Qianhai HB	Interest in controlled corporation ⁽⁵⁾	12,622,305	7.98%	12,622,305	7.29%
Zeng Duan	Beneficial owner ⁽⁶⁾	112,356	0.07% ⁽⁶⁾	112,356	0.06%
(曾端)	Interested in controlled corporation ⁽⁷⁾	9,853,173	6.23%	9,853,173	5.69%

Notes:

- (1) The calculation is based on the total number of 173,101,207 H Shares in issue immediately after completion of the Global Offering since 158,266,607 Domestic Unlisted Shares will be converted into 158,266,607 H Shares and 14,834,600 H Shares will be issued pursuant to the Global Offering, assuming that the Pre-IPO Share Option and the Over-allotment Option are not exercised.
- (2) In June 2020, Dr. Wang, Dr. Luo and Prof. Zeng entered into an acting in concert agreement, pursuant to which, Dr. Wang, Dr. Luo and Prof. Zeng agreed to act in concert in the Company's decision-making and in exercising their voting rights and management rights at the shareholders' meeting and board of directors' meeting of the Company respectively. If they could not reach a consensus, Dr. Wang's opinion would be used as the opinion for unanimous action. ("**Acting-in-Concert Arrangement**"). The Acting-in-Concert Arrangement shall continue to be effective following completion of the Global Offering. By virtue of the SFO, Dr. Wang, Dr. Luo and Prof. Zeng are therefore beneficially interested and deemed to be interested in the total of 13,993,457 Shares held by each other pursuant to the Acting-in-Concert Arrangement. For details, see "Relationship with the Single Largest Group of Shareholders".
- (3) Dr. Wang is interested in 75.87% share capital of Zhongke Sanshi. By virtue of the SFO, Dr. Wang is deemed to be interested in the Shares held by Zhongke Sanshi.
- (4) Dr. Wang acted as the executive partner of Wenge Zhicai, Hainan Xinyi and Wenge Jiangcai. By virtue of the SFO, Dr. Wang is deemed to be interested in the Shares held by each of Wenge Zhicai, Hainan Xinyi and Wenge Jiangcai. See "Share Capital — Conversion of Domestic Unlisted Shares into H Shares" for the respective numbers of Domestic Unlisted Shares and H Shares held by the relevant controlled corporations immediately before and after the completion of the Global Offering and the conversion of Domestic Unlisted Shares into H Shares.

SUBSTANTIAL SHAREHOLDERS

- (5) Qianhai HB is the general partner of each of Hengbang Zhiyuan No.5, Hengbang Zhiyuan No. 20, Hengbang Zhiyuan No.23, Hengbang Growth No.10 and Hengbang Growth No.5, all being shareholders of the Company. By virtue of the SFO, Qianhai HB is deemed to be interested in the Shares held by each of Hengbang Zhiyuan No.5, Hengbang Zhiyuan No. 20, Hengbang Zhiyuan No.23, Hengbang Growth No.10 and Hengbang Growth No.5. See “Share Capital — Conversion of Domestic Unlisted Shares into H Shares” for the respective numbers of Domestic Unlisted Shares and H Shares held by the relevant controlled corporations immediately before and after the completion of the Global Offering and the Conversion of Domestic Unlisted Shares into H Shares.
- (6) Ms. Zeng is interested in 112,356 share options granted to her under the Pre-IPO Share Option Scheme. See “Statutory and General Information — 4. Pre-IPO Incentive Plans” in Appendix VI to this prospectus for details. The calculation of percentage is based on the total number of 112,356 H Shares which Ms. Zeng subscribed pursuant to the terms of the Pre-IPO Share Option Scheme over 158,266,607 Domestic Unlisted Shares currently in issue.
- (7) Wenge Hongcai and Zhongke Youcai are interested in 0.39% and 5.30% of the Shares. As Ms. Zeng is the executive partner of each of Wenge Hongcai and Zhongke Youcai, by virtue of the SFO, Ms. Zeng is deemed to be interested in the Shares held by Zhongke Youcai and Wenge Hongcai.

Save as disclosed herein, our Directors are not aware of any other person who will, immediately after completion of Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised), have an interest or short position in Shares or underlying Shares of the Company, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and after completion of the Global Offering and the conversion of Domestic Unlisted Shares into H Shares.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date and immediately prior to the Global Offering and the conversion of Domestic Unlisted Shares into H Shares, the registered and issued share capital of our Company was RMB158,266,607, comprising 158,266,607 Domestic Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately after completion of the Global Offering and the conversion of Domestic Unlisted Shares into H Shares, assuming that the Pre-IPO Share Option and the Over-allotment Option are not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our issued share capital
H Share to be converted from Domestic Unlisted Shares . . .	158,266,607	91.43%
H Shares to be issued pursuant to the Global Offering	14,834,600	8.57%
Total	<u>173,101,207</u>	<u>100%</u>

Immediately after completion of the Global Offering and the conversion of Domestic Unlisted Shares into H Shares, assuming that the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our issued share capital
H Share to be converted from Domestic Unlisted Shares . . .	158,266,607	90.27%
H Shares to be issued pursuant to the Global Offering	17,059,600	9.73%
Total	<u>175,326,207</u>	<u>100%</u>

DOMESTIC UNLISTED SHARES AND H SHARES

Upon completion of the Global Offering, the share capital of our Company will consist of H Shares only. All H Shares are ordinary Shares in the share capital of our Company.

Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons.

The H Shares shall rank pari passu with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi. Other than cash, dividends could also be paid in the form of shares.

SHARE CAPITAL

CONVERSION OF DOMESTIC UNLISTED SHARES INTO H SHARES

Our Company has filed for a “full circulation” of the existing 158,266,607 Domestic Unlisted Shares into H Shares on a one-for-one basis, and submitted the application reports, authorization documents of the shareholders of Domestic Unlisted Shares for which an H-share “full circulation” are applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The relevant filings of the conversion of the existing 158,266,607 Domestic Unlisted Shares held by the existing Shareholders into H Shares on a one-for-one basis have been completed on March 24, 2026.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO LISTING DATE

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and not be transferred within a period of one year from the Listing Date.

PRE-IPO INCENTIVE PLANS

We adopted the Pre-IPO Incentive Plans, details of which are set forth in “Statutory and General Information — Pre-IPO Incentive Plans” in Appendix VI to this prospectus.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC, the domestic shareholders of domestic unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSRC of the shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix V — Summary of the Articles of Association”.

FINANCIAL INFORMATION

The following selected consolidated financial information and other financial data relating to our Company as of and for the years ended December 31, 2023, 2024 and 2025 have been extracted from, and should be read in conjunction with, the Consolidated Financial Statements and the accompanying notes and other financial information appearing elsewhere in this prospectus. The audited consolidated financial information of our Group is prepared in accordance with IFRS accounting standards.

This discussion of our financial condition and results of operations contains forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties. Our actual performance and results are based on the assumptions about our business and may differ materially from those anticipated in the forward-looking statements as a result of certain factors, including those set out in the sections of “Forward-Looking Statements” “Risk Factors” and elsewhere in this prospectus. In addition, certain industry issues also affect our financial condition and results of operations, as described in “Industry Overview”.

OVERVIEW

We are an emerging enterprise AI technology and service provider in China, specializing in complex data analytics and AI-assisted decision-making.

Founded in 2017 by AI scientists from the CASIA, we focus on enterprise data analytics and decision intelligence. Our founding commitment is to develop AI with advanced cognitive reasoning and decision-making capabilities.

We develop critical AI capabilities in-house, offering a portfolio of full-stack AI services. Our capabilities cover data governance, domain knowledge management, large language and multimodal model training, decision automation and evaluation, and low-code AI application development. Integrated tightly through a software platform, these capabilities enhance performance, reliability, and security of our enterprise offerings. This integrated approach reduces development costs and deployment time for our AI application and services, by unifying the foundational infrastructure, resolving cross-system compatibility issues, and eliminating the redundant work needed to stitch fragmented systems together, thereby accelerating the delivery of AI solutions. Concurrently, this optimized cycle lowers our unit development costs, by reducing per-project labor costs due to improved engineering productivity, and decreasing expenses associated with redundant external services, computing resources, and third-party tools.

We serve organizations in technology-intensive sectors across China, facilitating the AI-enabled digital transformation of domains such as public sector services, media and communications, and commercial enterprises essential to our society and economy. During the Track Record Period, we have provided AI services to over 650 enterprise and government customers.

According to CIC, enterprise large model-driven decision intelligence currently represents a small yet fast-growing subset of China’s enterprise AI industry. In terms of revenue in 2025, we ranked first among China’s enterprise large model-driven decision intelligence service providers, holding a 10.2% market share. Furthermore, we were the eighth largest player in China’s large model market in 2025 with a market share of 2.2%, where we mainly competed with major Chinese AI incumbents. In 2023, 2024 and 2025, the number of our customers we served were 262, 342 and 404, respectively, with our revenue increasing from RMB249.7 million to RMB317.8 million, and further to RMB405.3 million in the respective year.

FINANCIAL INFORMATION

BASIS OF PREPARATION

Our historical financial information, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended December 31, 2023, 2024 and 2025 and the consolidated statements of financial position of the Group and the statements of financial position of the Company as of December 31, 2023, 2024 and 2025 and material accounting policies and other explanatory information (the “**Historical Financial Information**”), has been prepared based on accounting policies set out in note 2.1 of the Accountants’ Report included in Appendix I which conforms with IFRS accounting standards, which includes IFRS accounting standards, International Accounting Standard (“IAS”) and the related interpretations issued by the International Accounting Standards Board (“IASB”). In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

For the purpose of preparing and presenting the Historical Financial Information, all relevant standards, amendments and interpretations to the IFRS accounting standards that are effective during the Track Record Period have been adopted by us consistently throughout the Track Record Period.

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the pre-IPO Investors in relation to the termination of redemption rights granted by the Company, which are void ab initio as described in note 31 to the Accountants’ Report, having taken into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 31 of the Accountants’ Report.

The preparation of the Historical Financial Information in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 3 of the Accountants’ Report.

The Historical Financial Information has been prepared under the historical cost convention, except for equity investment designated at fair value through other comprehensive income which have been measured at fair value as explained in the material accounting policy information set out in note 2.3 of the Accountants’ Report. The Historical Financial Information is presented in Renminbi, which is the same as our functional currency.

KEY FACTORS AFFECTING OUR BUSINESS AND RESULTS OF OPERATIONS

Our historical business performance and future prospects have been, and will continue to be, materially influenced by a number of key factors, including the following:

General Economic and Industry Factors

Our financial performance is also affected by general economic and industry-specific factors, including:

- Market demand for artificial intelligence and decision intelligent AI services;
- Technological advancements and adoption rates of large-model-driven technologies;
- Competitive dynamics within the decision intelligence and artificial intelligence industries; and
- Macroeconomic conditions and governmental policies impacting technological innovation and digital transformation initiatives.

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Our Investment in Technology Innovation and AI Services.

We have made substantial investments in research and development to enhance our AI capabilities and services. Our proprietary large-model algorithms, such as Yayi LLM, enable us to deliver advanced text-generation and decision-making AI services to our customers. Continuous innovation in algorithmic development and product enhancement, and effective utilization of our intellectual property are essential to sustaining our competitive advantage and business growth.

Accordingly, we are committed to ongoing investment in technology and AI service development to strengthen our market leadership. We intend to further advance and apply AI technologies to enhance the functionality and user experience of our AI services and continue attracting talented research and development personnel by offering competitive compensation.

In 2023, 2024 and 2025, our research and development expenses were RMB179.5 million, RMB131.0 million, and RMB187.5 million, respectively, accounting for 71.9%, 41.2%, and 46.3% of our total revenue for the respective period. Going forward, we will continue to invest in technological innovation and our AI services, which we believe will support the long-term growth of our business and further impact our financial performance.

Our Ability to Attract Customers and Deepen Customer Relationship

Our ability to attract new customers and deepen customer relationship is a key driver to our business growth. During the Track Record Period, we have strategically focused on attracting new customers of our AI services and served, 262, 342 and 404 customers in 2023, 2024 and 2025, respectively. In tandem with the expansion of our customer base, we recorded revenue of RMB249.7 million, RMB317.8 million and RMB405.3 million in the same years, representing a CAGR of approximately 27.4% from 2023 to 2025.

Deepening relationship with existing customers is equally vital as attracting new ones for our business. To this end, we aim to foster strong, long-term relationships with our customers and have implemented an array of measures, from delivering ongoing technical support to maximize the performance of our offerings, to regular engagement with customers to better understand and address their evolving needs. As a result of these efforts, the number of our Benchmark Clients, whose relationships we deem strategically important to our business, was 35 in 2023 to 47 in 2024, and remained relatively stable at 42 in 2025.

The expansion and retention of our customer base are both crucial for our business growth. We have built customer loyalty by developing close collaborations and consistently meeting our clients' needs. Looking ahead, we are committed to continually deepen customer relationships and anticipate sustained growth as we further expand our customer base.

Our Ability to Enhance Management Effectiveness

Our ability to effectively manage and control costs and operating expenses is critical to the success and profitability of our business. Our gross profit margin remained relatively stable during the Track Record Period. However, our cost structure and gross profit margin are influenced by both the mix of our AI service offerings and the evolving composition of our customer base and industries served. Additionally, during the Track Record Period, our growth and expansion of our customer base, both within the existing business channels and from entering new industries, allowed us to achieve greater economies of scale, which has been fuelled by our enduring investments in research and development, selling, and marketing, among others.

We believe we are in a strong position to sustain our growth while continuously striving to enhance management efficiency. For instance, our research and development expense ratio declined as foundational research efforts have been effectively commercialized, transitioning from basic model development to vertical industry model applications, leading to improved conversion of research investment into commercial outcomes. Furthermore, as our sales network matures

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nationwide and our established customer base grows, the efficiency of our sales and marketing personnel is expected to increase. In 2023, 2024 and 2025, our average acquisition cost per customer were RMB357.4 thousand, RMB289.2 thousand, and RMB216.2 thousand, reflecting enhanced efficiency in customer acquisition. We have also implemented expense control measures to prudently manage our administrative expenses.

Controlling operating expenses to achieve optimal operating efficiency is crucial to our continued success. As our business continues to scale, we expect to realize significant operating leverage and structural cost savings, strengthening our ability to compete efficiently.

Synergy with Xinhua Mobile Group

On April 28, 2025, Wenge Media, our subsidiary, entered into the Agreement to acquire Xinhua Mobile. As advised by our PRC Legal Advisor, the acquisition has been properly and legally completed and fully settled as of May 19, 2025.

Xinhua Mobile Group, with roots as the new media base for a prominent state-level news outlet, has over a decade of deep expertise in the media and communication industry. While we provide comprehensive AI services powered by our core underlying technologies in DIOS, Xinhua Mobile Group specializes in end-user engagement, creating value for customers by addressing the last-mile challenges. The synergy with Xinhua Mobile Group bridges technical capabilities with end-user-centric operations and will empower our media and communication customers to reach and serve their users in a more effective way. In addition, Xinhua Mobile Group serves an already established customer base within the media and communication sector that is expected to expand our market reach, drive sustainable growth for us and reinforce our market leadership.

Xinhua Mobile Group also places a strong emphasis on research and development. The merger with Xinhua Mobile Group will enable a unified approach on R&D that will not only accelerate product iteration and technological innovation by combining our key competencies, but also boost R&D efficiency with optimized resource allocation and reduction in duplication of efforts, unleashing our growth prospects.

We expect the above synergies to translate into stronger financial performance by bringing capabilities in the media and communication segment, scalable and reliable development support, and reputable industry branding to our existing operation and offerings. As we integrate with Xinhua Mobile Group, we are committed to proactively facilitating collaboration and resource alignment to ensure that the combined strengths are fully harnessed for sustainable growth.

MAJOR ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our major accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in notes 2 to 4 of Appendix I to this prospectus.

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COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Principal Components of Consolidated Income Statement

The following table sets forth consolidated statements of profit or loss and other comprehensive income in 2023, 2024 and 2025, in absolute amount and as percentages of our total revenue.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	249,693	100.0	317,769	100.0	405,316	100.0
Cost of sales	(139,776)	(56.0)	(157,626)	(49.6)	(197,659)	(48.8)
Gross profit	109,917	44.0	160,143	50.4	207,657	51.2
Other income and gains	37,414	15.0	31,314	9.9	49,158	12.1
Selling and marketing expenses	(118,185)	(47.3)	(107,661)	(33.9)	(94,074)	(23.2)
Administrative expenses	(106,385)	(42.6)	(99,767)	(31.4)	(131,986)	(32.6)
Research and development expenses	(179,511)	(71.9)	(131,015)	(41.2)	(187,545)	(46.3)
Fair value gains on financial assets at fair value through profit or loss, net	2,104	0.8	68	0	–	–
Impairment losses on financial and contract assets, net	(3,593)	(1.4)	(7,852)	(2.5)	(6,918)	(1.7)
Other expenses	(245)	(0.1)	(1,599)	(0.5)	(1,165)	(0.3)
Finance costs	(1,500)	(0.6)	(933)	(0.3)	(2,697)	(0.7)
Loss before Tax	(259,984)	(104.1)	(157,302)	(49.5)	(167,570)	(41.3)
Income tax credit	198	0.1	207	0.1	1,307	0.3
Loss for the Year	<u>(259,786)</u>	<u>(104.0)</u>	<u>(157,095)</u>	<u>(49.4)</u>	<u>(166,263)</u>	<u>(41.0)</u>
Loss attributable to:						
Owners of the parent	(259,023)	(103.7)	(156,852)	(49.4)	(174,305)	(43.0)
Non-controlling interests	(763)	(0.3)	(243)	(0.1)	8,042	2.0

For details on the accounting treatment of special rights in relation to pre-IPO investments, see “— Share Capital”, and note 31 and 39(c) of the Accountants’ Report set out in Appendix I to this prospectus.

NON-IFRS MEASURES

To supplement our consolidated financial statements, which are presented in accordance with IFRS accounting standards, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS accounting standards. We believe adjusted net loss (non-IFRS measure) facilitates comparisons of operating performance from period to period and company to company.

We believe adjusted net loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted net loss (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of our results of operations or financial condition as reported under IFRS accounting standards.

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We define adjusted net loss (non-IFRS measure) as loss for the year by adding back share-based payment, which is non-cash in nature, and listing expenses, which arise from activities relating to the Global Offering. The following table (in absolute amounts and as percentages of total revenue for the year indicated) reconciles our adjusted net loss (non-IFRS measure) for the year presented in accordance with IFRS accounting standards, which is loss for the year:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Reconciliation of loss for the year to adjusted net loss (non-IFRS measure)						
Loss for the year	(259,786)	(104.0)	(157,095)	(49.4)	(166,263)	(41.0)
Add:						
Share-based payment.	74,267	29.7	41,868	13.1	44,513	11.0
Listing expenses	—	—	—	—	21,162	5.2
Adjusted net loss (non-IFRS measure)	<u>(185,519)</u>	<u>(74.3)</u>	<u>(115,227)</u>	<u>(36.3)</u>	<u>(100,588)</u>	<u>(24.8)</u>

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we mainly generated revenue from our provision of AI services in the areas of (i) public sector services, (ii) media and communications, and (iii) commercial enterprises. In 2023, 2024 and 2025, our revenue was RMB249.7 million, RMB317.8 million and RMB405.3 million, respectively. The following table sets out a breakdown of our revenue by use cases in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
AI services						
Public Sector Services	126,621	50.7	149,937	47.2	147,924	36.5
Media and Communications	76,131	30.5	85,264	26.8	121,731	30.0
Commercial Enterprises	36,236	14.5	74,937	23.6	129,208	31.9
Others⁽¹⁾	10,705	4.3	7,631	2.4	6,453	1.6
Total	<u>249,693</u>	<u>100.0</u>	<u>317,769</u>	<u>100.0</u>	<u>405,316</u>	<u>100.0</u>

- (1) Others mainly represent our maintenance and operation services providing ongoing technical support, and other miscellaneous services from ancillary activities, primarily including one-off external procurements of hardware or software for specific projects.

Our revenue increased consistently during the Track Record Period, primarily driven by the increase in market demand for AI services and the significant sales growth in the area of industry. During the Track Record Period, our revenue from AI services in public sector services and media and communications increased mainly due to expanded customer base in these segments resulting from continual product iteration, and our revenue from AI services in commercial enterprises increased mainly because of the increase in the number of customers and the average revenue per customer in the segment.

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The following table sets out a breakdown of our revenue by delivery methods in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Localized deployment	187,289	75.0	226,261	71.2	294,690	72.7
Analytic reports	29,917	12.0	40,475	12.7	34,555	8.5
SaaS	21,304	8.5	36,714	11.6	57,583	14.2
Maintenance services	11,183	4.5	14,319	4.5	18,488	4.6
Total	249,693	100.0	317,769	100.0	405,316	100.0

The following table sets out a breakdown of our revenue by revenue recognition policies in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Goods or services transferred at a point in time	206,247	82.6	262,983	82.8	310,182	76.5
Services transferred over time	43,446	17.4	54,786	17.2	95,134	23.5
Total	249,693	100.0	317,769	100.0	405,316	100.0

For the relationships among our delivery method and revenue recognition policies, see “Business — Our Fee Model” for more information.

The following table sets out a breakdown of our revenue by geographical markets in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	247,862	99.3	313,192	98.6	398,767	98.4
Hong Kong	1,831	0.7	4,577	1.4	6,549	1.6
Total	249,693	100.0	317,769	100.0	405,316	100.0

In 2023, we began serving customers in Hong Kong, and our revenue generated from the regional market increased from RMB1.8 million in 2023 to RMB4.6 million in 2024, and further to RMB6.5 million in 2025, marking a solid first step of our international expansion.

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Cost of sales

Our cost of sales mainly consists of (i) labor costs; (ii) purchase costs; and (iii) others, mainly including share-based payment and depreciation. Labor costs represent primarily wages and benefits of our employees. Purchase costs represent primarily procurement cost third-party suppliers, such as computing resources, IT equipment and software services. The table below sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Labor costs	53,004	37.9	72,619	46.1	86,655	43.8
Purchase costs	71,133	50.9	74,440	47.2	104,340	52.8
Others	15,639	11.2	10,567	6.7	6,664	3.4
Total	139,776	100.0	157,626	100.0	197,659	100.0

The table below sets forth our cost of sales by use cases in absolute amount and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
AI services						
Public Sector Services	67,717	48.4	75,330	47.8	75,687	38.3
Media and Communications	47,355	33.9	48,845	31.0	62,061	31.4
Commercial Enterprises	19,929	14.3	29,038	18.4	56,305	28.5
Others	4,775	3.4	4,413	2.8	3,606	1.8
Total	139,776	100.0	157,626	100.0	197,659	100.0

Our cost of sales increased during the Track Record Period, in line with our business growth and the increase in revenues.

Gross profit and gross profit margin

Our gross profit increased by 45.7% from RMB109.9 million in 2023 to RMB160.1 million in 2024 and our overall gross profit margin increased from 44.0% in 2023 to 50.4% in 2024, mainly due to increased delivery efficiency achieved through the utilization and accumulation of our standardized replicable modules. Our gross profit increased by 29.7% from RMB160.1 million in 2024 to RMB207.7 million in 2025 and our overall gross profit margin remained relatively stable at 50.4% in 2024 and 51.2% in 2025. The table below sets forth our gross profit and overall gross profit margin during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands, except for percentages)</i>		
Revenue	249,693	317,769	405,316
Cost of sales	(139,776)	(157,626)	(197,659)
Gross profit	109,917	160,143	207,657
Gross profit margin (%)	44.0	50.4	51.2

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The table below sets forth our gross profit and gross profit margin by use cases during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
AI services						
Public Sector Services	58,904	46.5	74,607	49.8	72,237	48.8
Media and Communications	28,776	37.8	36,418	42.7	59,670	49.0
Commercial Enterprises	16,307	45.0	45,898	61.2	72,903	56.4
Others⁽¹⁾	5,930	55.4	3,219	42.2	2,847	44.2
Total	109,917	44.0	160,143	50.4	207,657	51.2

(1) Others primarily includes maintenance and operation services, as well as one-off external procurements of hardware or software. The contract value, which directly links with our revenue, for maintenance and operation services is generally pre-negotiated and agreed upon with customers. However, the corresponding costs incurred for services under such contracts depend heavily on the actual volume and frequency of maintenance requests that arise during the service period. Given the variable nature of customer demands of such services, our costs fluctuate against the pre-agreed revenue, naturally leading to variations in the gross profit margin for this sector.

The table below sets forth our gross profit and gross profit margin by delivery methods during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Localized deployment	74,764	39.9	101,249	44.7	134,089	45.5
Analytic reports	12,560	42.0	20,835	51.5	22,923	66.3
SaaS	14,972	70.3	29,348	79.9	37,886	65.8
Maintenance services	7,621	68.1	8,711	60.8	12,759	69.0
Total	109,917	44.0	160,143	50.4	207,657	51.2

Other income and gains

Our other income and gains primarily consist of government grants and subsidies, investment income from structured deposits and time deposits, interest income, gain on lease term termination, and gain on disposal of a subsidiary. The government grants we received were mainly from the local government, the purposes of which are primarily to support our research and development.

The table below sets forth a segment of our other income and gains during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants and subsidies	24,290	22,237	45,164
Investment income from structured deposits and time deposits	11,361	6,301	2,623
Others ⁽¹⁾	1,763	2,776	1,371
Total	37,414	31,314	49,158

(1). Others primarily include interest income, gain on lease term termination, and gain on disposal of a subsidiary.

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Selling and marketing expenses

Our selling and marketing expenses primarily consist of employee compensation, advertising and promotion expenses, pre-sales service fee, business development expenses, depreciation of right-of-use assets, and share-based payment. Employee compensation comprises primarily the salaries of our selling and marketing personnel. Pre-sales service fee primarily consists of expenses incurred before we enter into business contracts with potential customers, such as fees in relation to consulting, business liaison and system demonstrations.

The table below sets forth a breakdown of the key components of our selling and marketing expenses for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Employee compensation	62,498	71,435	63,322
Advertising and promotion expenses	8,303	5,088	2,878
Pre-sales service fee	3,266	4,810	6,901
Labor expenses	5,539	4,275	1,980
Business development expenses	3,737	3,131	2,933
Depreciation of right-of-use assets	3,821	3,868	3,688
Share-based payment	24,549	8,750	6,742
Others ⁽¹⁾	6,472	6,304	5,630
Total	118,185	107,661	94,074

(1). Others primarily include travel and transportation expenses, depreciation and amortization, rent and property management fees.

Administrative expenses

Our administrative expenses primarily comprise employee compensation, professional service fee, business development expenses, share-based payment, depreciation and amortization and listing expenses.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Employee compensation	43,747	49,997	54,234
Professional service fee	9,005	5,097	7,893
Business development expenses	6,627	5,117	5,388
Share-based payment	31,510	29,726	30,316
Depreciation and amortization	6,781	4,262	5,263
Listing expenses	—	—	21,162
Others ⁽¹⁾	8,715	5,568	7,730
Total	106,385	99,767	131,986

(1). Others primarily include office expenses, property management fees and travel and transportation expenses.

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Research and development expenses

We consider research and development key to our ability to improve our services and offerings and maintain our competitive strengths. Our research and development expenses comprise primarily employee compensation, computing resource expenses, third-party service fees, share-based payment, and depreciation and amortization. Computing resource expenses represent our expenses to purchase computing resources to support training of our models. Third-party service fees represent expenses from engaging outsourced non-core research and development, and purchases of hardware and software.

The table below sets forth a breakdown of the key components of our research and development expenses for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Employee compensation	104,949	72,470	75,775
Computing resource expenses	32,674	20,815	33,526
Third-party service fees	10,371	15,487	48,978
Share-based payment	12,460	2,081	5,466
Depreciation and amortization	15,477	18,292	21,136
Others ⁽¹⁾	3,580	1,870	2,664
Total	179,511	131,015	187,545

(1). Others primarily include rent and property management fees and travel and transportation expenses.

Impairment losses on financial and contract assets, net

Our impairment losses on financial and contract assets, net comprise impairment losses on trade receivables, contract assets, other receivables and other non-current assets. In 2023, 2024 and 2025, we recorded impairment losses on financial and contract assets, net of RMB3.6 million, RMB7.9 million and RMB6.9 million, respectively.

Other expenses

Other expenses comprise expenses that are not related to our daily operation, which primarily includes sponsorship expenses, exchange losses, fines and penalties expenses, loss on disposal of non-current assets, and charitable donations.

Finance Costs

Our finance costs primarily consist of interest on lease liabilities, interest on put option liabilities and interest on bank loans.

The table below sets forth a breakdown of our finance costs for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	1,500	933	730
Interest on put option liabilities	—	—	1,397
Interest on bank loans	—	—	570
Total	1,500	933	2,697

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Income tax credit

Our income tax credit consists of deferred income tax, which amounted to RMB0.2 million, RMB0.2 million and RMB1.3 million, in 2023, 2024 and 2025, respectively. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operate. See note 10 of the Accountants' Report in Appendix I to this document.

Our Company and two of our subsidiaries, namely, Shenzhen Wenge and Xinhua Mobile, were qualified as a High and New-Tech enterprise during the Track Record Period and are entitled to a preferential tax rate of 15%. Furthermore, we enjoy additional tax deductions for R&D expenses pursuant to the relevant PRC laws.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigations, penalties or surcharges.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our total revenue increased by 27.5% from RMB317.8 million in 2024 to RMB405.3 million in 2025. This growth was primarily driven by the expansion of our business scale and customer base across our key segments and service offerings. The increase was primarily due to:

- **Public Sector Services:** Revenue from this segment remained relatively stable at RMB149.9 million in 2024 and RMB147.9 million in 2025, demonstrating the maturity of our capabilities and our sustained ability to secure and deliver projects in this established sector.
- **Media and Communications:** Revenue from this segment increased by 42.7% from RMB85.3 million in 2024 to RMB121.7 million in 2025, primarily driven by increased number of customers and demand, the consolidation of Xinhua Mobile, as well as the execution and delivery of several large-scale projects in 2025. Specifically, aggregated revenue from projects with revenue contribution of over RMB2.0 million increased from RMB44.6 million in 2024 to RMB66.3 million in 2025.
- **Commercial Enterprises:** Revenue from this segment recorded a significant increase of 72.5% from RMB74.9 million in 2024 to RMB129.2 million in 2025. This was primarily due to our ability to secure projects of larger scopes and higher complexity from our commercial enterprise clients, leading to a significant increase in our average contract value from RMB477.3 thousand in 2024 to RMB702.2 thousand in the same period of 2025. The increase was also attributable to our successful entering into certain new sub-segments with the deepening application of our DIOS in more verticals. For instance, our revenue from energy sub-segment increased by 209.5% from RMB4.2 million in 2024 to RMB13.0 million in 2025; our revenue from healthcare sub-segment increased by 205.7% from RMB3.5 million in 2024 to RMB10.7 million in 2025.

Our revenue growth was also attributable to the strong performance of our service offerings:

- **Localized Deployment:** Revenue from localized deployment increased by 30.2% from RMB226.3 million in 2024 to RMB294.7 million in 2025, primarily due to the continual expansion of our customer base across various industry segments.

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- **Analytic Reports:** Revenue from analytic reports decreased by 14.6% from RMB40.5 million in 2024 to RMB34.6 million in 2025, primarily due to enhanced standardization of our AI platform services and the optimization of our service mix, resulting in the migration of certain customers to our SaaS solutions.
- **SaaS:** Revenue from SaaS increased by 56.9% from RMB36.7 million in 2024 to RMB57.6 million in 2025, primarily due to the increase in both number of customers and average revenue per customer for this delivery method, benefited from the higher degree of standardization in our product offerings, which significantly improved scalability and market adoption.

Cost of Sales

Our total cost of sales increased by 25.4% from RMB157.6 million in 2024 to RMB197.7 million in 2025, in alignment with the increase in our revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB160.1 million in 2024 to RMB207.7 million in 2025. Our overall gross profit margin increased from 50.4% in 2024 to 51.2% in 2025.

- **Public Sector Services:** Gross profit remained relatively stable at RMB74.6 million in 2024 and RMB72.2 million in 2025, and gross profit margin remained relatively stable at 49.8% in 2024 and 48.8% in 2025, mainly due to the mature and stable nature of our capability and business model in this established segment.
- **Media and Communications:** Gross profit increased from RMB36.4 million in 2024 to RMB59.7 million in 2025, primarily due to higher average revenue per customer and greater economies of scale achieved through continually deepening our engagement with customers in the segment. Gross profit margin increased from 42.7% in 2024 to 49.0% in 2025, primarily due to the increased contribution from cloud services revenue and the decrease in the number of contracts involving substantial purchase costs. As a result, a greater proportion of revenue in this segment was derived from our more standardized solutions requiring only limited customization, which contributed to a more optimized cost structure in this segment. The improvement in gross profit margin also reflects our optimization of cost structure and economies of scale achieved.
- **Commercial Enterprises:** Gross profit increased from RMB45.9 million in 2024 to RMB72.9 million in 2025, in line with the increase in revenue in this segment. The gross profit margin decreased from 61.2% in 2024 to 56.4% in 2025, mainly due to higher costs associated with our strategic expansion into new commercial scenarios, as we invested in establishing scalable solution deployment capabilities. These higher costs were primarily in relation to: (i) increased system development for core algorithms, architectures, and solutions tailored to new scenarios; (ii) higher testing and validation costs for their functional and security requirements; and (iii) additional cloud resource costs driven by higher data processing volumes for the development of automated deployment tools for rapid replication. As the diverse application scenarios and our rapidly growing customer base inherently increased the complexity and resources required, these new scenarios and projects generally recorded relatively lower gross margins. This is evidenced by our AI+marketing scenario, which recorded a gross margin of 40.7% in 2025.

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Other Income and Gains

Other income and gains increased by 57.2% from RMB31.3 million in the year ended December 31, 2024, to RMB49.2 million in the year ended December 31, 2025, primarily due to increased government grants and subsidies.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 12.6% from RMB107.7 million in 2024 to RMB94.1 million in 2025. This was primarily attributable to a decrease in employee benefit expenses, driven by our enhanced operational efficiency and the establishment of a mature sales and marketing system.

Administrative Expenses

Our administrative expenses increased by 32.3% from RMB99.8 million in 2024 to RMB132.0 million in 2025, primarily because of an increase in listing expenses and an increase in professional service fees.

Research and Development Expenses

Our research and development expenses increased by 43.1% from RMB131.0 million in 2024 to RMB187.5 million in 2025. This was primarily due to our continuous investment in R&D innovation to enhance our AI capabilities, including an increase in the procurement of computing power to support the training of our AI models.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net decreased from RMB7.9 million in 2024 to RMB6.9 million in 2025, primarily due to settlement of certain long-aged trade receivables, reflecting our enhanced credit control and collection efforts.

Other Expenses

Other expenses decreased from RMB1.6 million in 2024 to RMB1.2 million in 2025, primarily due to a decrease in fees arising from the early termination of leases.

Finance Costs

Our finance costs increased from RMB0.9 million in 2024 to RMB2.7 million in 2025, primarily due to interest on put option liabilities arising from the acquisition of Xinhua Mobile.

Income Tax Credit

Our income tax credit increased from RMB0.2 million in 2024 to RMB1.3 million in 2025.

Net Loss and Net Loss Margin

As a result of the foregoing, our net loss increased by 5.9% from RMB157.1 million in 2024 to RMB166.3 million in 2025, with the net loss margin decreasing from 49.4% in 2024 to 41.0% in 2025.

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Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our total revenue increased by 27.3% from RMB249.7 million in 2023 to RMB317.8 million in 2024, primarily due to:

- **Public Sector Services:** Revenue from the public sector services segment increased by 18.4% from RMB126.6 million in 2023 to RMB149.9 million in 2024, primarily due to retention of our existing customers and our expansion of local government customers.
- **Media and Communications:** Revenue from the media and communications segment increased by 12.1% from RMB76.1 million in 2023 to RMB85.3 million in 2024, primarily driven by our continued expansion of business scale as well as the increase in the number of customers in this segment.
- **Commercial Enterprises:** Revenue from the commercial enterprises segment increased by 106.9% from RMB36.2 million in 2023 to RMB74.9 million in 2024, primarily due to expansion of our corporate customer base and our effort in relatively new industry verticals, such as the healthcare sector, reflecting our effective market penetration strategies in the segment.

The change in our revenues was also due to:

- **Localized Deployment:** Revenue from localized deployment increased by 20.8% from RMB187.3 million in 2023 to RMB226.3 million in 2024, primarily due to the successful expansion of our customer base across multiple sectors. This growth was also driven by new business opportunities created by the launch of our large model at the end of 2023.
- **Analytic Reports:** Revenue from analytic reports increased by 35.5% from RMB29.9 million in 2023 to RMB40.5 million in 2024, primarily due to an increase in our number of customers, in line with our strategy to expand our enterprise customer base.
- **SaaS:** Revenue from SaaS increased by 72.3% from RMB21.3 million in 2023 to RMB36.7 million in 2024, primarily due further expansion of our customer base and the increased sales from new functional modules made available by the continual iteration of our Yayi LLM.

Cost of Sales

Our total cost of sales increased by 12.7% from RMB139.8 million in 2023 to RMB157.6 million in 2024, in alignment with the increase in our revenue. The increase was mainly driven by increased labor costs across segments, reflecting our ongoing efforts to expand and better serve our customer base.

Gross profit and gross profit margin

Our gross profit increased from RMB109.9 million in 2023 to RMB160.1 million in 2024. Our overall gross profit margin increased from 44.0% in 2023 to 50.4% in 2024.

- **Public Sector Services:** Gross profit increased from RMB58.9 million in 2023 to RMB74.6 million in 2024, primarily in line with the increase in revenue. Gross profit margin increased from 46.5% in 2023 to 49.8% in 2024, mainly due to our improved operational and development efficiency attributable to utilization and accumulation of our standardized and replicable software modules.

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- **Media and Communications:** Gross profit increased from RMB28.8 million in 2023 to RMB36.4 million in 2024, primarily due to an increase in the number of customers. Gross profit margin increased from 37.8% in 2023 to 42.7% in 2024, resulting from economies of scale achieved through continual expansion of our business and deepened know-hows in the segment. Specifically, as number of customers increased from 39 in 2023 to 67 in 2024 in this segment, average fixed cost per customer, primarily comprising depreciation of fixed assets, amortization of leasehold improvements, and depreciation of right-of-use assets, decreased by approximately 44.9% and thereby lifted our margin. On the other hand, we recorded lower gross profit margin in this sector in 2023, as certain system integration projects incurred higher purchase costs. These costs were largely for the procurement of specialized hardware necessary to meet the specific demands of these projects.
- **Commercial Enterprises:** Gross profit increased from RMB16.3 million in 2023 to RMB45.9 million in 2024, primarily due to a significant increase in the number of projects delivered and our strategies to expand this segment. Gross profit margin improved from 45.0% in 2023 to 61.2% in 2024, mainly due to (i) improved operational and development efficiency as we began to expand our business scale in 2024 in this segment, with the number of customers in this segment reaching 157 in 2024 and further increasing to 184 in 2025, which lowered marginal delivery costs and shortened delivery cycles, attributable to the utilization and accumulation of our standardized and replicable modules; (ii) enhanced efficiency and profitability achieved by leveraging our technology and solutions delivery experience accumulated from the public sector services and media and communications segments; (iii) an increased proportion of projects with limited external procurement in 2024, which typically carried higher gross margins, as compared to 2023 when the delivery of large-scale projects necessitated more external procurement, such as hardware and commissioned development of modules.

Other income and gains

Other income and gains decreased by 16.3% from RMB37.4 million in the year ended December 31, 2023, to RMB31.3 million in the year ended December 31, 2024, primarily due to higher milestone government grant payments we received in 2023 in connection with certain research projects based on their respective progress.

Selling and marketing expenses

Our selling and marketing expenses decreased by 8.9% from RMB118.2 million in 2023 to RMB107.7 million in 2024, primarily attributable to (i) the decrease in share-based payment expenses in subsequent periods as the awards continued to vest; and (ii) the decrease in advertising and promotion expenses as we incurred higher expenses on exhibition participation in 2023 in relation to the launch of our large models.

Administrative expenses

Our administrative expenses decreased by 6.2% from RMB106.4 million in 2023 to RMB99.8 million in 2024, primarily because we have implemented measures to monitor and control our administrative expenses. The decrease is also due to (i) a decrease in professional service fees; and (ii) a decrease in costs for office leaseholds and office-related expenses resulting from termination of leaseholds.

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Research and development expenses

Our research and development expenses decreased by 27.0% from RMB179.5 million in 2023 to RMB131.0 million in 2024, primarily due to (i) our transitioning of R&D focus from basic model development to vertical industry model applications, leading to adjustment of our research and decreased employee compensation; and (ii) the initial training phase for our large models took place in 2023 and required higher computing resource expenses.

Impairment losses on financial and contract assets, net

Our impairment losses on financial and contract assets, net increased from RMB3.6 million in 2023 to RMB7.9 million in 2024, in line with our increase in trade receivables.

Other expenses

Other expenses increased significantly from RMB0.2 million in 2023 to RMB1.6 million in 2024, primarily due to our sponsorship to a non-profit AI research institute and a forfeited deposit incurred in 2024.

Finance costs

Our finance costs decreased from RMB1.5 million in 2023 to RMB0.9 million in 2024 primarily due to a decrease in interest expenses on our lease liabilities.

Income tax credit

Our income tax credit increased slightly from RMB198 thousand in 2023 to RMB207 thousand in 2024.

Net loss and net loss margin

As a result of the foregoing, our net loss decreased by 39.5% from RMB259.8 million in 2023 to RMB157.1 million in 2024, with net loss margin decreasing from 104.0% in 2023 to 49.4% in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Historically, we funded working capital and other capital requirements primarily utilizing proceeds from external equity financing and our internal cash resources. Our ability to generate cash flow from operations depends on our operating performance, which is in turn dependent on general economic, financial, competitive, market and other factors, many of which are beyond our control. We intend to finance our future capital requirements through the same sources of funds as discussed above, together with the net proceeds from this Global Offering and any future banking loans. In order to cover future obligations and cash outflows, we need to have sufficient liquidity reserves at all times. We intend to monitor our liquidity risk through rolling forecasts of our liquidity requirements to ensure that we have sufficient cash to meet operational needs. Taking into account the financial resources available to us, including time deposits, structured deposits, and estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital required for our operations at present and for at least the next 12 months from the date of this prospectus. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents, time deposits and estimated net proceeds from the Global Offering. Our Directors confirm that we had no material

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defaults in payment of trade and non-trade payables during the Track Record Period. With the same bases as set forth above, the Sole Sponsor concurs with our Directors' view that our Company has sufficient working capital required for its operations at present and for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) payments for property, plant and equipment, other intangible assets and other capital expenditures, and (iii) payments of lease liabilities. Our historical cash burn rate was RMB19.3 million, RMB13.4 million, and RMB17.2 million in 2023, 2024 and 2025, respectively. Our cash burn rate is subject to a seasonal pattern, with a higher operating cash outflow in the first half as the majority of our revenue recognition and payment collections are concentrated in the second half of the year. We had relatively high cash burn rate in 2023, in relation to the considerable expenditure on purchase of IT equipment to support our growing demand for computing resource to support the training of our large models. The increase in cash burn rate from 2024 to 2025 was primarily attributable to leasing more computing resources to support our ongoing research and development, as well as listing expenses incurred in 2025.

We had cash and cash equivalents, unutilized banking facilities, time deposits and financial assets at fair value through profit or loss of RMB861.0 million as of April 30, 2026. We estimate that we will receive net proceeds of approximately HK\$826.8 million after deducting the estimated underwriting commissions and other fees and expenses paid and payable by us in connection with the Global Offering, assuming no Pre-IPO Share Option and Over-allotment Option are exercised and assuming an Offer Price of HK\$60.70 per Offer Share. Assuming that the average cash burn rate going forward will be RMB17.2 million, similar to the cash burn rate level in 2025, based on the underlying assumptions that (i) our workforce growth will generally align with our business expansion, (ii) we do not expect substantial capital investment, and (iii) we do not expect significant acquisitions of fixed assets, we estimate that our liquidity as of April 30, 2026 will be able to maintain our financial viability for approximately 50.1 months from April 30, 2026, lasting approximately to July 2030, or, if we take into account 10% of the estimated net proceeds from the Global Offering (namely, the portion allocated for our working capital and other general corporate purposes), approximately 54.3 months from April 30, 2026, lasting approximately to November 2030, or, if we take into account the estimated net proceeds from the Global Offering, approximately 92.0 months from April 30, 2026, lasting approximately to December 2033. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means. We do not expect to have next round of financing before the Global Offering.

Cash flows

The following table sets forth a summary of our cash flow for the years ended December 31, 2023, 2024 and 2025.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows used in operating activities.	(182,834)	(134,869)	(187,995)
Net cash flows from/(used in) investing activities	665,735	(75,399)	(13,613)
Net cash flows (used in)/from financing activities	(8,120)	130,959	81,272
Cash and cash equivalents at beginning of year. .	49,619	524,408	445,027
Cash and cash equivalents at end of year.	<u>524,408</u>	<u>445,027</u>	<u>324,621</u>

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Cash flow used in operating activities

Cash flow from operating activities reflects: (i) profit before tax adjusted for non-cash and non-operating items including depreciation of property, plant and equipment, right-of-use assets, amortization of other intangible assets, share-based payment expenses, impairment losses on financial and contract assets, impairment losses recognized for inventories, finance costs, interest income, investment income from structured deposits and time deposits, fair value gains of financial assets at fair value through profit or loss, government grants and subsidies credited to the statement of profit or loss during the year, warranty provision, losses on disposal of items of property, plant and equipment, gain on a lease term termination; (ii) changes in inventories, contract costs, trade and bills receivables, contract assets, prepayments, other receivables and other assets, restricted cash, other payables and accruals, trade and bills payables, contract liabilities and provisions; and (iii) adding interest received.

In 2025, our net cash flows used in operating activities amounted to RMB188.0 million, primarily attributable to a loss before tax of RMB167.6 million, adjusted to reflect an increase in trade and bills receivables of RMB89.3 million, and an increase in prepayments, other receivables and other assets of RMB25.2 million, partially offset by an increase in other payables and accruals of RMB18.1 million.

In 2024, our net cash flows used in operating activities amounted to RMB134.9 million, primarily attributable to a loss before tax of RMB157.3 million, adjusted to reflect an increase in trade and bills receivables of RMB50.8 million, a decrease in contract liabilities of RMB18.7 million and a decrease in provision of RMB12.9 million, partially offset by an increase in other payables and accruals of RMB14.6 million and an increase in trade and bills payables of RMB8.2 million.

In 2023, our net cash flows used in operating activities amounted to RMB182.8 million, mainly attributable to a loss before tax of RMB260.0 million, adjusted to reflect an increase in trade and bills receivables of RMB57.3 million and an increase in inventories of RMB13.9 million, partially offset by an increase in trade and bills payables of RMB19.9 million and an increase in contract liabilities of RMB14.9 million.

Cash flow (used in)/from investing activities

Our cash flows from investing activities consist primarily of our purchase of and proceeds from the disposal of items of property, plant and equipment, as well as investments in an unlisted company.

In 2025, our net cash flows used in investing activities amounted to RMB13.6 million, primarily due to purchase of time deposits, structured deposits, listed equity investments and other unlisted investments classified as financial assets at fair value through profit or loss of RMB1,246.0 million, partially offset by redemption of time deposits and structured deposits classified as financial assets at fair value through profit or loss of RMB1,290.5 million.

In 2024, our net cash flows used in investing activities amounted to RMB75.4 million, primarily due to purchases of time deposits, structured deposits, listed equity investments and other unlisted investments classified as financial assets at fair value through profit or loss of RMB1,371.0 million, partially offset by redemptions of time deposits and structured deposits classified as financial assets at fair value through profit or loss of RMB1,300.0 million.

In 2023, our net cash flows from investing activities amounted to RMB665.7 million, mainly attributable to redemptions of time deposits and structured deposits classified as financial assets at fair value through profit or loss of RMB2,944.8 million, partially offset by purchases of time deposits, structured deposits and listed equity investments classified as financial assets at fair value through profit or loss of RMB2,266.8 million.

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Cash flow from/(used in) financing activities

In 2025, our net cash from financing activities was RMB81.3 million, primarily attributable to proceeds from interest-bearing bank and other borrowings of RMB64.2 million, and issue of new shares of RMB47.0 million, partially offset by lease payments of RMB14.7 million.

In 2024, our net cash from financing activities was RMB131.0 million, primarily attributable to proceeds from the issue of new shares amounting to RMB150.0 million, partially offset by lease payments of RMB14.7 million.

In 2023, our net cash used in financing activities was RMB8.1 million, primarily attributable to lease payments of RMB19.8 million, partially offset by capital contribution from shareholders of RMB8.0 million.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000			(unaudited)
Current assets				
Inventories	48,469	36,413	55,609	67,789
Trade and bills receivables	123,624	167,705	248,320	213,913
Contract assets	7,065	10,583	7,217	7,149
Prepayments, other receivables and other assets	17,271	28,203	56,639	72,140
Financial assets at fair value through profit or loss	—	70,921	26,106	114,052
Time deposits	—	—	10,845	10,952
Restricted cash	2,618	5,317	26,201	14,859
Cash and cash equivalents	524,408	445,027	324,621	157,710
Total current assets	723,455	764,169	755,558	658,564
Current liabilities				
Trade and bills payables	54,471	62,645	84,576	70,467
Other payables and accruals	54,960	65,025	81,573	53,413
Contract liabilities	62,993	44,337	46,423	48,333
Lease liabilities	18,643	11,320	11,616	10,398
Provision	2,866	3,693	4,439	4,550
Interest-bearing bank loans and other borrowings	—	—	28,917	51,806
Total current liabilities	193,933	187,020	257,544	238,967
Net current assets	529,522	577,149	498,014	419,597

For details on the accounting treatment of special rights in relation to pre-IPO investments, see “— Share Capital”, and note 31 and 39(c) of the Accountants’ Report set out in Appendix I to this prospectus.

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Inventories

Our inventories consist of contract fulfillment costs, which mainly include labor costs and purchase costs to procure services, software and hardware, allocated to AI services before delivery. Inventories are stated at the lower of cost and net realizable value as stated in note 2.3 to the Accountants' Report in Appendix I to this document. The following table sets forth inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Costs to fulfil a contract	51,137	41,778	42,970
Purchased hardware and components	–	–	13,764
Less: provision for impairment losses on inventories	(2,668)	(5,365)	(1,125)
Inventories	48,469	36,413	55,609

Our inventories then decreased by 24.9% from RMB48.5 million as of December 31, 2023, to RMB36.4 million as of December 31, 2024, primarily due to the delivery and acceptance of the same aforementioned projects. Our inventories increased by 52.7% from RMB36.4 million as of December 31, 2024 to RMB55.6 million as of December 31, 2025, primarily due to an increase in purchased hardware and components, reflecting our advance procurement to meet anticipated business demands.

Our provision for impairment losses on inventories increased from RMB2.7 million as of December 31, 2023 to RMB5.4 million as of December 31, 2024, primarily because our investment exceeded the estimated recoverable amount for certain projects, due to our efforts to polish and optimize product performance under novel scenarios. Our provision for impairment losses on inventories then decreased to RMB1.1 million as of December 31, 2025, primarily because of reversal of impairment provision from the acceptance of certain projects. We perform assessment of inventory impairment regularly to ensure inventories are stated at the lower of cost and net realizable value. During the Track Record Period and up to the Latest Practicable Date, we have monitored project progress of our services. Based on our assessment, which considered factors such as contract value, estimated remaining costs of completion and delivery, existing sales contracts and prevailing market prices, among others, we believe there was no material provision issue of inventories as of the Latest Practicable Date.

The table below sets forth an aging analysis of our inventories:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	42,752	29,518	37,919
One to two years	6,298	6,822	8,899
Over two years	2,087	5,438	9,916
Less: Provision for impairment losses on inventories	(2,668)	(5,365)	(1,125)
Total	48,469	36,413	55,609

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The table below sets forth the average inventory turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Average inventory turnover days ⁽¹⁾	115	108	91

(1). Average inventory turnover days equal the average of the opening and closing inventory balances, excluding provision for impairment losses, of the indicated period divided by the cost of sales for the same period and multiplied by 365 days.

Our inventory turnover days decreased from 115 days in 2023 to 108 days in 2024 and further to 91 days in 2025, primarily due to our improved delivery turnaround and our accumulation and utilization of replicable modules. As of April 30, 2026, RMB6.5 million, or 11.4%, of inventories as of December 31, 2025, had been used, consumed or sold.

Trade and bills receivables

Our trade and bills receivables primarily represent amounts due from customers for services performed in the ordinary course of business. As of December 31, 2023, 2024 and 2025, we had trade and bills receivables, net of impairment losses of RMB123.6 million, RMB167.7 million and RMB248.3 million, respectively, representing 15.3%, 20.5% and 32.9% of our total current assets, respectively.

The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	129,455	180,789	264,460
Bank acceptance notes	510	—	—
Subtotal	129,965	180,789	264,460
Less: Impairment losses	(6,341)	(13,084)	(16,140)
Trade and Bills receivables, net	123,624	167,705	248,320

We performed an impairment analysis with regard to the balance of our trade receivables at the end of each year or period within the Track Record Period. As of December 31, 2023, 2024 and 2025, we had loss allowance for impairment of trade and bills receivables of RMB6.3 million, RMB13.1 million and RMB16.1 million, respectively. We measure loss allowances for trade receivables and contract assets using IFRS 9 simplified approach and calculate ECLs based on lifetime ECLs on aging and industry basis. Our provision matrix is based on our historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. With respect to our unsettled receivables as of the Latest Practicable Date, based on the ECL allowance principles set forth herein, we have made impairment losses allowances depending on the circumstances surrounding the counterparty and the nature of the receivables. Based on the foregoing, we believe that we have made adequate provision for impairment losses on our trade receivables.

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The table below sets forth an aging analysis of trade receivables, based on the recognition dates, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	99,694	120,624	207,508
Within three months	72,252	93,840	12,779
Four to six months	5,592	18,968	28,190
Seven to twelve months	21,850	7,816	166,539
One to two years	22,728	39,335	13,672
Two to three years	3,345	15,399	28,554
Three to four years	2,760	2,968	11,977
Over four years	928	2,463	2,749
Trade receivables	129,455	180,789	264,460

As of April 30, 2026, 25.9% of our trade receivables as of December 31, 2025, or RMB68.6 million of our trade receivables had been settled. The subsequent settlement of our trade receivables during the first quarter of 2026 was primarily influenced by the seasonal nature of our customers' payment cycles. Many of our customers conduct their internal annual budgeting and fund allocation processes during the first quarter of the year. Consequently, the release of budgetary funds and the processing of payment approvals are generally concentrated in subsequent quarters. Furthermore, the first quarter encompasses major public holidays, such as the Chinese New Year, which typically results in a temporary slowdown in administrative and payment procedures. We are proactively following up with our customers and anticipate enhanced settlement collections as their annual budgets are officially released.

Below sets forth the trade receivables turnover days of our overall operation and AI services:

	Year ended December 31,		
	2023	2024	2025
Average trade receivables turnover days ⁽¹⁾	148	178	200

(1). Average gross trade receivables turnover days equal the average of the opening and closing trade receivable balances of the indicated period divided by the revenue for the same period and multiplied by 365 days.

The increase in our trade and bills receivables was mainly in relation to our public sector services and media and communication segments and largely in line with our revenue growth. Our trade receivables turnover days increased from 148 days in 2023 to 178 days in 2024 and further to 200 days in 2025. There has been no material change to our typical credit terms granted to customers during the Track Record Period. As we expanded the range of use cases and industries served of our AI services, we undertook increasingly complex projects that typically entail more complicated implementation and longer acceptance cycles. Consequently, we have accommodated customers' requests for flexible settlement schedules as part of our strategy to attract customers. Furthermore, during the Track Record Period, we increasingly engaged large enterprises and public sector customers, which typically adopt more structured internal approval, budgeting and payment procedures, and, in some cases, their downstream customers experienced temporary constraints due to the macroeconomic conditions leading to the increase in our trade receivables turnover days. In addition, certain of our AI projects, particularly those involving system integration and platform-level deployments, are subject to phased delivery and formal acceptance processes. As a result, settlement timelines are generally longer compared to smaller-scale or standardized projects. We were engaged by a customer to provide AI services for a intelligent transportation platform intended for its end customer. We have fulfilled our contractual obligations, and our work has been formally

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accepted by our customer. However, the settlement of the outstanding trade receivables from this customer has been delayed, primarily attributable to the protracted internal approval and settlement procedures at its end customer that have consequently impacted our customer's payment timeline to us. We are actively engaging with our customer to carry out multiple approaches to secure the settlement of the outstanding amount.

In response to this trend, we have implemented a robust and multi-faceted credit control policy to proactively manage our receivables and mitigate potential risks. Our finance team conducts regular, detailed reviews of the receivables aging profile. For accounts requiring intervention, our business and finance teams collaborate closely to develop and implement collection strategies. These strategies range from intensifying our follow-up communications to negotiating mutually agreeable, structured repayment schedules.

To reinforce these efforts, we have adjusted our internal policies to facilitate successful and timely payment collection, further aligning our commercial objectives with prudent financial management throughout the entire sales cycle. For significantly overdue accounts, we may choose to take legal steps to enforce payment and protect the Group's interests. Having considered the background of the relevant customers, their creditworthiness, ongoing business relationships, and subsequent settlement patterns, we believe that substantial portion of our trade receivable balances are recoverable and the provision for impairment is adequate and appropriate. Through these dedicated credit management and collection strategies, we believe we can effectively manage the risks associated with extended payment cycles while supporting our strategic growth objectives and maintaining the overall financial stability of the Group and that there are no material recoverability issues in relation to our trade receivables.

We implement the following measures to manage our working capital requirements and maintain a healthy liquidity position and cash conversion cycle.

- *Prudent liquidity management.* We regularly monitor our cash flow positions and forecasts to ensure we have sufficient cash and financing facilities to meet our short-term and long-term working capital needs.
- *Active monitoring of receivables.* Our finance team actively manages our trade receivable portfolio, closely monitors the aging of receivables, and maintains proactive communication with our customers to facilitate payment collection.
- *Disciplined project and cost management.* We closely monitor the progress of our projects and the accumulation of related costs to ensure milestones are met efficiently and align with our financial forecasts.

We believe these measures, supplemented by our existing liquidity resources, are sufficient to manage our working capital requirements.

Contract assets

Our contract assets are generally the final payments under project contracts which are due at the end of the quality assurance period. Contract assets are recorded as we have no right on these amounts of consideration when the related revenue is recognized.

Our contract assets increased by 49.3% from RMB7.1 million as of December 31, 2023 to RMB10.6 million as of December 31, 2024, primarily in line with our growth in and recognition of our revenue. Our contract assets decreased by 32.1% from RMB10.6 million as of December 31, 2024, to RMB7.2 million as of December 31, 2025, primarily due to the recovery of certain retention receivables in 2025.

As of April 30, 2026, RMB0.2 million, or 2.1% of our contract assets as of December 31, 2025 had been recognized as trade receivables.

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Prepayments, other receivables and other assets

The table below sets forth a breakdown of our current portion of prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments to suppliers	4,780	14,246	26,813
Other tax recoverable	9,443	7,023	9,648
Deposits and other receivables	3,097	7,040	18,161
Listing expenses	–	–	2,193
Less: Impairment allowance	49	106	176
Total	17,271	28,203	56,639

Our current prepayments primarily consisted of advances to our suppliers in connection with purchases of hardware and services. Our prepayments to suppliers increased significantly by 195.8% from RMB4.8 million as of December 31, 2023 to RMB14.2 million as of December 31, 2024 and further by 88.7% to RMB26.8 million as of December 31, 2025, primarily due to prepayments for the purchase of computing resources.

Our other tax recoverable primarily consisted of deductible amounts arising from the purchase of goods, services, and assets. Other tax recoverable decreased by 25.5% from RMB9.4 million as of December 31, 2023 to RMB7.0 million as of December 31, 2024, primarily due to a decrease in hardware purchase costs. Our other tax recoverable increased by 37.1% to RMB9.6 million as of December 31, 2025, primarily due to an increase in our overall procurement volume, resulting in increased amount of invoices received from suppliers during the period.

Our current deposits and other receivables primarily consisted of bidding deposits and advances to employees in daily operations. Deposits and other receivables increased from RMB3.1 million as of December 31, 2023, by 125.8% to RMB7.0 million as of December 31, 2024 and by 160.0% to RMB18.2 million as of December 31, 2025, primarily due to receivables arising from the disposal of a subsidiary.

As of April 30, 2026, RMB13.5 million, or 23.8% of our prepayments, deposits and other receivables as of December 31, 2025, had been settled or utilized.

Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets at FVTPL comprises our RMB-denominated structured deposits, listed equity investment, and other unlisted investments. The table below sets forth the financial assets at FVTPL as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits, at fair value	–	70,068	–
Listed equity investments, at fair value	–	103	106
Other unlisted investments, at fair value	–	750	26,000
Total	–	70,921	26,106

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Our current financial assets at FVTPL consisted of structured deposits purchased from commercial banks. The aforementioned structured deposits carried expected annual interest rates of 1.35% to 3.10% during the Track Record Period. For details, see note 24 to the Accountants' Report in Appendix I to this document.

We have implemented cash management policies to govern our financial assets. We invest only in low-risk products such as large-denomination certificates of deposit, time deposits, structured deposits, and seven-day notice deposits, and we transact exclusively with reputable commercial banks that meet our credit and risk criteria. Our investment activities are subject to internal approval by our management, and are executed and overseen by our Finance Department, which conducts customary due diligence, risk assessments and ongoing monitoring. We do not pledge investment products as collateral, nor do we use third-party or personal accounts for such investments. We require that returns on these investments exceed prevailing rates for comparable term bank deposits, and we enter into written agreements to clearly define the rights and obligations of all parties. Through these policies, we seek to ensure that our financial assets are managed prudently, in compliance with applicable laws and regulations, and in a manner that safeguards our assets while maximizing returns. The investment in financial assets at fair value through profit or loss after the Listing will be subject to the compliance with Chapter 14 of the Listing Rules.

Trade and bills payables

Our trade and bills payables primarily consist of payables to our suppliers of hardware accessories and outsourced software development. Rather than a fixed credit period, our payment terms with trade suppliers are generally structured based on specific delivery milestones, with varying payment percentages stipulated for each stage.

Our trade and bills payables increased by 14.9% from RMB54.5 million as of December 31, 2023 to RMB62.6 million as of December 31, 2024 and further by 35.1% to RMB84.6 million as of December 31, 2025, primarily in line with our increase in revenue.

The table below sets forth an aging analysis of our trade and bills payables:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within one year	47,348	48,716	70,789
Within three months	34,864	35,992	27,504
Four to six months	1,341	5,007	8,536
Seven to nine months	6,886	3,062	7,081
Ten to twelve months	4,257	4,655	27,668
One to two years	4,555	10,691	5,435
Two to three years	1,042	2,149	6,084
Over three years	1,526	1,089	2,268
Total	54,471	62,645	84,576

The table below sets forth the average trade and bills payables turnover days for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills payables turnover days ⁽¹⁾	116	136	136

(1). Average trade and bills payables turnover days equal the average of the opening and closing trade payables balances of the indicated period divided by the cost of sales for the same period and multiplied by 365 days.

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Our trade and bills payables turnover days increased from 116 days in 2023 to 136 days in 2024, reflecting our strengthened bargaining power on payment terms with suppliers as our business scale expands. Our trade and bills payable turnover days remained relatively stable at 136 days in 2025. As of April 30, 2026, RMB39.1 million, or 46.3% of our trade and bills payables as of December 31, 2025, had been settled.

Other payables and accruals

The table below sets forth our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payable	22,160	34,429	43,890
Other tax payables	12,479	14,617	20,599
Others	20,321	15,979	17,084
Total	54,960	65,025	81,573

Our other payables and accruals primarily consisted of payroll and welfare payables, other tax payables, and others. Payroll and welfare payables mainly comprise salaries and bonuses payable to employees. Payroll and welfare payables increased significantly from RMB22.2 million as of December 31, 2023 to RMB34.4 million as of December 31, 2024, and further to RMB43.9 million as of December 31, 2025, primarily as a result of an increase in the amount of bonuses accrued for the year, reflecting our updated bonus policy and improved company performance.

Other tax payables mainly represent value-added tax payable on revenue that has been recognized but for which invoices have not yet been issued. Other tax payables increased from RMB12.5 million as of December 31, 2023 to RMB14.6 million as of December 31, 2024 and further to RMB20.6 million as of December 31, 2025, primarily due to the increase in revenue during these periods, which resulted in higher corresponding tax obligations.

Contract liabilities

Our contract liabilities represent short-term advances received from customers. We receive payments from customers based on billing schedule as established in contracts. The table below sets forth our contract liabilities as of the dates indicated:

Our contract liabilities decreased by 29.7% RMB63.0 million as of December 31, 2023 to RMB44.3 million as of December 31, 2024, primarily due to the delivery and acceptance of certain projects. Our contract liabilities remained relatively stable at RMB46.4 million as of December 31, 2025. As of April 30, 2026, RMB18.7 million, or 40.3% of our contract liabilities as of December 31, 2025, had been recognized as revenue.

Lease liabilities

We lease properties to operate our business. These leases are typically made for a fixed term of one to three years. Lease terms are negotiated on an individual basis and contain different payments and conditions. These lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. To a lesser extent, we also lease properties with a term of less than one year. These leases are short-term and we have elected not to recognize right-of-use assets and lease liabilities for these leases. For details of our lease liabilities during the Track Record Period, see “— Indebtedness”.

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Non-Current Assets and Liabilities

The table below sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	27,046	21,836	15,094
Right-of-use assets	38,645	15,206	17,625
Other intangible assets	3,982	5,631	9,460
Prepayments, other receivables and other assets	3,828	2,577	3,040
Goodwill	–	–	50,834
Time deposits	10,191	10,519	–
Equity investments designated at fair value through other comprehensive income	–	–	10,000
Total non-current assets	83,692	55,769	106,053
Non-current liabilities			
Deferred tax liabilities	525	317	30
Lease liabilities	17,173	3,044	6,866
Interest-bearing bank loans and other borrowings	–	–	40,520
Put option liabilities	–	–	52,555
Total non-current liabilities	17,698	3,361	99,971

Property, plant and equipment

During the Track Record Period, our property, plant and equipment consisted mainly of furniture and fixtures, electronic devices, vehicles and leasehold improvement. Property, plant and equipment is stated at cost less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Our property, plant and equipment then decreased by 19.3% from RMB27.0 million as of December 31, 2023 to RMB21.8 million as of December 31, 2024, and further to RMB15.1 million as of December 31, 2025, primarily due to depreciation provided during the years.

Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is, the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any remeasurement of lease liabilities. During the Track Record Period, our right-of-use assets primarily consisted of leases for office spaces and other facilities. Our right-of-use assets decreased substantially by 60.6% from RMB38.6 million as of December 31, 2023 to RMB15.2 million as of December 31, 2024, primarily due to the termination of certain leases to improve office cost efficiency. Our right-of-use assets then increased by 15.8% to RMB17.6 million as of December 31, 2025, primarily due to completion of our acquisition of Xinhua Mobile Group, as well as addition of new leases.

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Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. We had goodwill of RMB50.8 million as of December 31, 2025, attributable to our acquisition of Xinhua Mobile. The headroom was RMB163.6 million as of December 31, 2025. If the pre-tax discount rate increased or decreased by 2.0% from 15.8%, the recoverable amount of the Xinhua Mobile AI services cash-generating unit would decrease by RMB39.2 million or increase by RMB53.0 million, respectively. See note 15 to the Accountants' Report set out in Appendix I.

Put option liabilities

Our put option liabilities during the Track Record Period arose entirely in connection with our acquisition of Xinhua Mobile, which includes an earn-out arrangement for Xinhua Mobile's non-controlling shareholders after the acquisition if Xinhua Mobile meets certain pre-agreed performance targets. The financial liability associated with the put option over such non-controlling interest has been recognized at the present value of the amount payable upon exercise of the such put option.

SHARE CAPITAL

We entered into respective shareholders' agreements (collectively, the "**Pre-IPO Investors Agreements**") with various pre-IPO Investors (collectively, the "**Pre-IPO Investors**") from 2018 to 2025 and issued ordinary shares thereto with a total consideration of approximately RMB1,215.0 million (collectively, the "**Pre-IPO Investments**") with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the Pre-IPO Investors Agreements, we granted the Pre-IPO Investors with redemption rights.

There was no exercise of redemption rights granted by us throughout the Track Record Period.

On 18 June 2025, our Company and the Pre-IPO Investors, subsequently entered into supplemental agreements, agreeing that the redemption rights granted by us have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the jurisdiction where we operate and the governing law of the supplemental agreements, the Directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Track Record Period. Had the redemption rights granted by us to the Pre-IPO Investors been accounted for as financial liabilities measured at the present value of the redemption amount prior to entering into the supplemental agreements:

- (i) The redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redemption financial liabilities . . .	1,120,434	1,349,011	—
Total current liabilities	1,314,367	1,536,031	257,544
Net current (liabilities)/assets	(590,912)	(771,862)	498,014
Net (liabilities)/assets	(524,918)	(719,454)	504,096

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- (ii) The finance costs associated with the redemption financial liabilities, the net loss for the year, basic and dilutive earning per share would have been:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial costs associated with the redemption financial liabilities . .	77,299	78,577	41,560
Net loss attributable to ordinary equity holders of the parent (after taking into account the finance costs associated with the redemption financial liabilities) . .	(336,322)	(235,429)	(215,865)
Basic earnings per share	(2.24)	(1.56)	(1.37)
Dilutive earnings per share	(2.24)	(1.56)	(1.37)

For further details of the financial impacts, see note 31 and 39(c) of the Accountants' Report set out in Appendix I to this prospectus.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the years indicated.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Workforce employment ⁽¹⁾	267,639	262,910	269,924
Direct production costs, including materials ⁽²⁾ . .	73,999	77,084	105,412
Research and development costs ⁽³⁾	46,625	38,172	85,168
Solutions marketing ⁽⁴⁾	26,793	22,939	19,656
Non-income taxes, royalties and other governmental charges	1,768	4,496	8,113
Contingency allowances	—	—	—
Total	416,823	405,601	488,273

- (1). Workforce employment represents employee compensation.
- (2). Direct production costs, including materials represents the costs of sales, excluding labor costs, share-based payment expenses and non-cash items under cost of sales.
- (3). Research and development costs represent research and development expenses, excluding employee compensation, share-based payment expenses and non-cash items under research and development expenses.
- (4). Solution marketing represents selling and marketing expenses, excluding employee compensation and non-cash items under selling and marketing expenses.

During the track record period, our cash operating costs in relation to research and development costs mainly represent our research and development expenses excluding certain non-cash items. Our cash operating costs in relation to research and development costs increased from RMB38.2 million in 2024 to RMB85.2 million in 2025, mainly due to our increased investment in fundamental research and the procurement of computing power.

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INDEBTEDNESS

The following table sets forth the balance and breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>			<i>(unaudited)</i>
Lease liabilities	35,816	14,364	18,482	19,450
Interest-bearing bank loans and other borrowings	—	—	69,437	92,326
Total	<u>35,816</u>	<u>14,364</u>	<u>87,919</u>	<u>111,776</u>

During the Track Record Period, our borrowings comprised lease liabilities and interest-bearing bank loans and other borrowings. Our total lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease. Our lease liabilities decreased from RMB35.8 million as of December 31, 2023 to RMB14.4 million as of December 31, 2024, primarily due to the termination of certain leases to improve office cost efficiency. Our lease liabilities increased to RMB18.5 million as of December 31, 2025, and further to RMB19.5 million as of April 30, 2026, primarily due to our additional leases. As of April 30, 2026, we had committed unutilized banking facilities of RMB578.3 million.

We had interest-bearing bank loans and other borrowings of RMB69.4 million and RMB92.3 million as of December 31, 2025 and April 30, 2026, respectively, in relation to acquisition and consolidation of Xinhua Mobile.

Except as disclosed above, as of April 30, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees.

Our Directors confirm that as of April 30, 2026, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors also confirm that there has not been any material change in our indebtedness since April 30, 2026 and up to the date of this prospectus.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Capital Commitments

We had no material capital commitments as of December 31, 2023, 2024 and 2025.

Operating Lease Commitments

As of December 31, 2023, 2024 and 2025 and the Latest Practicable Date, we did not have any material operating lease commitment that is not reflected in consolidated balance sheets. As of the Latest Practicable Date, we did not have any material operating lease commitment planned for 2026.

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OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet commitments or arrangements.

CAPITAL EXPENDITURES

Our principal capital expenditures relate primarily to (i) property and equipment, including computer and electronic equipment, and (ii) other intangible assets, primarily including software and copyrights. The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchases of items of property, plant and equipment	28,348	7,361	3,435
Purchase of other intangible assets	277	3,225	–
Total	28,625	10,586	3,435

We had higher purchases of items of property, plant and equipment in 2023, as compared with that of 2024 and 2025, in relation to IT equipment purchases to support our increased demand for computing resource.

We expect to finance our capital expenditures through cash generated from operations, our existing bank borrowings and the net proceeds from the Global Offering. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, our results of operations and financial condition, our business plans, market conditions and various other factors. See also “Future Plans and Use of Proceeds — Use of Proceeds.”

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, and the Latest Practicable Date, we did not have any material contingent liabilities, guarantees or any litigation or claims of material importance, pending or threatened against us.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Growth of revenue (%)	6.1	27.3	27.5
Gross profit margin (%)	44.0	50.4	51.2

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R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure primarily consisted of R&D costs adjusted by adding back intangible assets acquired from third parties and capitalized in connection with R&D software and deducting amortization expense of capitalized intangible assets included in R&D expenditure. We used these R&D expenditure to upgrade our core technical capabilities during the Track Record Period. The table below sets forth our annual and total R&D expenditure for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
R&D costs	179,511	131,015	187,545
Adjustments:			
Add: Intangible assets acquired from third parties and capitalized	–	2,389	–
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	(800)	(820)	(1,061)
R&D expenditure for the year	<u>178,711</u>	<u>132,584</u>	<u>186,484</u>
Total R&D expenditure			<u><u>497,779⁽¹⁾</u></u>

Notes:

- (1) Total R&D expenditure for the three financial years prior to Listing.
- (2) Total R&D expenditure over the Track Record Period.

The table below sets forth our annual and total operating expenditure for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
R&D costs	179,511	131,015	187,545
Selling and marketing expenses	118,185	107,661	94,074
Administrative expenses	106,385	99,767	131,986
Adjustments:			
Add: Intangible assets acquired from third parties and capitalized	–	2,389	–
Less: Amortization expense of capitalized intangible assets included in R&D expenditure	(800)	(820)	(1,061)
Total operating expenditure for the year	<u>403,281</u>	<u>340,012</u>	<u>412,544</u>
Total operating expenditure			<u><u>1,155,837⁽¹⁾</u></u>

Notes:

- (1) Total operating expenditure for the three financial years prior to Listing.
- (2) Total operating expenditure over the Track Record Period.

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The table below sets forth our annual R&D expenditure ratio and total R&D expenditure ratio for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
R&D expenditure ratio for the year (%) ⁽¹⁾	44.3	39.0	45.2
Total R&D expenditure ratio (%)			43.1 ⁽²⁾

(1) Calculated by dividing R&D expenditure for the year by total operating expenditure for the year.

(2) Calculated by dividing total R&D expenditure for the three financial years prior to the Listing by total operating expenditure for the three financial years prior to the Listing.

DIVIDENDS

We did not make or declare any dividends in 2023, 2024 and 2025. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend payout ratio. Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles. As advised by our PRC Legal Adviser, since we had accumulated losses as of December 31, 2025, we are currently unable to distribute dividends in accordance with PRC laws. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our Directors review and agree policies for managing each of these risks. See note 42 of the Accountants' Report in Appendix I to this prospectus.

DISTRIBUTABLE RESERVES

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

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information."

NO MATERIAL ADVERSE CHANGE

The Directors have confirmed that there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, being the date to which our latest audited consolidated financial statements have been prepared.

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DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

We confirm that, as of the Latest Practicable Date, we are not aware of any circumstances that would give rise to a disclosure under Rules 13.13 to 13.19 of Chapter 13 of the Hong Kong Listing Rules.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering.

We estimate that our listing expenses will be approximately RMB64.1 million (equivalent to HK\$73.6 million), representing approximately 8.2% of the gross proceeds from the Global Offering, (based on the Offer Price of HK\$60.70 per Offer Share and no exercise of the Pre-IPO Share Option and the Over-allotment Option). The estimated listing expenses consist of (i) underwriting-related expenses, including underwriting commissions, of approximately of RMB25.9 million (equivalent to HK\$29.8 million), and (ii) non-underwriting-related expenses of approximately RMB38.2 million (equivalent to HK\$43.9 million), comprising (a) sponsor fee of approximately RMB5.5 million (equivalent to HK\$6.3 million), (b) other fees and expenses, including but not limited to fees and expenses of legal advisors and Reporting Accountants, of RMB32.7 million (equivalent to HK\$37.6 million). Among the estimated listing expenses, approximately RMB29.1 million (equivalent to HK\$33.4 million) is directly attributable to the issue of our Offer Shares to the public and will be deducted from equity upon the completion of the Global Offering, approximately RMB21.2 million (equivalent to HK\$24.4 million) has been expensed during the Track Record Period, and approximately RMB13.8 million (equivalent to HK\$15.8 million) is expected to be expensed to profit or loss upon the Global Offering.

Our Directors do not expect such expenses to materially influence our results of operations in 2026.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (the “Cornerstone Investment Agreements”) with the cornerstone investors set forth below (the “Cornerstone Investors”) who have agreed to subscribe for such number of our Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) which may be purchased at the Offer Price with an aggregate amount of approximately US\$31 million) (exclusive of the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the “Cornerstone Placing”).

Based on an Offer Price of HK\$60.7 per Offer Share, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 4,000,600 H Shares, representing approximately (i) 26.97% of the Offer Shares pursuant to the Global Offering, assuming that the Over-allotment Option is not exercised, (ii) 2.31% of our total issued share capital upon completion of the Global Offering and assuming that the Over-allotment Option is not exercised, and (iii) 2.28% of our total issued share capital upon completion of the Global Offering and assuming full exercise of the Over-allotment Option.

Our Company is of the view that, leveraging on the Cornerstone Investors’ investment experience and market position, the Cornerstone Placing will help to raise the profile of our Company and to signify that such Cornerstone Investors have confidence in our Company’s business and prospects. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group’s business network or through introduction by the Company’s the Overall Coordinators involved in the Global Offering.

The Cornerstone Placing will form part of the International Placing, and the Cornerstone Investors will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and will be counted towards the public float of our Company for the purpose of Rule 19A.13A of the Listing Rules. Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors and their close associates will become a substantial shareholder of the Company; (ii) none of the Cornerstone Investors and their close associates will have any Board representation in the Company solely by virtue of its cornerstone investment, and (iii) equity interests in the Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Listing Guide.

To the best knowledge, information and belief of our Company, (i) the Cornerstone Investors and its respective ultimate beneficial owners are Independent Third Parties; (ii) none of the Cornerstone Investors is accustomed to take or has taken instructions from our Company, the Directors, the Supervisor, chief executive of our Company, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly or indirectly financed by our Company, the Directors, the Supervisor, chief executive of our Company, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates.

CORNERSTONE INVESTORS

To the best knowledge of the Company and as confirmed by each of the Cornerstone Investors, their subscriptions under the Cornerstone Investment would be financed by their own internal proprietary resources (in the case of Guohui (HK) (as defined below), HTCI (as defined below) and CBMC International (as defined below)) or the assets managed for their investors (in the case of China Orient EIF (as defined below), HGI (as defined below) and First Seafront Asset Management Limited which are funds or investment managers), and each of them has sufficient funds to settle its respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Investment may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation and Clawback” in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be reduced in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Rule 18C.09 to the Listing Rules as well as the discretion of the Sponsor-Overall Coordinator (for and on behalf of the International Underwriters) to exercise the Over-allotment Option. Further, the Sponsor-Overall Coordinator and the Company can adjust the number of Offer Shares to be acquired by each Cornerstone Investor in their sole and absolute discretion for the purpose of compliance with (i) the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules or as otherwise approved by the Stock Exchange; (ii) Rule 8.08(3) of the Listing Rules, which stipulates that no more than 50% of the Shares in public hands can be beneficially owned by the three largest public Shareholders on the Listing Date; (iii) Rule 18C.08 of the Listing Rules, which stipulates that at least 50% of the total number of Offer Shares (excluding any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) must be taken up by independent price setting investors in the International Offering (whether as cornerstone investors or otherwise); and (iv) the free float requirement under Rule 19A.13C(1) of the Listing Rules. Further, the Overall Coordinators and our Company can adjust the number of Offer Shares to be allocated to the Cornerstone Investors in their sole and absolute discretion for the purpose of the compliance with Appendix F1 (Placing Guidelines for Equity Securities) to the Listing Rules. Details of the actual number of Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around June 25, 2026. The Cornerstone Investors have agreed to pay in full for the relevant Offer Shares that they have subscribed before dealings in the Company’s H Shares commence on the Stock Exchange. Certain Cornerstone Investors have agreed that delivery of all or any part of the Offer Shares it will subscribe may be deferred to a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Placing. There will be no delayed delivery if there is no over-allocation in the International Placing. For details of the Over-allotment Option and the stabilization action by the Stabilizing Manager, see “Structure of the Global Offering — Over-allotment Option” and “Structure of the Global Offering — Stabilization” in this prospectus.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

CORNERSTONE INVESTORS

The table below sets forth the details of the Cornerstone Placing, based on the Offer Price of HK\$60.7 (being the indicative Offer Price):

Cornerstone Investors	Total Investment Amount ⁽¹⁾	Number of Offer Shares to be acquired ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
	<i>US\$ in thousand</i>					
China Orient Enhanced Income Fund	6,000	774,400	5.22%	0.45%	4.54%	0.44%
Harvest Global Investments Limited	6,000	774,400	5.22%	0.45%	4.54%	0.44%
First Seafront Asset Management Limited	5,000	645,200	4.35%	0.37%	3.78%	0.37%
Guohui (HK) Holdings Co., Limited	5,000	645,200	4.35%	0.37%	3.78%	0.37%
Huatai Capital Investment Limited .	5,000	645,200	4.35%	0.37%	3.78%	0.37%
CMBC International Investment (HK) Limited	4,000	516,200	3.48%	0.30%	3.03%	0.29%
Total	31,000	4,000,600	26.97%	2.31%	23.45%	2.28%

Note 1: The investment amount is exclusive of the brokerage fee, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

Note 2: Subject to rounding down to the nearest whole board lot of 200 H Shares. Calculated based on the exchange rate set out in “Information about this Prospectus and the Global Offering — Exchange Rate Conversion.”

China Orient Enhanced Income Fund

China Orient Enhanced Income Fund (“**China Orient EIF**”) is a company incorporated in the Cayman Islands and is a discretionary fund managed by China Orient International Asset Management Limited. China Orient International Fund Management Limited, a company incorporated in the Cayman Islands with limited liability, is the sole management shareholder of China Orient EIF. Both China Orient International Fund Management Limited and China Orient International Asset Management Limited are wholly-owned subsidiaries of China Orient Asset Management (International) Holding Limited. China Orient Asset Management (International) Holding Limited is ultimately controlled by Central Huijin Investment Ltd, a state-owned investment company, established in December 2003 and mandated to exercise the rights and the obligations as an investor in major state-owned financial enterprises, on behalf of the People’s Republic of China. Save as Central Huijin Investment Ltd, no other ultimate beneficial owner holds 30% or more interests in China Orient Asset Management (International) Holding Limited.

Harvest Global Investments Limited

Harvest Global Investments Limited (嘉實國際資產管理有限公司) (“**HGI**”) was established in Hong Kong in 2008 and is licensed by the SFC to conduct the regulated activities of asset management, advising on securities, and dealing in securities.

CORNERSTONE INVESTORS

HGI is the wholly-owned subsidiary of Harvest Financial Group Limited (“HFG”) since July 2024, and HFG is the wholly-owned subsidiary of Harvest Fund Management Co., Ltd (“HFM”). HFM is owned as to 40% by China Credit Trust Co. Ltd (which is in turn held as to 32.9% by The People’s Insurance Company (Group) of China Limited, a company listed on the Shanghai Stock Exchange (stock code: 601319.SH) and the Hong Kong Stock Exchange (stock code: 1339.HK)), 30% by Lixin Investment Co., Ltd and 30% by DWS Investments Singapore Limited. HFM was established as one of the first asset management companies in China in 1999. Since then, HFM has grown into one of the largest asset managers in China. The Harvest group (namely HFM and Harvest) had approximately USD265 billion of assets under management as of end of December 2025.

HGI manages discretionary funds with its on-the-ground team who understands how policy decisions impact local markets, the complexities of risk on-shore and off-shore and have their finger on the pulse of companies primed for quantum growth. HGI’s investment and management teams combine top-pedigree international experience with intimate knowledge of Chinese markets. At the investment level, as the forefront of Harvest group’s overseas investments, HGI has always adhered to HFM’s progressive and steady investment philosophy, embracing the resource sharing of the integrated investment research system and the investment management process centered on “research driven investment”, and built an investment management team with comprehensive management capabilities. HGI will subscribe for the Offer Shares as cornerstone investor in its capacity as the discretionary investment manager for and on behalf of certain funds and mandate accounts. To the best of HGI’s knowledge, no single ultimate beneficial owner holds 30% or more interest in the participating funds or accounts, and each of such fund or account is an independent third party.

First Seafront Asset Management Limited

First Seafront Fund Series SPC (on behalf of First Seafront Capital Ascent Fund SP and First Seafront Capital Ascent II Fund SP) is a discretionary fund established in the Cayman Islands. First Seafront Fund Series SPC is a Segregated Portfolio Company incorporated in the Cayman Islands with limited liabilities and is an Independent Third Party. Each of First Seafront Capital Ascent Fund SP and First Seafront Capital Ascent II Fund SP is a segregated portfolio of First Seafront Fund Series SPC. First Seafront Fund Series SPC is controlled by First Seafront Asset Management Limited as the investment manager on a discretionary basis.

First Seafront Asset Management Limited is a company incorporated in Hong Kong with limited liability on 9 June 2022, and is licensed by the SFC in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) activities since September 2023. It conducts dealing in securities, investment advisory, and asset management activities in Hong Kong in compliance with regulatory requirements. First Seafront Asset Management Limited is ultimately owned by First Seafront Holding Limited, and no ultimate beneficial owner holds 30% or more interest in First Seafront Asset Management Limited. No single investor holds 30% or more interest in First Seafront Fund Series SPC, and no ultimate beneficial owner holds 30% or more interest in First Seafront Fund Series SPC.

Guohui (HK) Holdings Co., Limited

Guohui (HK) Holdings Co., Limited (國惠(香港)控股有限公司) (“Guohui HK”) is a company incorporated in Hong Kong with limited liability and is wholly owned by Shandong Development Investment Holding Group Co., Ltd. (山東發展投資控股集團有限公司), which is owned as to approximately 97.88% by the State-owned Assets Supervision and Administration Commission of Shandong Province (山東省人民政府國有資產監督管理委員會).

CORNERSTONE INVESTORS

Huatai Capital Investment Limited

Huatai Capital Investment Limited (“**HTCI**”) is a company incorporated in Hong Kong and is a wholly-owned subsidiaries of Huatai Securities Co., Ltd. (“**HTSC**”). HTSC is a leading technology-driven securities group in China, with its A-shares listed on the Shanghai Stock Exchange (stock code: 601688) and H-shares listed on the Stock Exchange (stock code: 6886), and GDR listed on the London Stock Exchange (HTSC.L).

CMBC International Investment (HK) Limited

CMBC International Investment (HK) Limited (“**CMBC International**”) is a company incorporated under the laws of Hong Kong. It is directly wholly-owned by CMBC International Holdings Limited, which is in turn wholly-owned by China Minsheng Bank Corp., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600016) and the Stock Exchange (stock code: 1988).

CLOSING CONDITIONS

The obligation of each of Cornerstone Investors to acquire the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;
- (ii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (iii) no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (iv) the agreement, representations, warranties, acknowledgements, undertakings and confirmations of the Cornerstone Investors under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of our Company, the Sole Sponsor and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months from and including the Listing Date (the “Lock-up Period”), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investors, including the Lock-up Period restriction.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies.”

USE OF PROCEEDS

We estimate that the net proceeds from the Global Offering will be approximately HK\$826.8 million, assuming an Offer Price of HK\$60.70 per Share, after deducting underwriting commissions and estimated offering expenses paid and payable by us in the Global Offering, taking into account any additional discretionary incentive fee.

We intend to use the net proceeds from the Global Offering for the following purposes:

- approximately 60.0%, or HK\$496.1 million, will be used for continued investment in and enhancement of our foundational models and core research and development capabilities, in support of which we plan to invest in purchases of hardware and software, labor, computing resources, and purchase and operation of data. The following table sets forth our procurement plan for resources and services to support our research and development, which mainly includes computing resources, software and data services:

Category of Procurement	Estimated Total Cost over the next Three Years (HK\$ million)	Details
Computing resources	230.7	Cloud computing resources for core computing, big data and analytics, multi-layered storage, comprehensive networking and security, databases and message queues; AI infrastructure, including GPU servers for model training, as well as other operation supporting resources
Software	54.8	Development and technology platform, including license for operating systems, database software, and data science tools, as well as general purpose operation and collaboration software
Data services . . .	71.8	Dataset procurement and licensing, as well as data annotation and processing services

We also aim to invest approximately HK\$122.3 million over the next three years to hire additional staff to support our ongoing research and development, including approximately 82 R&D personnel of various key positions such as big data architects, large model algorithm engineers, knowledge graph algorithm engineers, agent R&D engineers, and industry domain experts.

FUTURE PLANS AND USE OF PROCEEDS

- (a) approximately 15.0%, or HK\$124.0 million, will be used for upgrading the infrastructure of our proprietary DIOS system and improving its model capabilities, including, among others, enhancing computing infrastructure to support faster and more robust model training, acquiring and processing additional high-quality data to further refine and improve DIOS model performance, and expanding the research and development team to accelerate innovation and implementation of advanced features; The table below sets forth our R&D targets and expected activities to realize these targets in enhancing the core levels of our DIOS:

Core Level	R&D Target	Expected Activities
DI-Brain . . .	<i>Function Iteration</i>	<i>Talent & Team Building</i>
	– Context engineering: smarter, more relevant, and adaptive responses using integrated user data and context. – Multimodal support: unified interaction across text, vision, and speech for seamless user experiences. – Autonomous planning: automate task breakdown and execution for higher efficiency. – Document parsing: broader and more accurate document understanding, including scans and handwriting; – Knowledge-Augmented generation integration: enhanced reasoning and Q&A accuracy for specialized domains; – Simpler, more intuitive operation and a consistent, clear interface.	– To hire additional R&D personnel and to build expert teams with deep industry backgrounds for new sectors.
		<i>Infrastructure & Resource Investment</i>
		– To continually invest in the procurement of hardware, software, data, and computing resources. – To procure third-party cloud services and platform software services to support the development of platforms like DIOS on Cloud.
		<i>Data & Ecosystem Collaboration</i>
		– To acquire and process additional, high-quality data to further refine and improve the performance of the DIOS model. – To collaborate with external institutions and device manufacturers on joint R&D projects.
	<i>Industry Agent Implementation</i>	
	– Develop and launch agents in for industry-specific applications in science and education and industrial investment promotion, among others.	

FUTURE PLANS AND USE OF PROCEEDS

Core Level	R&D Target	Expected Activities
Yayi LLM . .	<i>Core Technology & Foundational Model Enhancement</i> – Achieve application of the model in the areas of mathematics, physics, chemistry and biology, among others; – Improve inference speed benchmarking and surpassing current leading models. <i>Technical Feature Enhancements</i> – Strengthen at certain industry-specific models to leading levels; – Advance unified text-visual understanding with large-scale multimodal data. – Boost translation speed for multiple languages with minimal quality loss. – Launch Yayi Agent framework and develop proprietary agent tools. <i>Products & Applications</i> – Release new platform features and expand long-form writing support. – Explore cross-platform research assistant applications and services. – Boost registrations and active users of the applications. <i>Influence & Community</i> – Achieve top ranking on certain mainstream AI ranking lists. – Publish open-source projects to increase industry visibility.	

FUTURE PLANS AND USE OF PROCEEDS

Core Level	R&D Target	Expected Activities
X-Data	<i>Core Technology & Foundational Model Enhancement</i>	
	– DIOS platform upgrade: by evolving to the next-generation DOMA framework, representing a structural evolution of our technical philosophy; – Next-Generation Yayi LLM R&D: with the goal of creating a multimodal fusion model that can seamlessly integrate diverse data types like text and images; – X-Agent platform development; – Expansion of language and tool capabilities: to accommodate broader linguistic and cultural contexts and to enhance its ability to autonomously coordinate various tools and agents.	
	<i>Innovative Service Deployment, Delivery & Integration</i>	
	– Development of the cloud-based DIOS; – AI & IoT edge device integration;	
	<i>Industry-Specific Solution Development</i>	
	– With the initial focus in the sectors in energy, science & education, and publishing.	

(b) approximately 10.0%, or HK\$82.7 million, will be used for upgrading our large models, of which:

- i. approximately 5.0%, or HK\$41.3 million, will be used for the research and development of the next generation of our proprietary large language model, Yayi LLM. Our next-generation Yayi LLM will seamlessly integrate diverse data types, including text, images, diagrams, and other data. We also aim to further develop a fusion model integrating general purpose and specialized model capabilities to understand domain specific datasets, enhance context sensitive reasoning algorithms, and autonomously coordinate a diverse set of tools and agents. In addition, we are prioritizing the expansion of our LLM's language capabilities to accommodate a broad spectrum of linguistic and cultural contexts; and
- ii. approximately 5.0%, or HK\$41.3 million, will be used for development and upgrade of our X-Agent enterprise AI agent development platform to enhance its intelligence and efficiency, which is an AI agent platform suitable for

FUTURE PLANS AND USE OF PROCEEDS

various industries and scenarios, integrating large models, knowledge base and workflow via a low code environment. X-Agent platform is expected to satisfy diverse needs for AI application development, supporting both rule-based and autonomous reasoning;

- (c) approximately 10.0%, or HK\$82.7 million, will be used for research and development of the cloud-based infrastructure we are developing to deliver AI services online, namely, DIOS on Cloud. This platform will cater to customers who do not require on-premise deployment or extensive local applications. By introducing DIOS on Cloud as a flexible, subscription-based platform, we aim to reach a broader audience, including small and medium-sized enterprises (SMEs), start-ups, and professional users. We also plan to invest in purchases of cloud services and platform software customization services in support of its development;
- (d) approximately 15.0%, or HK\$124.0 million, will be used for broadening the market reach for our current product offerings in existing sectors, of which:
 - i. approximately 10.0%, or HK\$82.7 million, will be used for elevating the integration of AI capabilities across our established offerings portfolio. We plan to continue investing in the development of enterprise AI infrastructure for larger organizations and institutions, combining hardware, software and services. We also plan to upgrade our existing products by embedding advanced AI technologies to enhance their intelligence and automation. In support of our research and development in this area, we also plan to invest in purchases of cloud services and platform software customization services in support of its development; and
 - ii. approximately 5.0%, or HK\$41.3 million, will be used for the product development to integrate our AI services with IoT edge devices for industries through collaborations with device manufacturers. As a result of the integration, our AI services and decision intelligence capabilities are pre-deployed on these devices. Besides investing in labor costs and software and hardware purchases to support the product development and launching of such IoT devices, we also plan to hold training sessions and meetings to better communicate with and present to the relevant business partners and end-users and potential partner; and
- (e) approximately 10.0%, or HK\$82.7 million, will be used for diversifying our offerings to serve customers across more industry sectors, of which:
 - i. approximately 5.0%, or HK\$41.3 million, will be used for developing tailored service offerings geared towards new industry sectors where AI transformation is rapidly driving value creation, benefiting from favorable government policies such as “the Opinions of the State Council on Deepening the Implementation of the ‘AI Plus’ Action” (《國務院關於深入實施「人工智能+」行動的意見》), focusing on the sectors of, among others:
 - *Science and education*, our strategy aligns with key national goals promoting AI integration in education, such as the “Outline of the Construction of a Powerful Education Nation (2024–2035)” (教育強國建設規劃綱要(2024-2035)), and we already possess ready-to-use educational components like AI assistants and learning path planning tools. This capability is validated by our know-how on AI research tools and our existing relationships with top-tier universities. We intend to support this growth by hiring specialists with expertise in teaching and research management.

FUTURE PLANS AND USE OF PROCEEDS

- *Energy*, empowering energy companies with AI tools for data aggregation, trend analysis, and scenario simulations is key to optimizing operations and managing risks. This expansion is supported by strong policy alignment for promoting the AI transformation of energy enterprises, proven technology, and an established customer base. Our capabilities are already validated by existing major customers in this sector, providing a strong foundation for our planned expansion to other industry giants. This growth will be supported by hiring dedicated industry experts in fields like power grid and the oil and gas industry to work alongside our AI specialists.
- *Healthcare*, modernizing traditional Chinese medicine with AI-powered knowledge management, diagnostic assistant and prescription formulation is enabling personalized and evidence-based treatment plans. Our existing AI technologies can be adapted to process and analyze large volumes of traditional Chinese medicine academic literature and data, supporting diagnosis and treatment recommendations. We will deepen collaborations with established traditional Chinese medicine institutions, which will provide access to clinical resources and real-world application scenarios, helping us validate and refine our services. Furthermore, we will further strengthen our team by bringing in experts with extensive experience in the industry; and

Our DIOS platform and ready-to-use assets, including industry knowledge graphs and data governance platforms, enable the rapid development of tailored solutions. To support our plan for entering these segments, we will make investment in labor and purchase of hardware, software, data, and computing resources.

- ii. approximately 5.0%, or HK\$41.3 million, will be used for market development and promotion of our service offerings in new industries. We plan to initiate targeted marketing campaigns to raise awareness of our AI solutions among potential customers in the aforementioned sectors through means such as participation in industry events, workshops, demonstrations, and pilot programs to help potential customers understand and adopt our AI services.
- approximately 20.0%, or HK\$165.4 million, will be used for expansion of our offerings, brand building, and broaden customer reach across industries, of which:
 - (a) approximately 10.0%, or HK\$82.7 million, will be used to support targeted online and offline marketing campaigns designed to enhance our brand visibility and market awareness, aiming to effectively communicate our value proposition and drive customer acquisition efforts. We plan to participate in and sponsor high impact events over the next three years to support the launching of our future products and increase our overall brand exposure; and
 - (b) approximately 10.0%, or HK\$82.7 million, will be used to enhance and optimize our marketing and sales network, including fostering robust presence in key regional markets, such as reinforcing regional hubs to facilitate closer client relationships and improve market penetration, ultimately enhancing regional coverage and driving business growth in these regions. As of the Latest Practicable Date, our local sales team consists of 41 members, strategically covering sales channels in over 20 provinces. We aim to hire additional sales and marketing staff and further expand our sales networks and establish localized sales force in nearly

FUTURE PLANS AND USE OF PROCEEDS

all provinces in China, starting from the capital cities of the provinces yet to be covered. We plan to establish local sales offices in a number of provinces including Hebei, Shandong and Zhejiang in the first half of 2026, and then extend our presence to Gansu, Qinghai provinces and the Macau SAR in the second half of 2026. Our expansion plan might be adapted in response to evolving market conditions. In addition, we aim to develop a network of integrated channel partners to broaden our market reach and improve distribution efficiency. By leveraging both direct sales and channel partners, we aim to reinforce our sales and marketing infrastructure, enhance regional coverage, and drive business growth.

- approximately 10.0%, or HK\$82.7 million, will be used to fund potential strategic investment and acquisition. Our investment and acquisition strategy will focus on targets within the AI ecosystem that can strengthen our core AI capabilities and accelerate our long-term growth, such as technology companies possessing advanced technologies in data processing or complementary AI algorithms that can be integrated with our existing platforms, and downstream businesses with strong commercial applications and established market presence in high-growth segments. Any potential target will be evaluated against a strict set of criteria, including its strategic fit with our core business, technological advantages, growth potential, and the degree of synergy with us. We intend to primarily pursue equity investments and remain flexible faced with opportunities with other structures on a case-by-case basis. We have established a disciplined internal review and approval process for all potential investment and acquisition opportunities, involving our management and Directors, to ensure that any transaction we pursue is in the best interests of our Company and our shareholders. Considering the criteria above, based on the assessment of the technology landscape in China, and as confirmed by CIC, we believe there are over 3,000 potential targets that align with our preliminary strategic objectives. As of the Latest Practicable Date, the Company had not identified any specific potential targets for strategic investment or acquisition. These funds will also be used to support our overseas expansion, with an initial focus on Hong Kong, the Middle East, and Southeast Asia. These initial target markets were selected due to their strong demand for digital transformation, relatively favorable government policies towards AI adoption, and their generally receptive stance towards new technology partnerships. According to CIC, the AI markets in the Middle East and Southeast Asia are expected to reach \$11.2 billion and \$14.6 billion by 2030, respectively. We plan to establish local teams and hire additional research and development and sales and marketing staff to support our business expansion in these areas. We will conduct detailed market research to ensure that our products and services are effectively localized and able to align with regional preferences and regulatory requirements. Instead of compete directly with local providers of AI related infrastructures, we plan to partner with them and focus on sub-segments that are high-value and where our proprietary full-stack AI capabilities provide a distinct competitive advantage, such as the decision intelligence market form strategic collaborations with key local businesses for expanding our reach and enhancing service delivery. Through these measures, we intend to continuously monitor the evolving landscape of trade policies and technology-related regulations. Our strategy is centered on deep localization and strict compliance with local regulatory frameworks to effectively navigate regional business landscapes. To support our international expansion, we will form a dedicated 20-person R&D team over the next three years, comprising 12 core researchers and eight development engineers for other research tasks and technical support, with an estimated total cost of HK\$37.3 million. We also aim to remunerate a 14-person sales team to support the international expansion over the next three years, with an estimated total cost of HK\$23.3 million.
- approximately 10.0%, or HK\$82.7 million, will be used for working capital and general corporate purposes.

FUTURE PLANS AND USE OF PROCEEDS

If the Over-allotment Option is exercised in full, the net proceeds of the Global Offering would increase to approximately HK\$956.5 million (based on the Offer Price of HK\$60.70 per Share). We intend to apply the additional net proceeds to the above uses in the proportions stated above.

To the extent that our net proceeds are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings.

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

UNDERWRITING

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
ABCI Securities Company Limited
China Galaxy International Securities (Hong Kong) Co., Limited
TFI Securities and Futures Limited
SPDB International Capital Limited
CCB International Capital Limited
Futu Securities International (Hong Kong) Limited
CMB International Capital Limited
Tiger Brokers (HK) Global Limited
Livermore Holdings Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on June 16, 2026. Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option and the H Shares to be converted from Unlisted Shares) as mentioned herein on the Main Board of the Stock Exchange and such approval not subsequently having been revoked and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to subscribe for, or procure subscribers for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) can, in its sole and absolute discretion, by a notice in writing to us, terminate the Hong Kong Underwriting Agreement with immediate effect if, at any time at or prior to 8:00 a.m. on the Listing Date:

- (a) there develops, occurs, exists or comes into effect:
 - (i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong and the PRC, the United States (or any member thereof), or any other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or

UNDERWRITING

- (ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or
- (iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
- (iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or
- (v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (vi) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (vii) the commencement by any Authority or other regulatory or political body or organization of any public action or investigation against a Group Company or a director or a senior management member of any Group Company or announcing an intention to take any such action; or
- (viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company or any of Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of this Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

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- (ix) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (x) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or
- (xi) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Single Largest Group of Shareholder or any Director or senior management members as named in the Prospectus; or
- (xii) any contravention by any Group Company or any Director of the Listing Rules or applicable Laws; or
- (xiii) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus, or
- (xiv) that the Chairman of the Board, any Director or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters):

- (1) has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole;
 - (2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering;
 - (3) makes or will make or is or may make it impracticable, inadvisable, inexpedient or incapable for any material part of this Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the International Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents; or
 - (4) has or will or may have the effect of making any part of this Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (b) there has come to the notice of the Sole Sponsor and Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) that:
- (i) any statement contained in any of the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate,

UNDERWRITING

forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

- (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or
- (iii) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company or Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi in this Agreement or the International Underwriting Agreement; or
- (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties pursuant to the indemnities in this Agreement; or
- (v) any breach of any of the obligations or undertakings imposed upon the Company or any member of Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi or any cornerstone investor (as applicable) to this Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or
- (vi) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect; or
- (vii) any Director or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
- (viii) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (ix) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (x) any person (other than any of the Sole Sponsor) has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (xi) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xii) any person (other than the Sole Sponsor and the Overall Coordinators) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or
- (xiii) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

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- (xiv) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or
- (xv) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that it will not exercise power to issue any further Shares, or securities convertible into Shares (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option), or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by key persons and Pathfinder SIIs

Pursuant to Rules 18C.13 and 18C.14 of the Listing Rules, each of Dr. Wang, Dr. Luo, Prof. Zeng and Zhongzi Investment, the key persons of the Company and the Pathfinder SIIs, and their respective close associates, as identified under the section headed “History and Corporate Structure”, has undertaken to the Stock Exchange and to us that, except pursuant to the Global Offering (including the Over-allotment Option), it will not, unless otherwise permitted under Rule 18C.15 of the Listing Rules: at any time in the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is 12 months (or 6 months in the case of the Pathfinder SIIs) from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it is shown by this prospectus to be the beneficial owner.

Note 2 to Rule 18C.14 of the Listing Rules provides that the above undertakings do not prevent such persons from using the Shares beneficially owned by it/him/her as security (including a charge or pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

Further, pursuant to Note 2 to 18C.14 of the Listing Rules, each of such persons has undertaken to the Stock Exchange and to us that, within the period commencing on the date by reference to which disclosure of its shareholding is made in this prospectus and ending on the date which is 12 months (or 6 months in the case of the Pathfinder SIIs) from the Listing Date:

- (a) when it pledges or charges any Shares beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, immediately inform us and the Stock Exchange of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, immediately inform us and the Stock Exchange of such indications.

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We will inform the Stock Exchange as soon as we have been informed of the above matters, if any, by such persons and disclose such matters as soon as possible after being so informed.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Hong Kong Underwriters and the Capital Market Intermediaries not to (save for the offer, allotment and issue of the Offer Shares by our Company pursuant to the Global Offering including pursuant to any exercise of the Over-allotment Option), without the prior written consent of the Sole Sponsor and Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the last date of the six months after the Listing Date (the “**First Six-Month Period**”):

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any H Shares or other securities of our Company, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any H Shares or other securities of our Company); or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or
- (iv) offer to or agree to do any of the foregoing described in paragraphs (i), (ii) or (iii) above or announce any intention to do so,

in each case, whether any such transaction described in paragraphs (i), (ii) or (iii) above is to be settled by delivery of the H Shares or other securities of our Company, in cash or otherwise (whether or not the issue of such Shares or other securities of our Company will be completed within the First Six-Month Period).

If, at any time during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), we enter into any of the transactions specified in paragraph (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, we will take all reasonable steps to ensure that such transaction, offer, agreement or announcement will not create a disorderly or false market in the H Shares or any other equity securities of ours.

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Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi have undertaken to the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Hong Kong Underwriters and the Capital Market Intermediaries to procure our Company to comply with the above undertakings.

Undertaking by Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi

Pursuant to the Hong Kong Underwriting Agreement, Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi undertaken to us, and each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Hong Kong Underwriters and the Capital Market Intermediaries that without the prior written consent of the Sole Sponsor and Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

- (a) it/he/she will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/him/her will not, at any time during the period of 12 months from the Listing Date (the “**12-Month Period**”),
 - (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or
 - (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing), or
 - (iii) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a)(i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (a)(i), (ii) or (iii) above, in each case,
- (b) until the expiry of the 12-Month Period, in the event that it enters into any of the transactions specified in paragraphs (a)(i), (ii) or (iii) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he/she will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of the Company.

Our Company has undertaken to the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Hong Kong Underwriters and the Capital Market Intermediaries that upon receiving such information in writing from Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi, it will, as soon as practicable and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

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Hong Kong Underwriters' Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of our Company or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Underwriting Agreements.

The International Offering

International Underwriting Agreement

In connection with the International Offering, we expect to enter into the International Underwriting Agreement with, among others, the International Underwriters on or around Wednesday, June 24, 2026. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to subscribers for, or procure to subscribe for, the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds to the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or terminated, the Global Offering will not proceed. See “Structure of the Global Offering — The International Offering” for further details.

Over-allotment Option

Our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable in whole or in part by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 2,225,000 H Shares, representing not more than 15% of the number of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See “Structure of the Global Offering — Over-allotment Option” for further details.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 3.00% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the “**Fixed Fee**”), out of which they will pay any sub-underwriting commissions and other fees.

Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or the Capital Market Intermediaries an incentive fee of up to 1.00% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the “**Discretionary Fee**”). The ratio of the Fixed Fee and the Discretionary Fee payable to all Underwriters is therefore 75:25.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

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The aggregate underwriting commissions payable by our Company to the Underwriters in relation to the Global Offering (assuming an Offer Price of HK\$60.70 per Offer Share, the full payment of the discretionary incentive fee and the full exercise of the Over-allotment Option) will be approximately HK\$29.70 million.

The aggregate underwriting commissions and incentive fees together with the Stock Exchange listing fees, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK\$73.50 million (assuming an Offer Price of HK\$60.70 per Offer Share, the full payment of the discretionary incentive fee and the full exercise of the Over-allotment Option) and will be paid by our Company.

Sole Sponsor's Fee

An amount of US\$800,000 is payable by our Company as sponsor fee to the Sole Sponsor.

Indemnity

Each of our Company and Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of our Company and Dr. Wang, Dr. Luo, Prof. Zeng and Zhongke Sanshi of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, loan financing, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities, co-investments and/or instruments of or with our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Company's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares, among other assets, as their underlying assets. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the

UNDERWRITING

Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering”. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilizing Manager or its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, loan financing and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

SOLE SPONSOR’S INDEPENDENCE

The Sole Sponsor satisfied the independence criteria set out in Rule 3A.07 of the Listing Rules. See “Statutory and General Information — 5. Other Information — C. Sponsor” in this prospectus for further details.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. China International Capital Corporation Hong Kong Securities Limited is the Sole Sponsor and Sponsor-Overall Coordinator; and China International Capital Corporation Hong Kong Securities Limited is the Overall Coordinator of the Global Offering.

The Listing of the H Shares on the Stock Exchange is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this prospectus.

14,834,600 Offer Shares (subject to reallocation and the Over-allotment Option) will initially be made available under the Global Offering comprising:

- (a) the Hong Kong Public Offering of initially 741,800 H Shares (subject to reallocation) in Hong Kong as described in “— The Hong Kong Public Offering” in this section below; and
- (b) the International Offering of initially 14,092,800 H Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in “— The International Offering” in this section below.

Investors may either:

- (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) apply for or indicate an interest for International Offer Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 8.57% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering, assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 8.46% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-Allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Subject to reallocation as mentioned below, our Company is initially offering 741,800 H Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 5.00% of the total number of Offer Shares initially available under the Global Offering. Subject to reallocation as mentioned below, the number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.43% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised).

STRUCTURE OF THE GLOBAL OFFERING

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in “— Conditions of the Global Offering” in this section below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B (with any odd lot being allocated to pool A).

- **Pool A:** The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK\$5 million or less (excluding the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable).
- **Pool B:** The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK\$5 million and up to the total value in pool B (excluding the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable).

For the purpose of the immediately preceding paragraph only, the “price” for the Hong Kong Offer Shares means the price payable on application. See the subsection headed “— Pricing and Allocation — Price Payable on Application”.

Applicants should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 370,800 Hong Kong Offer Shares (being approximately 50% of the total number of Offer Shares initially available under the Hong Kong Public Offering) will be rejected.

Reallocation and Clawback

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. Paragraph 4.2 of Practice Note 18 of the Listing Rules (as modified by Rule 18C.09 of the Listing Rules) requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares to be offered in the Global Offering if certain prescribed total demand levels in the Hong Kong Public Offering are reached. 741,800 Offer Shares are initially available in the Hong Kong Public Offering, representing approximately 5% of the Offer Shares initially available for subscription under the Global Offering; and in the event of

STRUCTURE OF THE GLOBAL OFFERING

full subscription or oversubscription of the International Offer Shares, the Sponsor-Overall Coordinator shall apply a clawback mechanism following the closing of the application lists on the following basis, subject to the allocation basis as stated in Chapter 4.14 of the Guide for New Listing Applicants:

- (a) If the Hong Kong Public Offering is not fully subscribed for, the Sponsor-Overall Coordinator has the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sponsor-Overall Coordinator deems appropriate, and the Allocation Cap as defined in and stated under Chapter 4.14 of the Guide for New Listing Applicants will not be triggered;
- (b) If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 10 times or more but less than 50 times of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 1,483,600 Offer Shares, representing approximately 10% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option); and
- (c) If the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 2,967,000 Offer Shares, representing approximately 20% of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinator deem appropriate.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) in accordance with Chapter 4.14 of the Guide for New Listing Applicants published by the Stock Exchange and paragraph 4.2 of Practice Note 18 of the Listing Rules. Subject to the foregoing paragraph, the Sponsor-Overall Coordinator may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

In accordance with Chapter 4.14 of the Guide for New Listing Applicants, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 10 times of the number of Shares initially available for subscription under the Hong Kong Public Offering, the Sponsor-Overall Coordinator has the authority to reallocate International Offer Shares originally included in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation shall be not more than 1,483,600 Offer Shares (representing double of the total number of Offer Shares initially available under the Hong Kong Public Offering (before any exercise of the Over-allotment Option), and the final Offer Price shall be fixed at HK\$60.70 per Offer Share stated in this prospectus.

Details of any reallocation of the Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement which is expected to be published on Thursday, June 25, 2026.

STRUCTURE OF THE GLOBAL OFFERING

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or taken up, or indicated an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the Offer Price of HK\$60.70 per Offer Share in addition to the brokerage, the AFRC transaction levy, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$12,262.44 for one board lot of 200 Shares.

THE INTERNATIONAL OFFERING

Number of International Offer Shares initially offered

The International Offering will consist of an offering of initially 14,092,800 H Shares being offered by our Company and representing approximately 95.00% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 7.79% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised).

Allocation

The International Offering will include selective marketing of H Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" in this section below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and the Shareholders as a whole. In addition, pursuant to Rule 18C.08 of the Listing Rules, at least 50% of the total number of shares offered in the Global Offering (excluding any H Shares to be issued pursuant to the exercise of the Over-allotment Option) will be taken up by independent price setting investors, as defined under the Listing Rules, in the International Offering.

The Sponsor-Overall Coordinator (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinator so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

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Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement described in the paragraph headed “— The Hong Kong Public Offering — Reallocation and Clawback” in this section above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sponsor-Overall Coordinator (on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue up to an aggregate of 2,225,000 H Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.27% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken: (a) will be conducted at the absolute discretion of the Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company; (b) may be discontinued at any time; and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes: (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose

STRUCTURE OF THE GLOBAL OFFERING

of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) the Stabilizing Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or its affiliates or any person acting for it) will maintain such a long position;
- (c) liquidation of any such long position by the Stabilizing Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- (d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- (e) the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 2,225,000 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid before the Listing Date.

Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilizing Manager (or its affiliates or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or by a combination of these methods.

STRUCTURE OF THE GLOBAL OFFERING

PRICING AND ALLOCATION

Offer Price

The Offer Price will be HK\$60.70 per Offer Share, unless otherwise announced, as further explained below.

Price Payable on Application

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the Offer Price of HK\$60.70 per Offer Share plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$12,262.44 for one board lot of 200 H Shares.

Reduction in Offer Price and/or Number of Offer Shares

The Sponsor-Overall Coordinator (on behalf of the Underwriters) may, where it deems appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with our consent, reduce the number of Offer Shares offered and/or the Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Hong Kong Stock Exchange at www.wenge.com and www.hkexnews.hk, respectively, notice of the reduction, the cancellation of the Global Offering and the relaunch of the Global Offering at the revised number of the Offer Shares and/or the revised Offer Price. This notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as set out in this prospectus, as well as any other financial information which may change as a result of the reduction.

We will, as soon as practicable following the decision to make the reduction, in addition to publishing the notice, issue a supplemental prospectus containing details in relation to the change in the number of Offer Shares being offered and/or the indicative Offer Price range. The Global Offering will be cancelled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering.

In the absence of any such notice so published, the number of Offer Shares will not be reduced and the Offer Price, if agreed upon by the Sponsor-Overall Coordinator (on behalf of the Underwriters) and our Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of the Offer Price and Basis of Allocation

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in “How to Apply for Hong Kong Offer Shares — B. Publication of Results”.

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UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Sponsor-Overall Coordinator (on behalf of the Underwriters) and our Company agreeing on the Offer Price and the other conditions set out in the subsection headed “— Conditions of the Global Offering”.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around Wednesday, June 24, 2026.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed “Underwriting”.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option and the H Shares to be converted from Unlisted Shares) as mentioned herein on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn, cancelled or revoked;
- (b) the execution and delivery of the International Underwriting Agreement on or around Wednesday, June 24, 2026; and
- (c) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of our Company at www.wenge.com and the Stock Exchange at www.hkexnews.hk, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies”. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares are expected to be issued on Thursday, June 25, 2026, but they will only become valid evidence of title at 8:00 a.m. on Friday, June 26, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

STRUCTURE OF THE GLOBAL OFFERING

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, June 26, 2026, it is expected that dealings in the H Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Friday, June 26, 2026.

The H Shares will be traded in board lots of 200 Shares each and the stock code of the H Shares will be 1956.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “*HKEXnews > New Listings > New Listing Information*” section, and our website at www.wenge.com.

The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (*for the **White Form eIPO** service only*);
- are outside the United States (within the meaning of Regulation S), and are a person described in paragraph (h)(3) of Rule 902 of Regulation S; and
- are not a legal or natural person (except qualified domestic institutional investors) of the People’s Republic of China.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing holder or beneficial owner of our Shares and/or a substantial shareholder of any of our subsidiaries;
- are our director, supervisor or chief executive officer of ours and/or any of our subsidiaries;
- are a close associate of any of the above persons;
- are our connected person or will become our connected person immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Wednesday, June 17, 2026 and end at 12:00 noon on Tuesday, June 23, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, June 17, 2026 to 11:30 a.m. on Tuesday, June 23, 2026. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, June 23, 2026.
HKSCC EIPO channel .	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instruction.	Applicants who would <u>not</u> like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

Only one application may be made for the benefit of any person. If you are suspected of making more than one application through the **White Form eIPO** service or any other channel, all of your applications are liable to be rejected.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. HKID card; or ii. National identification document; or iii. Passport; and • Identity document number	• Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. LEI registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and • Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the

HOW TO APPLY FOR HONG KONG OFFER SHARES

applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint account holders on FINI is capped at 4 in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of our Company;
- control more than half of the voting power of our Company; or
- hold more than half of the issued share capital of our Company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size. : 200 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK\$60.70 per Share.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

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By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC eIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

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

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
200	12,262.44	3,000	183,936.48	25,000	1,532,803.99	100,000	6,131,215.96
400	24,524.87	4,000	245,248.64	30,000	1,839,364.79	120,000	7,357,459.15
600	36,787.29	5,000	306,560.80	35,000	2,145,925.58	140,000	8,583,702.34
800	49,049.72	6,000	367,872.96	40,000	2,452,486.38	160,000	9,809,945.52
1,000	61,312.16	7,000	429,185.12	45,000	2,759,047.18	180,000	11,036,188.71
1,200	73,574.60	8,000	490,497.28	50,000	3,065,607.98	200,000	12,262,431.90
1,400	85,837.02	9,000	551,809.44	60,000	3,678,729.56	250,000	15,328,039.88
1,600	98,099.46	10,000	613,121.60	70,000	4,291,851.16	300,000	18,393,647.86
1,800	110,361.88	15,000	919,682.39	80,000	4,904,972.75	370,800 ⁽¹⁾	22,734,548.74
2,000	122,624.32	20,000	1,226,243.19	90,000	5,518,094.35		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. If your application is successful, the brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy are paid to the Stock Exchange (in case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC eIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC eIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

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6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (a) undertake to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;
- (b) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (c) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (d) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;
- (e) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;
- (f) agree that our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, supervisors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "**Relevant Persons**"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (g) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes and 4. Transfer of personal data" in this section;
- (h) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (i) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

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- (j) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances in which you will not be allocated Hong Kong Offer Shares” in this section;
- (k) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (l) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (m) confirm that (a) your application or HKSCC Nominees’ application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of our Company or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from our Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of our Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;
- (n) warrant that the information you have provided is true and accurate;
- (o) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (p) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (q) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (r) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (s) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares nor have participated in the International Offering;
- (t) confirm that you are aware of the restrictions on the Global Offering set out in this prospectus;
- (u) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the **White Form eIPO** service or by anyone as your agent or by any other person;
- (v) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving application instructions to HKSCC and (ii) you have due authority to give **electronic application instructions** on behalf of that other person as its agent; and

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- (w) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all these laws and none of us nor any Relevant Person will breach any of these laws as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through White Form eIPO service or HKSCC EIPO channel:		
Website.	The designated results of allocation at www.iporesults.com.hk (alternatively: www.eipo.com.hk/ eIPOAllotment) with a “search by ID” function.	24 hours, from 11:00 p.m. on Thursday, June 25, 2026 to 12:00 midnight on Wednesday, July 1, 2026 (Hong Kong time).
	The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the White Form eIPO service provider at www.iporesults.com.hk (alternatively: www.eipo.com.hk/ eIPOAllotment)	
	The Stock Exchange’s website at www.hkexnews.hk and our website at www.wenge.com which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., on Friday, June 26, 2026, Monday, June 29, 2026, Tuesday, June 30, 2026 and Thursday, July 2, 2026 (Hong Kong time) on a Business Day.

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, June 24, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

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Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and our website at www.wenge.com by no later than 11:00 p.m. on Thursday, June 25, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may see the paragraph headed “— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

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There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), which is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, June 26, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate		
For application of 300,000 Hong Kong Public Offer Shares or more	Collection in person at the H Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant’s stock account.
	Time: from 9:00 a.m. to 1:00 p.m. on Friday, June 26, 2026 (Hong Kong time)	

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	White Form eIPO service	HKSCC EIPO channel
	If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	No action by you is required.
For application of less than 300,000 Hong Kong Public Offer Shares .	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
Time: Thursday, June 25, 2026		
Refund mechanism for surplus application monies paid by you		
Date	Friday, June 26, 2026	Subject to the arrangement between you and your broker or custodian.
Responsible party	H Share Registrar	Your broker or custodian.
Application monies paid through single bank account	Any refund will be despatched to your designated bank account in the form of White Form e-Refund payment instructions.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong on the Business Day before the Listing Date rendering it impossible for the relevant share certificates to be despatched to HKSCC in a timely manner, our Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may see “— E. Severe Weather Arrangements” in this section.

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E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, June 23, 2026, if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions (collectively, “**Severe Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, June 23, 2026.

Instead the application lists will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next Business Day which does not have **Severe Weather Signals** in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at www.wenge.com of the revised timetable.

If any of **Severe Weather Signal** is hoisted on Thursday, June 25, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository’s service counter so that they would be available for trading on Friday, June 26, 2026.

If any of **Severe Weather Signal** is hoisted on Thursday, June 25, 2026, for application of less than 300,000 Hong Kong Public Offer Shares which are initially scheduled for despatch on Thursday, June 25, 2026, despatch will be made by ordinary post when the post office re-opens after any of those warnings is lowered or canceled (e.g. in the afternoon of Thursday, June 25, 2026 or Friday, June 26, 2026).

If any of **Severe Weather Signal** is hoisted on Friday, June 26, 2026, for application of 300,000 Hong Kong Public Offer Shares or more which are initially scheduled for collection at the H Share Registrar’s office from 9:00 a.m. to 1:00 p.m. on Friday, June 26, 2026, you may pick them up from the H Share Registrar’s office after any of those warnings is lowered or canceled (e.g. in the afternoon of Friday, June 26, 2026 or Monday, June 29, 2026).

Prospective investors should be aware that if they choose to receive physical share certificates issued in their own name, there may be a delay in receiving the share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

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

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

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

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You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by our Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to our Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of our Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform our Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- distributing communications from our Group;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operations;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants and brokers.

5. Retention of personal data

Our Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of our company secretary, or the H Share Registrar for the attention of the privacy compliance officer.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING ZHONGKE WENGEAI SCIENCE AND TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Beijing Zhongke WengeAI Science and Technology Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-84, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-84 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 17 June 2026 (the “Prospectus”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young*Certified Public Accountants*

Hong Kong

17 June 2026

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
REVENUE	5	249,693	317,769	405,316
Cost of sales		(139,776)	(157,626)	(197,659)
Gross profit		<u>109,917</u>	<u>160,143</u>	<u>207,657</u>
Other income and gains	5	37,414	31,314	49,158
Selling and marketing expenses		(118,185)	(107,661)	(94,074)
Administrative expenses		(106,385)	(99,767)	(131,986)
Research and development expenses		(179,511)	(131,015)	(187,545)
Fair value gains on financial assets at fair value through profit or loss, net		2,104	68	—
Impairment losses on financial and contract assets, net		(3,593)	(7,852)	(6,918)
Other expenses		(245)	(1,599)	(1,165)
Finance costs	7	(1,500)	(933)	(2,697)
LOSS BEFORE TAX	6	(259,984)	(157,302)	(167,570)
Income tax credit	10	198	207	1,307
LOSS FOR THE YEAR		<u>(259,786)</u>	<u>(157,095)</u>	<u>(166,263)</u>
Loss attributable to:				
Owners of the parent		(259,023)	(156,852)	(174,305)
Non-controlling interests		(763)	(243)	8,042
		<u>(259,786)</u>	<u>(157,095)</u>	<u>(166,263)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	<u>(1.73)</u>	<u>(1.04)</u>	<u>(1.11)</u>

For the details of pre-IPO investments, please refer to note 31 to this report.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
LOSS FOR THE YEAR	(259,786)	(157,095)	(166,263)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations	8	(72)	262
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	8	(72)	262
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	8	(72)	262
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(259,778)</u>	<u>(157,167)</u>	<u>(166,001)</u>
Attributable to:			
Owners of the parent	(259,015)	(156,924)	(174,043)
Non-controlling interests	<u>(763)</u>	<u>(243)</u>	<u>8,042</u>
	<u>(259,778)</u>	<u>(157,167)</u>	<u>(166,001)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	27,046	21,836	15,094
Right-of-use assets	14	38,645	15,206	17,625
Other intangible assets.	16	3,982	5,631	9,460
Prepayments, other receivables and other assets	22	3,828	2,577	3,040
Time deposits	25	10,191	10,519	–
Goodwill	15	–	–	50,834
Equity investments designated at fair value through other comprehensive income.	19	–	–	10,000
Total non-current assets		83,692	55,769	106,053
CURRENT ASSETS				
Inventories	20	48,469	36,413	55,609
Trade and bills receivables	21	123,624	167,705	248,320
Contract assets	23	7,065	10,583	7,217
Prepayments, other receivables and other assets	22	17,271	28,203	56,639
Financial assets at fair value through profit or loss	24	–	70,921	26,106
Time deposits	25	–	–	10,845
Restricted cash	25	2,618	5,317	26,201
Cash and cash equivalents.	25	524,408	445,027	324,621
Total current assets		723,455	764,169	755,558
CURRENT LIABILITIES				
Trade and bills payables	26	54,471	62,645	84,576
Other payables and accruals	27	54,960	65,025	81,573
Contract liabilities.	29	62,993	44,337	46,423
Lease liabilities	14	18,643	11,320	11,616
Provision.	30	2,866	3,693	4,439
Interest-bearing bank loans and other borrowings	28	–	–	28,917
Total current liabilities		193,933	187,020	257,544
NET CURRENT ASSETS		529,522	577,149	498,014
TOTAL ASSETS LESS CURRENT LIABILITIES				
		613,214	632,918	604,067

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Deferred tax liabilities	18	525	317	30
Lease liabilities	14	17,173	3,044	6,866
Interest-bearing bank loans and other borrowings	28	—	—	40,520
Put option liabilities		—	—	52,555
Total non-current liabilities		17,698	3,361	99,971
Net assets		595,516	629,557	504,096
EQUITY				
Equity attributable to owners of the parent				
Share capital	31	150,000	156,429	158,267
Reserves	33	445,971	473,128	337,602
		595,971	629,557	495,869
Non-controlling interests		(455)	—	8,227
Total equity		595,516	629,557	504,096

For the details of pre-IPO investments, please refer to note 31 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Share premium and other reserve*	Share-based payment reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total		
	RMB'000 Note 31	RMB'000 Note 33	RMB'000 Note 33	RMB'000 Note 33	RMB'000 Note 33	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	150,000	925,321	11,207	15	—	(313,736)	772,807	191	772,998
Loss for the year	—	—	—	—	—	(259,023)	(259,023)	(763)	(259,786)
Other comprehensive income for the year:									
Exchange differences related to foreign operations	—	—	—	—	8	—	8	—	8
Total comprehensive income for the year	—	—	—	—	8	(259,023)	(259,015)	(763)	(259,778)
Share-based payments (note 32)	—	—	74,150	—	—	—	74,150	117	74,267
Transfer from the share-based payment reserve upon exercise	—	8,850	(8,850)	—	—	—	—	—	—
Capital contributions from shareholders	—	8,029	—	—	—	—	8,029	—	8,029
As at 31 December 2023	150,000	942,200	76,507	15	8	(572,759)	595,971	(455)	595,516

Year ended 31 December 2025

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Share premium and other reserve*	Share-based payment reserve*	Statutory surplus reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total		
	RMB'000 Note 31	RMB'000 Note 33	RMB'000 Note 33	RMB'000 Note 33	RMB'000 Note 33	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	156,429	1,131,581	71,207	15	(64)	(729,611)	629,557	—	629,557
Loss for the year	—	—	—	—	—	(174,305)	(174,305)	8,042	(166,263)
Other comprehensive loss for the year:									
Exchange differences related to foreign operations	—	—	—	—	262	—	262	—	262
Total comprehensive income for the year	—	—	—	—	262	(174,305)	(174,043)	8,042	(166,001)
Share-based payments (note 32)	—	—	44,513	—	—	—	44,513	—	44,513
Transfer from the share-based payment reserve upon exercise	—	56,148	(56,148)	—	—	—	—	—	—
Issue of new shares	1,838	45,162	—	—	—	—	47,000	—	47,000
Acquisition of a subsidiary ..	—	—	—	—	—	—	—	342	342
Put options over non-controlling interests ...	—	(51,158)	—	—	—	—	(51,158)	—	(51,158)
Dividends paid	—	—	—	—	—	—	—	(157)	(157)
As at 31 December 2025 ...	158,267	1,181,733	59,572	15	198	(903,916)	495,869	8,227	504,096

* These reserve accounts represent the total consolidated reserves of RMB445,971,000 and RMB473,128,000 and RMB337,602,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
	Notes			
CASH FLOWS USED IN				
OPERATING ACTIVITIES				
Loss before tax		(259,984)	(157,302)	(167,570)
Adjustments for:				
Depreciation of property, plant and equipment	6, 13	9,596	11,866	11,982
Depreciation of right-of-use assets . .	6, 14	19,932	16,884	16,094
Amortisation of other intangible assets	6, 16	1,158	1,243	2,148
Share-based payment expenses	6, 32	74,267	41,868	44,513
Impairment losses on financial and contract assets		3,593	7,852	6,918
Impairment losses recognised for inventories	6, 20	2,617	2,697	650
Finance costs	7	1,500	933	2,697
Interest income	5	(1,684)	(1,481)	(447)
Investment income from structured deposits and time deposits	5	(11,361)	(6,301)	(2,623)
Fair value gains on financial assets at fair value through profit or loss	6	(2,104)	(68)	—
Warranty provision	6	4,675	13,735	6,940
Losses on disposal of items of property, plant and equipment . . .		201	107	2
Gain on disposal of a subsidiary . .		—	—	(437)
Gain on lease term termination . . .	6	(29)	(1,087)	(380)
Exchange losses on foreign exchange from non-operating activities, net		—	—	332
		(157,623)	(69,054)	(79,181)
(Increase)/decrease in inventories . . .		(13,878)	9,359	(3,882)
Increase in trade and bills receivables .		(57,326)	(50,824)	(89,283)
Decrease/(increase) in contract assets .		2,598	(4,596)	4,145
Decrease/(increase) in prepayments, other receivables and other assets . .		1,488	(9,715)	(25,249)
Decrease/(increase) in restricted cash .		2,326	(2,699)	(3,658)
Increase in other payables and accruals		8,326	14,569	18,120
Increase in trade and bills payables . .		19,886	8,174	16,489
Increase/(decrease) in contract liabilities		14,878	(18,656)	(19,706)
Decrease in provision		(5,193)	(12,908)	(6,237)
Cash used in operations		(184,518)	(136,350)	(188,442)
Interest received		1,684	1,481	447
Net cash flows used in operating activities		(182,834)	(134,869)	(187,995)

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of items of property, plant and equipment		32	67	–
Purchases of items of property, plant and equipment		(28,348)	(7,361)	(3,435)
Purchase of other intangible assets . . .		(277)	(3,225)	–
Purchase of time deposits, structured deposits, listed equity investments and other unlisted investments classified as financial assets at fair value through profit or loss		(2,266,800)	(1,370,962)	(1,246,000)
Redemption of time deposits and structured deposits classified as financial assets at fair value through profit or loss		2,944,800	1,299,990	1,290,479
Purchases of equity investments designated at fair value through other comprehensive income		–	–	(10,000)
Disposal of unlisted investment		–	–	750
Interest income from financial assets at fair value through profit or loss . .		16,328	6,092	1,883
Acquisition of a subsidiary	35	–	–	(27,070)
Disposal of a subsidiary	36	–	–	(2,994)
Increase in restricted cash		–	–	(17,226)
Net cash flows from/(used in) investing activities		665,735	(75,399)	(13,613)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issue of new shares		–	150,000	47,000
Capital contribution from shareholders		8,029	–	–
Advance from the shareholder of a subsidiary		3,638	–	–
Repayment of advance from the shareholder of a subsidiary		–	(3,638)	–
Lease payments		(19,787)	(14,743)	(14,745)
Proceeds from interest-bearing bank and other borrowings		–	–	64,226
Repayment of interest-bearing bank and other borrowings		–	–	(12,430)
Dividends paid to non-controlling shareholders		–	–	(157)
Transaction cost on issue of new shares		–	(660)	–
Payments on listing expenses		–	–	(2,193)
Interest paid		–	–	(429)
Net cash flows (used in)/from financing activities		(8,120)	130,959	81,272

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		474,781	(79,309)	(120,336)
Cash and cash equivalents at beginning of year		49,619	524,408	445,027
Effect of foreign exchange rate changes, net		8	(72)	(70)
Cash and cash equivalents at end of year		<u>524,408</u>	<u>445,027</u>	<u>324,621</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	25	537,217	460,863	361,667
Less: Time deposits	25	10,191	10,519	10,845
Restricted cash	25	<u>2,618</u>	<u>5,317</u>	<u>26,201</u>
Cash and cash equivalents as stated in the statements of cash flows and statements of financial position		<u>524,408</u>	<u>445,027</u>	<u>324,621</u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	24,848	20,515	11,746
Right-of-use assets	14	26,010	10,337	10,511
Other intangible assets	16	3,843	5,537	4,175
Investments in subsidiaries	17	65,215	65,271	79,672
Prepayments, deposits and other receivables	22	2,476	1,745	1,413
Total non-current assets		122,392	103,405	107,517
CURRENT ASSETS				
Inventories	20	35,806	29,912	38,238
Trade and bills receivables	21	99,414	127,569	192,582
Contract assets	23	6,086	8,659	4,258
Prepayments, deposits and other receivables	22	15,605	26,914	52,317
Financial assets at fair value through profit or loss	24	—	70,068	300
Due from subsidiaries	39	103,311	263,433	452,929
Restricted cash	25	2,618	5,267	18,143
Cash and cash equivalents	25	461,414	286,691	230,187
Total current assets		724,254	818,513	988,954
CURRENT LIABILITIES				
Trade and bills payables	26	51,308	51,279	81,797
Other payables and accruals	27	33,212	44,524	51,806
Due to subsidiaries	39	2,544	8,125	173,845
Contract liabilities	29	52,594	34,031	24,365
Lease liabilities	14	13,229	7,075	6,868
Provision	30	2,480	2,920	2,860
Interest-bearing bank loans and other borrowings	28	—	—	7,381
Total current liabilities		155,367	147,954	348,922
NET CURRENT ASSETS		568,887	670,559	640,032
TOTAL ASSETS LESS CURRENT LIABILITIES				
		691,279	773,964	747,549

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Deferred tax liabilities		518	315	53
Lease liabilities	14	9,322	1,166	3,292
Interest-bearing bank loans and other borrowings	28	—	—	3,520
Total non-current liabilities		9,840	1,481	6,865
Net assets		681,439	772,483	740,684
Equity				
Share capital	31	150,000	156,429	158,267
Reserves	33	531,439	616,054	582,417
Total equity		681,439	772,483	740,684

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Beijing Zhongke WengeAI Science and Technology Co., Ltd. was incorporated as a joint stock company with limited liability on 20 March 2017. The registered office of the Company is located at Room 717, 7th Floor, Building 9, North Fourth Ring Road West, Haidian District, Beijing, the People's Republic of China (the "PRC").

During the Relevant Periods, the Company and its subsidiaries (collectively, the "Group") were involved in the following principal activities:

- Provision of artificial intelligence ("AI") services and operation and maintenance services.

As at the end of the Relevant Periods, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of the major subsidiaries are set out below:

Name	Notes	Place and date of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital ('000)	Percentage of equity attributable to the Company		Principal activities
				Direct %	Indirect %	
Shenzhen Zhongke Wenge Technology Co., Ltd. 深圳中科聞歌科技有限公司 . . .	(1)	PRC/Chinese Mainland/ 8 May 2018	RMB10,000	100	–	Research and development ("R&D"), and sale of software products
Xi'an Zhongke Wenge Technology Co., Ltd. 西安中科聞歌科技有限公司	(6)	PRC/Chinese Mainland/ 2 July 2018	RMB1,000	100	–	Research and development ("R&D"), and sale of software products
Nanjing Zhongke Wenge Technology Co., Ltd. 南京中科聞歌科技有限公司 . . .	(6)	PRC/Chinese Mainland/ 23 August 2019	RMB20,000	100	–	Research and development ("R&D"), and sale of software products
Chongqing Zhongke Wenge Technology Co., Ltd. 重慶中科聞歌科技有限公司 . . .	(6)	PRC/Chinese Mainland/ 21 October 2021	RMB5,000	100	–	Research and development ("R&D"), and sale of software products
Shanghai Zhongke Wenge Technology Co., Ltd. 上海中科聞歌科技有限公司 . . .	(6)	PRC/Chinese Mainland/ 20 July 2022	RMB10,000	100	–	Research and development ("R&D"), and sale of software products
Tianjin Zhongke Wenge Technology Co., Ltd. 天津中科聞歌科技有限公司 . . .	(2), (5)	PRC/Chinese Mainland/ 23 February 2023	RMB10,000	100	–	Research and development ("R&D"), and sale of software products
Beijing Zhongke Wenge Holdings Co., Ltd. 北京中科聞歌控股有限公司 . . .	(6)	PRC/Chinese Mainland/ 9 May 2023	RMB10,000	100	–	Research and development ("R&D"), and sale of software products

APPENDIX I

ACCOUNTANTS' REPORT

Name	Notes	Place and date of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital ('000)	Percentage of equity attributable to the Company		Principal activities
				Direct %	Indirect %	
Hainan Zhongke Wenge Technology Co., Ltd. 海南中科聞歌科技有限公司 . . .	(6)	PRC/Chinese Mainland/ 24 December 2021	RMB2,000	–	100	Research and development (“R&D”), and sale of software products
D2 Intelligence Limited 中科聞歌國際有限公司	(6)	Hong Kong/ 18 July 2023	–	–	100	Research and development (“R&D”), and sale of software products
D2 Intelligence HK Limited 香港聞歌有限公司	(6)	Hong Kong/ 9 August 2023	–	–	100	Research and development (“R&D”), and sale of software products
Beijing Zhongke Wencai Technology Center (Limited Partnership) 北京中科文才科技中心(有限合夥)	(6)	PRC/Chinese Mainland/ 30 January 2024	RMB1,000	90	10	Research and development (“R&D”), and sale of software products
Wenge Hong Kong United Technology Development (Shanghai) Co., Ltd. 聞歌港聯科技發展(上海)有限公司	(6)	PRC/Chinese Mainland/ 15 November 2023	RMB100	–	100	Research and development (“R&D”)
Beijing Zhongke Wenge Technology Media Co., Ltd. 北京中科聞歌科技傳媒有限公司	(6)	PRC/Chinese Mainland/ 18 March 2025	RMB10,500	100	–	Sale of software products
Zhejiang Xinhua Mobile Media Co., Ltd. 浙江新華移動傳媒股份有限公司 . . .	(3), (4)	PRC/Chinese Mainland/ 29 June 2012	RMB32,681	–	51	Provision of AI services
Hangzhou Xinyi Trading Co., Ltd. 杭州新移貿易有限公司	(4)	PRC/Chinese Mainland/ 27 October 2020	RMB1,000	–	51	Sale of software products
Xinhua all media (Beijing) Information Technology Research Institute Co., Ltd. 新華全媒(北京)信息技術研究院有限公司	(4)	PRC/Chinese Mainland/ 16 March 2021	RMB1,000	–	51	Research and development (“R&D”), and sale of software products
Shenzhen Zhisuan Julang Technology Co., Ltd. 深圳智算巨量科技有限公司 . . .	(6)	PRC/Chinese Mainland/ 4 November 2025	RMB5,000	–	100	Research and development (“R&D”), and sale of software products
Guoke Julang (Beijing) Technology Co., Ltd. 國科巨量(北京)科技有限公司	(6)	PRC/Chinese Mainland/ 10 November 2025	RMB1,000	–	100	Research and development (“R&D”), and sale of software products

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ACCOUNTANTS' REPORT

Name	Notes	Place and date of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital ('000)	Percentage of equity attributable to the Company		Principal activities
				Direct %	Indirect %	
Guoke Zhiyi (Beijing) Technology Co., Ltd. 國科智醫(北京)科技有限公司	(6)	PRC/Chinese Mainland/ 9 September 2025	RMB1,000	–	100	Research and development (“R&D”), and sale of software products
Wenge Wenyi (Beijing) Technology Center (Limited Partnership) 聞歌聞醫(北京)科技中心(有限合夥)	(6)	PRC/Chinese Mainland/ 17 September 2025	RMB1,000	–	100	Investment Holding
Wenge Decai (Beijing) Technology Center (Limited Partnership) 聞歌德才(北京)科技中心(有限合夥)	(6)	PRC/Chinese Mainland/ 28 August 2025	RMB3,000	10	90	Investment Holding
Guoke Panshi (Beijing) Technology Co., Ltd. 國科磐石(北京)科技有限公司	(6)	PRC/Chinese Mainland/ 10 November 2025	RMB1,000	100	–	Research and development (“R&D”), and sale of software products
Guoke Zhixue (Beijing) Technology Co., Ltd. 國科智學(北京)科技有限公司 .	(6)	PRC/Chinese Mainland/ 10 November 2025	RMB1,000	100	–	Research and development (“R&D”), and sale of software products

The English names of all group companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Notes:

- (1) The statutory financial statements for the year ended 31 December 2023 prepared in accordance with China Accounting Standards for Business Enterprises and regulations have been audited by Shenzhen Chengwei Certified Public Accountants (General Partnership) (深圳誠為會計師事務所(普通合夥)), which is a certified public accounting firm registered in the PRC.
- (2) The statutory financial statements for the year ended 31 December 2024 prepared in accordance with China Accounting Standards for Business Enterprises and regulations have been audited by Beijing Dongshen Certified Public Accountants (Special General Partnership) (北京東審會計師事務所(特殊普通合夥)), which is a certified public accounting firm registered in the PRC.
- (3) The statutory financial statements for the year ended 31 December 2023 prepared in accordance with China Accounting Standards for Business Enterprises and regulations have been audited by Hangzhou Juchen Certified Public Accountants (General Partnership) (杭州鉅辰會計師事務所(普通合夥)), which is a certified public accounting firm registered in the PRC.
- (4) The statutory financial statements for the year ended 31 December 2024 prepared in accordance with China Accounting Standards for Business Enterprises and regulations have been audited by Hangzhou Huayong Certified Public Accountants Co., Ltd. (杭州華永會計師事務所有限公司), which is a certified public accounting firm registered in the PRC.
- (5) The statutory financial statements for the year ended 31 December 2025 prepared in accordance with China Accounting Standards for Business Enterprises and regulations have been audited by Beijing Yuecheng Certified Public Accountants (General Partnership) (北京岳誠會計師事務所(普通合夥)), which is a certified public accounting firm registered in the PRC.
- (6) No audited financial statements have been prepared for these entities since their dates of incorporation.

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the pre-IPO Investors in relation to the termination of redemption rights granted by the Company, which are *void ab initio* as described in note 31 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 31 of this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB"), which comprise all standards and interpretations approved by IASB.

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods. They have been prepared under the historical cost convention, except for structured deposits, unlisted equity investments and listed equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

- 1 Effective for annual periods beginning on or after 1 January 2026
- 2 Effective for annual/reporting periods beginning on or after 1 January 2027
- 3 No mandatory effective date yet determined but available for adoption

The application of IFRS 18 will have no impact on the consolidated statements of financial position of the Group, but will have impact on the presentation of the consolidated statements of profit or loss and other comprehensive income. Except for IFRS 18, the directors of the Company anticipate that the application of these new and amended IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Fair value measurement

The Group measures its structured deposits, unlisted equity investments and listed equity investments at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;

- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of the lease terms and 33.33%
Electronic devices	31.67%
Office equipment	19.00%
Vehicles	23.75%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 3 to 10 years, which is mainly determined by reference to the licensed period of the purchased software.

Software copyright

Purchased software copyright are stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years, which is mainly determined by reference to the period during which such asset is expected to bring economic benefits to the Group.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Plant and properties	1.5 to 5 years
Electronic devices	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of plant and properties and electronic devices (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of electronic devices and office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills receivables and contract assets that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables and contract assets that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has divided trade and bills receivables and contract assets into two collectives for assessment. For the ageing collective basis, the Group has established a provision matrix that is based on its historical credit loss experience. For the industry collective basis, the expected loss rates are based on the historical payment profiles, historical credit loss rates by industry and data published by external credit rating institution. The two collectives are also adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade and bills receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase and other costs. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

The Group also recognises the inventories from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The costs to fulfil a contract recognised shall be amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of costs to fulfil a contract recognised exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates; less
- the costs that relate directly to providing those services and that have not been recognised as expenses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain software products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

There are no significant variable consideration and financing component for the Group's revenue from contracts with customers.

(a) Sale of AI services

The Group develops AI platforms including basic operating system platform, industry application platform and so on.

A portion of the revenue from AI services is recognised at the point in time upon the completion of the project and satisfactory acceptance by the counterparty as per contractual agreements such software can deliver stand-alone functionality. Once a customer has completed the testing of the functionalities of the software as acceptance procedures, the customer can derive substantial benefit from the software on its own. Contract costs include contract fulfilment costs. Costs incurred for the provision of customised services, solution and other software products are recognised as contract fulfilment costs, which is recognised as the cost of sales when recognising revenue. If the carrying amount of the contract costs is higher than the remaining consideration expected to be obtained by rendering of the service net of the estimated cost to be incurred, the Group makes provision for impairment on the excess portion and recognises it as asset impairment losses.

Another portion of the revenue from AI services is recognised over the scheduled period on a straight-line basis because the Group grants customers the right to use the standard AI platform for a certain period of time and the customer simultaneously receives and consumes the benefits provided by the Group.

(b) Provision of operation and maintenance services

The Group provides operation and maintenance services for certain sold software products. Revenue from operation and maintenance services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

Several employee incentive schemes are operated for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined based on a recent transaction price, further details of which are given in note 31 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits***Pension schemes***

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for certain of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Significant judgement in determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate the lease (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of buildings due to the significance of these assets to its operations.

Principal or agent when recognising revenue

Determining whether revenue of the Group should be reported “gross” or “net” is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group is a principal and records revenue on a gross basis if the Group obtains control of any one of the following: (i) a good or another asset from the other party who then transfers to its customer; (ii) a right to a service to be performed by the other party, which gives the entity the ability to direct that party to provide the service to the customer on the entity’s behalf; or (iii) a good or service from the other party who then combines with other goods or services in providing the specified good or service to its customer. Otherwise, the Group records revenue at the net amounts as commissions.

The Group concludes that it usually acts as a principal in integration business as (i) the Group procures hardware from external sources, exerts control over customers’ use of different suppliers’ hardware and software, and bears the inventory risk, as the costs are incurred regardless of sales; (ii) the Company assumes the primary responsibility for transferring services to customers, acting as the first responsible party for project delivery and subsequent maintenance; and (iii) the Group has the authority to independently determine the prices for services transacted with suppliers, and both sales and procurement contracts are signed separately.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Share-based payments

The Group operates employee incentive schemes for the purpose of providing incentives to the Company’s directors and the Group’s employees. The grant date fair value of the shares of the employee incentive schemes was determined based on investors’ recent capital injection price. Further details are contained in note 31 to the Historical Financial Information.

Provision for expected credit losses on trade receivables and bills receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivable and contract assets. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped based on ageing of bills of various customer segments with similar loss patterns and collectively assessed for impairment allowance.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade and bills receivables is disclosed in note 21 to the Historical Financial Information.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available such as for subsidiaries that do not enter into financing transactions or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates.

Estimation of provision for warranty claims

The warranty period is generally within 1 year after the control of software products is transferred to the customers. Management estimates the related provision for future warranty based on historical warranty information, as well as recent trend that might suggest that past cost information may differ from future claims. The assumptions made in respect of the Track Record Period are consistent with those in the prior years. Factors that could impact the estimated claim information include the success of the Group’s the operation status of the software and the resulting labour costs.

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segment based on the information reviewed by the Group’s chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment. The chief operating decision maker has been identified as the executive directors of the Company.

Management monitors the results of the Group’s operating segment separately for the purpose of making decisions about resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment information is available. Accordingly, no further information about the operating segment is presented.

Geographical information*Revenue from external customers*

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese Mainland	247,862	313,192	398,767
Hong Kong	1,831	4,577	6,549
Total	<u>249,693</u>	<u>317,769</u>	<u>405,316</u>

Almost all the non-current assets of the Group are physically located in the Chinese Mainland.

Information about major customers

External customers that have contributed over 10% of total revenue of the Group for the years ended 31 December 2023, 2024 and 2025 were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	60,776	63,257	77,583
Customer B	N/A*	N/A*	N/A*
Customer C	N/A*	N/A*	N/A*
Customer D	26,480	N/A*	N/A*

* Less than 10% of the Group’s revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers.	249,693	317,769	405,316

Revenue from contracts with customers**(a) Disaggregated revenue information**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
AI services	238,510	303,450	386,828
Maintenance services	11,183	14,319	18,488
Total revenue from contracts with customers . . .	249,693	317,769	405,316

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Geographical markets			
Chinese Mainland	247,862	313,192	398,767
Hong Kong	1,831	4,577	6,549
Total revenue from contracts with customers . . .	249,693	317,769	405,316
Timing of revenue recognition			
Goods or services transferred at a point in time .	206,247	262,983	310,182
Services transferred over time	43,446	54,786	95,134
Total revenue from contracts with customers . . .	249,693	317,769	405,316

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	35,552	56,276	31,862

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Provision of AI services (recognised at the point in time)

The performance obligation is satisfied upon acceptance of software products or overall solution by the customers. The timing of payment varies from contract to contract, usually within 30 days after receipt of invoice.

Provision of AI services (recognised over the scheduled period on a straight-line basis)

The performance obligation is satisfied over the scheduled period on a straight-line basis and payment is periodical according to the service schedule. The timing of payment varies from contract to contract, usually within 15 days after the end of each stage agreed upon in the contract.

Provision of operation and maintenance services

The performance obligation is satisfied over the scheduled period on a straight-line basis and payment is periodical according to the service schedule. The timing of payment varies from contract to contract, usually within 10 days after receipt of invoice.

(c) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from long-term contracts:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts expected to be recognised as revenue:			
Within one year	56,361	53,294	86,549
After one year	22,873	30,948	15,784
Total	<u>79,234</u>	<u>84,242</u>	<u>102,333</u>

Other contracts at the end of each reporting period had an original expected duration of one year or less and thus the Group applied the expedient under IFRS 15 for not disclosing of unsatisfied performance obligations.

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income			
Government grants and subsidies	24,290	22,237	45,164
Investment income from structured deposits and time deposits	11,361	6,301	2,623
Interest income	1,684	1,481	447
Others	50	208	107
	<u>37,385</u>	<u>30,227</u>	<u>48,341</u>
Gains			
Gain on lease term termination	29	1,087	380
Gain on disposal of a subsidiary	–	–	437
	<u>29</u>	<u>1,087</u>	<u>817</u>
Total	<u>37,414</u>	<u>31,314</u>	<u>49,158</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of goods sold or services provided*.		81,964	81,093	109,573
Depreciation of property, plant and equipment	13	9,596	11,866	11,982
Depreciation of right-of-use assets	14	19,932	16,884	16,094
Amortisation of other intangible assets	16	1,158	1,243	2,148
Research and development costs*		46,625	38,172	85,168
Impairment losses on financial and contract assets, net		3,593	7,852	6,918
Impairment losses recognised for inventories	20	2,617	2,697	650
Gain on lease term termination	14	(29)	(1,087)	(380)
Warranty provision		4,675	13,735	6,940
Fair value gains on financial assets at fair value through profit or loss		(2,104)	(68)	—
Employee benefit expense (including directors', chief executive's and supervisors' remuneration (note 8)):				
Wages and salaries		193,107	190,573	201,179
Pension scheme contributions and social welfare		55,096	53,890	53,414
Share-based payment	32	74,267	41,868	44,513
Listing expenses		—	—	21,162

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of other intangible assets related to manufacturing and research and development for the Relevant Periods are included in “depreciation of property, plant and equipment”, “depreciation of right-of-use assets” and “amortisation of other intangible assets”, respectively. The labour costs related to manufacturing and research and development for the Relevant Periods are included in “employee benefit expense”.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	1,500	933	730
Interest on put option liabilities	—	—	1,397
Interest on bank loans	—	—	570
Total	<u>1,500</u>	<u>933</u>	<u>2,697</u>

For the details of pre-IPO investments, please refer to note 31 to this report.

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors', chief executive's and supervisors' remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	255	300	300
Other emoluments:			
Salaries, bonuses, allowances and benefits in kind	5,189	5,128	4,280
Performance related bonuses*	160	1,367	2,078
Share-based payment expenses	30,815	21,710	14,061
Pension scheme contributions	2,062	1,827	1,568
	38,226	30,032	21,987
	38,481	30,332	22,287

* Certain executive directors of the Company are entitled to bonus payments which are determined by key performance indicators.

During the Relevant Periods, certain directors were granted restricted shares and share options, in respect of their services to the Group, under the Employee Incentive Scheme of the Company, further details of which are set out in note 32 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss over the vesting period. The amount of the share-based payment expenses during the Relevant Periods is included in the above directors', chief executive's and supervisors' remuneration disclosures.

The remuneration of each director/supervisor of the Company paid/payable by the Group (including emoluments for services as employees of the group entities prior to becoming the directors/supervisors of the Company) for the Relevant Periods is set out as follows:

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Ms. Gu, Fenling (i)	85	100	100
Ms. Jiang, Xianling (i)	85	100	100
Mr. Xu, Huansheng (i)	85	100	100
	255	300	300

(i) On 9 February 2023, Ms. Gu, Fenling, Ms. Jiang, Xianling and Mr. Xu, Huansheng were appointed as independent non-executive directors of the Company.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, a non-executive director, the chief executive and supervisors

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023					
Executive directors:					
Mr. Wang, Lei (i)	589	1	—	280	870
Mr. Luo, Yin (ii)	662	1	—	241	904
Mr. Qu, Baoyu (ii)	613	1	11,997	241	12,852
Mr. Cao, Jia (ii)	825	25	4,068	241	5,159
Mr. Wang, Botian (iii)	—	—	—	—	—
Ms. Zhao, Feifei (iii)	627	36	6,120	298	7,081
Mr. Shen, Liping (iv)	—	—	—	—	—
	3,316	64	22,185	1,301	26,866
A non-executive director:					
Mr. Zhou, Jun (vi)	—	—	—	—	—
	—	—	—	—	—
Supervisors:					
Ms. Wang, Chaoying (v)	—	—	—	—	—
Ms. Zhang, Xina (vii)	682	48	6,120	241	7,091
Ms. Ren, Yiqin (vii)	—	—	—	—	—
Mr. Peng, Xin (viii)	647	12	—	279	938
Mr. Jiang, Shuibing (ix)	544	36	2,510	241	3,331
	1,873	96	8,630	761	11,360
Total	5,189	160	30,815	2,062	38,226

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024					
Executive directors:					
Mr. Wang, Lei (i)	656	100	—	281	1,037
Mr. Luo, Yin (ii)	722	365	—	253	1,340
Mr. Qu, Baoyu (ii)	685	260	8,198	253	9,396
Mr. Cao, Jia (ii)	880	288	2,929	253	4,350
Ms. Zhao, Feifei (iii)	801	131	4,406	281	5,619
	3,744	1,144	15,533	1,321	21,742
A non-executive director:					
Mr. Zhou, Jun (vi)	—	—	—	—	—
	—	—	—	—	—
Supervisors:					
Ms. Wang, Chaoying (v)	—	—	—	—	—
Ms. Zhang, Xina (vii)	867	200	4,406	253	5,726
Mr. Jiang, Shuibing (ix)	517	23	1,771	253	2,564
	1,384	223	6,177	506	8,290
Total	5,128	1,367	21,710	1,827	30,032

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025					
Executive directors:					
Mr. Wang, Lei (i)	620	365	561	289	1,835
Mr. Luo, Yin (ii)	689	500	374	260	1,823
Mr. Qu, Baoyu (ii)	633	420	4,299	260	5,612
Mr. Cao, Jia (ii)	998	448	1,749	260	3,455
Ms. Zhao, Feifei (iii)	384	23	3,574	125	4,106
Ms. Zhang, Xina (vii)	437	122	1,313	147	2,019
	3,761	1,878	11,870	1,341	18,850
A non-executive director:					
Mr. Zhou, Jun (vi)	—	—	—	—	—
	—	—	—	—	—
Supervisors: (x)					
Ms. Wang, Chaoying (v) . . .	—	—	—	—	—
Ms. Zhang, Xina (vii)	337	94	1,411	114	1,956
Mr. Jiang, Shuibing (ix) . . .	182	106	780	113	1,181
	519	200	2,191	227	3,137
Total.	4,280	2,078	14,061	1,568	21,987

- (i) On 20 March 2017, Mr. Wang, Lei. was appointed as the chief executive director and the chairman of the board of directors of the Group.
- (ii) On 20 March 2017, Mr. Luo, Yin and Mr. Cao Jia were appointed as executive directors of the Group. Mr. Qu, Baoyu was appointed as an executive director of the Group on 16 March 2021.
- (iii) On 16 March 2021, Ms. Zhao Feifei, Mr. Lin, Jialiang and Mr. Wang, Botian were appointed as executive directors of the Group. Mr. Lin, Jialiang resigned on 17 February 2022. Mr. Wang, Botian resigned on 9 February 2023. Ms. Zhao Feifei resigned on 9 June 2025.
- (iv) On 17 February 2022, Mr. Shen, Liping was appointed as an executive director of the Group. Mr. Shen, Liping resigned on 9 February 2023.
- (v) On 20 March 2017, Ms. Wang, Chaoying was appointed as an executive director of the Group and resigned on 9 February 2023. On 9 February 2023, Ms. Wang, Chaoying was appointed as a supervisor of the Group and resigned on 9 June 2025, who no longer held any position in the Group.
- (vi) On 7 September 2020, Mr. Zhou, Jun was appointed as a non-executive director of the Group.
- (vii) On 20 March 2017, Ms. Zhang Xina and Ms. Ren, Yiqin were appointed as supervisors of the Group. Ms. Ren, Yiqin resigned on 9 February 2023. Ms. Zhang Xina resigned as a supervisor and was appointed as an executive director of the Group on 9 June 2025.
- (viii) On 21 March 2018, Mr. Peng Xin was appointed as a supervisor of the Group and resigned on 9 February 2023.
- (ix) On 9 February 2023, Mr. Jiang Shuibing was appointed as a supervisor of the Group and resigned on 9 June 2025.
- (x) Supervisory board of the Group was abolished on 9 June 2025.

There was no arrangement under which a director, a non-executive director, the chief executive or a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 included 4, 4 and 3 directors and supervisors, respectively, details of whose remuneration are set out in note 8 above. Details of the remaining 1, 1 and 2 highest paid employees who are neither directors and supervisors nor chief executive of the Group are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	634	695	2,434
Performance related bonuses	12	298	1,137
Equity-settled share-based payments	3,776	2,719	3,654
Pension scheme contributions	241	253	520
	<u>4,663</u>	<u>3,965</u>	<u>7,745</u>

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to HK\$1,000,000	–	–	–
HK\$1,000,001 to HK\$2,000,000	–	–	–
HK\$2,000,001 to HK\$3,000,000	–	–	–
HK\$3,000,001 to HK\$4,000,000	–	–	1
HK\$4,000,001 to HK\$5,000,000	–	1	1
HK\$5,000,001 to HK\$6,000,000	1	–	–
	<u>1</u>	<u>1</u>	<u>2</u>

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese Mainland

The subsidiaries incorporated in Chinese Mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008, except for those subject to tax preferential policy as set out below:

Beijing Zhongke WengeAI Science and Technology Co., Ltd., Shenzhen Zhongke Wenge Technology Co., Ltd. and Zhejiang Xinhua Mobile Media Co., Ltd. were granted with the qualification of High and New Technology Enterprises (“HNTE”). Accordingly, the subsidiaries were entitled to a preferential corporate income tax rate of 15% during the Relevant Periods.

Certain subsidiaries of the Group have applied the Small-Scaled Minimal Profit Corporate Income Tax Preferential Policy announced by the PRC’s State Administration of Taxation. Pursuant to the policy, during the period from 1 January 2019 to 31 December 2021, the portion of annual taxable income amount of a Small-Scaled Minimal Profit Corporate which does not exceed RMB1,000,000 shall be computed at a reduced rate of 25% as taxable income amount, and shall be levied at a reduced tax rate of 20%; the portion of annual taxable income amount which exceeds RMB1,000,000 but does not exceed RMB3,000,000 shall be computed at a reduced rate of 50% as taxable income amount, and shall be levied at a reduced tax rate of 20%. Pursuant to the policy announced by the PRC’s State Administration of Taxation, during the period from 1 January 2023 to 31 December 2025, the portion of annual taxable income amount of a Small-Scaled Minimal Profit Corporate which exceeds RMB1,000,000 but does not exceed RMB3,000,000 shall be computed at a reduced rate of 25% as taxable income amount, and shall be levied at a reduced tax rate of 20%.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HKD2,000,000, and 16.5% for taxable income exceeding HKD2,000,000 on any estimated assessable profits arising in Hong Kong during the Relevant Periods. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Relevant Periods.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	—	—	—
Deferred tax (<i>note 18</i>)	(198)	(207)	(1,307)
Total tax credit for the year	<u>(198)</u>	<u>(207)</u>	<u>(1,307)</u>

A reconciliation of the tax credit applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rate, are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax	(259,984)	(157,302)	(167,570)
Tax at the statutory tax rate	(64,996)	(39,325)	(41,893)
Effect of preferential tax rates	30,983	20,761	16,197
Expenses not deductible for tax (<i>a</i>)	11,737	7,143	7,559
Super deduction on research and development expenses (<i>b</i>)	(18,041)	(16,404)	(20,919)
Deductible temporary differences not recognised	820	1,571	954
Tax losses not recognised and tax losses utilised from previous periods	39,299	26,047	36,795
Tax credit at the Group's effective tax rate	<u>(198)</u>	<u>(207)</u>	<u>(1,307)</u>

- (a) Expenses not deductible for tax mainly include the tax effect of share-based payments and non-deductible business entertainment expenses.
- (b) Super deductible allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, the aforementioned deduction rate increased to 200% since 1 October 2022.

11. DIVIDENDS

No dividends were paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 150,000,000, 150,581,000, and 157,486,000 during the years ended 31 December 2023, 2024 and 2025 in issue, as adjusted to reflect the share issue during the Relevant Periods.

	Year ended 31 December		
	2023	2024	2025
Loss			
Loss attributable to ordinary equity holders of the parent (RMB'000)	(259,023)	(156,852)	(174,305)
Shares			
Weighted average number ('000) of ordinary shares in issue during the year	150,000	150,581	157,486
Loss per share			
Basic and diluted (RMB)	(1.73)	(1.04)	(1.11)

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2024.

For the details of pre-IPO investments, please refer to note 31 to this report.

13. PROPERTY, PLANT AND EQUIPMENT**The Group**

	Leasehold improvements	Electronic devices	Office equipment	Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023					
At 1 January 2023:					
Cost	6,828	20,126	2,440	380	29,774
Accumulated depreciation	(4,999)	(11,829)	(1,228)	(233)	(18,289)
Net carrying amount	1,829	8,297	1,212	147	11,485
At 1 January 2023, net of accumulated depreciation	1,829	8,297	1,212	147	11,485
Additions	2,078	22,108	301	903	25,390
Disposals	–	(110)	(123)	–	(233)
Depreciation provided during the year	(1,432)	(7,442)	(471)	(251)	(9,596)
At 31 December 2023, net of accumulated depreciation	2,475	22,853	919	799	27,046
At 31 December 2023:					
Cost	8,906	40,250	2,355	1,283	52,794
Accumulated depreciation	(6,431)	(17,397)	(1,436)	(484)	(25,748)
Net carrying amount	2,475	22,853	919	799	27,046

APPENDIX I

ACCOUNTANTS' REPORT

	Leasehold improvements	Electronic devices	Office equipment	Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024					
At 1 January 2024:					
Cost	8,906	40,250	2,355	1,283	52,794
Accumulated depreciation	(6,431)	(17,397)	(1,436)	(484)	(25,748)
Net carrying amount . . .	<u>2,475</u>	<u>22,853</u>	<u>919</u>	<u>799</u>	<u>27,046</u>
At 1 January 2024, net of accumulated depreciation	2,475	22,853	919	799	27,046
Additions	–	6,803	27	–	6,830
Disposals	–	(35)	(139)	–	(174)
Depreciation provided during the year	<u>(1,541)</u>	<u>(9,763)</u>	<u>(310)</u>	<u>(252)</u>	<u>(11,866)</u>
At 31 December 2024, net of accumulated depreciation	<u>934</u>	<u>19,858</u>	<u>497</u>	<u>547</u>	<u>21,836</u>
At 31 December 2024:					
Cost	8,906	46,935	1,874	1,283	58,998
Accumulated depreciation	(7,972)	(27,077)	(1,377)	(736)	(37,162)
Net carrying amount . . .	<u>934</u>	<u>19,858</u>	<u>497</u>	<u>547</u>	<u>21,836</u>
	Leasehold improvements	Electronic devices	Office equipment	Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025					
At 1 January 2025:					
Cost	8,906	46,935	1,874	1,283	58,998
Accumulated depreciation .	(7,972)	(27,077)	(1,377)	(736)	(37,162)
Net carrying amount	<u>934</u>	<u>19,858</u>	<u>497</u>	<u>547</u>	<u>21,836</u>
At 1 January 2025, net of accumulated depreciation	934	19,858	497	547	21,836
Additions	1,458	1,450	379	301	3,588
Disposals	–	(1)	(1)	–	(2)
Acquisition of a subsidiary	747	465	119	381	1,712
Disposal of a subsidiary . .	–	(56)	(2)	–	(58)
Depreciation provided during the year	<u>(973)</u>	<u>(10,408)</u>	<u>(283)</u>	<u>(318)</u>	<u>(11,982)</u>
At 31 December 2025, net of accumulated depreciation	<u>2,166</u>	<u>11,308</u>	<u>709</u>	<u>911</u>	<u>15,094</u>
At 31 December 2025:					
Cost	11,840	49,619	3,409	2,689	67,557
Accumulated depreciation .	(9,674)	(38,311)	(2,700)	(1,778)	(52,463)
Net carrying amount	<u>2,166</u>	<u>11,308</u>	<u>709</u>	<u>911</u>	<u>15,094</u>

The Company

	Leasehold improvements	Electronic devices	Office equipment	Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023					
At 1 January 2023:					
Cost	4,470	15,754	1,375	–	21,599
Accumulated depreciation	(2,672)	(8,510)	(583)	–	(11,765)
Net carrying amount . . .	<u>1,798</u>	<u>7,244</u>	<u>792</u>	<u>–</u>	<u>9,834</u>
At 1 January 2023, net of accumulated depreciation	1,798	7,244	792	–	9,834
Additions	1,256	21,307	199	903	23,665
Disposals	–	(9)	(6)	–	(15)
Depreciation provided during the year	<u>(1,327)</u>	<u>(6,886)</u>	<u>(262)</u>	<u>(161)</u>	<u>(8,636)</u>
At 31 December 2023, net of accumulated depreciation	<u>1,727</u>	<u>21,656</u>	<u>723</u>	<u>742</u>	<u>24,848</u>
At 31 December 2023:					
Cost	5,726	36,877	1,560	903	45,066
Accumulated depreciation	(3,999)	(15,221)	(837)	(161)	(20,218)
Net carrying amount . . .	<u>1,727</u>	<u>21,656</u>	<u>723</u>	<u>742</u>	<u>24,848</u>
	Leasehold improvements	Electronic devices	Office equipment	Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024					
At 1 January 2024:					
Cost	5,726	36,877	1,560	903	45,066
Accumulated depreciation	(3,999)	(15,221)	(837)	(161)	(20,218)
Net carrying amount . . .	<u>1,727</u>	<u>21,656</u>	<u>723</u>	<u>742</u>	<u>24,848</u>
At 1 January 2024, net of accumulated depreciation	1,727	21,656	723	742	24,848
Additions	–	6,620	24	–	6,644
Disposals	–	(11)	(91)	–	(102)
Depreciation provided during the year	<u>(1,180)</u>	<u>(9,241)</u>	<u>(239)</u>	<u>(215)</u>	<u>(10,875)</u>
At 31 December 2024, net of accumulated depreciation	<u>547</u>	<u>19,024</u>	<u>417</u>	<u>527</u>	<u>20,515</u>
At 31 December 2024:					
Cost	5,726	43,486	1,470	903	51,585
Accumulated depreciation	(5,179)	(24,462)	(1,053)	(376)	(31,070)
Net carrying amount . . .	<u>547</u>	<u>19,024</u>	<u>417</u>	<u>527</u>	<u>20,515</u>

	Leasehold improvements	Electronic devices	Office equipment	Vehicles	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025					
At 1 January 2025:					
Cost	5,726	43,486	1,470	903	51,585
Accumulated depreciation	(5,179)	(24,462)	(1,053)	(376)	(31,070)
Net carrying amount . . .	<u>547</u>	<u>19,024</u>	<u>417</u>	<u>527</u>	<u>20,515</u>
At 1 January 2025, net of accumulated depreciation	547	19,024	417	527	20,515
Additions	436	1,354	7	301	2,098
Depreciation provided during the year	<u>(460)</u>	<u>(9,955)</u>	<u>(184)</u>	<u>(268)</u>	<u>(10,867)</u>
At 31 December 2025, net of accumulated depreciation	<u>523</u>	<u>10,423</u>	<u>240</u>	<u>560</u>	<u>11,746</u>
At 31 December 2025:					
Cost	6,162	44,840	1,477	1,204	53,683
Accumulated depreciation	(5,639)	(34,417)	(1,237)	(644)	(41,937)
Net carrying amount . . .	<u>523</u>	<u>10,423</u>	<u>240</u>	<u>560</u>	<u>11,746</u>

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and properties and electronic devices used in its operations. Leases of plant and properties and electronic devices generally have lease terms between 1.5 and 5 years. Other equipment generally has lease terms of 12 months or less or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Plant and properties	Electronic devices	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	21,696	8,115	29,811
Additions	31,256	—	31,256
Depreciation charge	(17,227)	(2,705)	(19,932)
Decrease arising from lease term termination	<u>(2,490)</u>	<u>—</u>	<u>(2,490)</u>
As at 31 December 2023 and 1 January 2024	33,235	5,410	38,645
Additions	15,964	—	15,964
Depreciation charge	(14,179)	(2,705)	(16,884)
Decrease arising from lease term termination	<u>(22,519)</u>	<u>—</u>	<u>(22,519)</u>

	Plant and properties	Electronic devices	Total
	RMB'000	RMB'000	RMB'000
As at 31 December 2024 and			
1 January 2025	12,501	2,705	15,206
Additions	24,360	–	24,360
Additions as a result of acquisition of a subsidiary	939	–	939
Depreciation charge	(13,389)	(2,705)	(16,094)
Decrease arising from lease term termination	(6,786)	–	(6,786)
As at 31 December 2025	<u>17,625</u>	<u>–</u>	<u>17,625</u>

The Company

	Plant and properties	Electronic devices	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	14,373	8,115	22,488
Additions	18,878	–	18,878
Depreciation charge	(11,915)	(2,705)	(14,620)
Decrease arising from lease term termination	(736)	–	(736)
As at 31 December 2023 and			
1 January 2024	20,600	5,410	26,010
Additions	11,898	–	11,898
Depreciation charge	(10,319)	(2,705)	(13,024)
Decrease arising from lease term termination	(14,547)	–	(14,547)
As at 31 December 2024 and			
1 January 2025	7,632	2,705	10,337
Additions	15,723	–	15,723
Depreciation charge	(8,558)	(2,705)	(11,263)
Decrease arising from lease term termination	(4,286)	–	(4,286)
As at 31 December 2025	<u>10,511</u>	<u>–</u>	<u>10,511</u>

(b) Lease liabilities

The carrying amount of lease liabilities (not included under interest-bearing bank and other borrowings) and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	25,366	35,816	14,364
New leases	31,256	15,964	24,360
Additions as a result of acquisition of a subsidiary	–	–	939
Accretion of interest recognised during the year	1,500	933	730

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Decrease arising from lease term termination	(2,519)	(23,606)	(7,166)
Payments	(19,787)	(14,743)	(14,745)
Carrying amount at 31 December	<u>35,816</u>	<u>14,364</u>	<u>18,482</u>
Analysed into:			
Current portion	18,643	11,320	11,616
Non-current portion	<u>17,173</u>	<u>3,044</u>	<u>6,866</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	17,669	22,551	8,241
New leases	18,878	11,898	15,723
Accretion of interest recognised during the year	971	568	341
Decrease arising from lease term termination	(796)	(14,593)	(4,408)
Payments	(14,171)	(12,183)	(9,737)
Carrying amount at 31 December	<u>22,551</u>	<u>8,241</u>	<u>10,160</u>
Analysed into:			
Current portion	13,229	7,075	6,868
Non-current portion	<u>9,322</u>	<u>1,166</u>	<u>3,292</u>

The maturity analysis of lease liabilities is disclosed in note 42.

- (c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	1,500	933	730
Depreciation charge of right-of-use assets	19,932	16,884	16,094
Expenses relating to short-term leases and low-value assets	946	1,614	1,676
Gain on lease term termination	(29)	(1,087)	(380)
Total amount recognised in profit or loss	<u>22,349</u>	<u>18,344</u>	<u>18,120</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	971	568	341
Depreciation charge of right-of-use assets .	14,620	13,024	11,263
Expenses relating to short-term leases and low-value assets	611	1,373	1,240
Gain on lease term termination	(60)	(490)	(122)
Total amount recognised in profit or loss .	<u>16,142</u>	<u>14,475</u>	<u>12,722</u>

15. GOODWILL

	RMB'000
At 31 December 2025	
Cost	50,834
Accumulated impairment	—
Net carrying amount	<u>50,834</u>

Impairment testing of goodwill

During the Relevant Periods, Goodwill acquired through business combinations was allocated to the following cash-generating unit for impairment testing:

- ***Xinhua Mobile AI services CGU***

The recoverable amount of the Xinhua Mobile AI Services cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a seven-year period approved by management. The carrying amounts of Goodwill allocated to the Xinhua Mobile AI Services cash-generating unit as of 31 December 2025 were RMB50,834,000.

Assumptions were used in the value in use calculation of the Xinhua Mobile AI services cash-generating unit at the end of each of the Relevant Periods. The following are the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

	As at 31 December
	2025
	RMB'000
Pre-tax discount rates	15.8%

Budgeted revenue — Amounts of the budgeted sales are based on the historical data and management's expectation of the future market.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is based on average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rate — The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to the key assumptions on the annual revenue growth rates and discount rate are consistent with external information sources.

The management of the Group believes that any reasonably possible change in the key assumptions used in the value-in-use calculation would not cause the carrying amount to exceed the recoverable amount of the cash-generating unit. The headroom was RMB163,591,000 as at 31 December 2025. If the pre-tax discount rate increased or decreased by 2.0% from 15.8%, the recoverable amount of Xinhua Mobile AI services CGU would decrease by RMB39,213,000 or increase by RMB52,991,000, respectively and there is also no impairment loss for the reasonably possible change in the key assumptions of the cash flow projections, during the year ended 31 December 2025.

16. OTHER INTANGIBLE ASSETS

The Group

	Software	Software copyright	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023:			
Cost	1,529	8,000	9,529
Accumulated amortisation.	(304)	(4,333)	(4,637)
Net carrying amount	<u>1,225</u>	<u>3,667</u>	<u>4,892</u>
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	1,225	3,667	4,892
Additions	248	–	248
Amortisation provided during the year	(358)	(800)	(1,158)
At 31 December 2023	<u>1,115</u>	<u>2,867</u>	<u>3,982</u>
At 31 December 2023 and at 1 January 2024:			
Cost	1,777	8,000	9,777
Accumulated amortisation.	(662)	(5,133)	(5,795)
Net carrying amount	<u>1,115</u>	<u>2,867</u>	<u>3,982</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	1,115	2,867	3,982
Additions	2,892	–	2,892
Amortisation provided during the year	(443)	(800)	(1,243)
At 31 December 2024	<u>3,564</u>	<u>2,067</u>	<u>5,631</u>
At 31 December 2024 and at 1 January 2025:			
Cost	4,669	8,000	12,669
Accumulated amortisation.	(1,105)	(5,933)	(7,038)
Net carrying amount	<u>3,564</u>	<u>2,067</u>	<u>5,631</u>
At 31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	3,564	2,067	5,631
Acquisition of a subsidiary	54	5,991	6,045
Disposal of a subsidiary	(68)	–	(68)
Amortisation provided during the year	(610)	(1,538)	(2,148)
At 31 December 2025	<u>2,940</u>	<u>6,520</u>	<u>9,460</u>
At 31 December 2025:			
Cost	4,654	13,991	18,645
Accumulated amortisation.	(1,714)	(7,471)	(9,185)
Net carrying amount	<u>2,940</u>	<u>6,520</u>	<u>9,460</u>

The Company

	Software	Software copyright	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023:			
Cost	1,304	8,000	9,304
Accumulated amortisation	(263)	(4,333)	(4,596)
Net carrying amount	<u>1,041</u>	<u>3,667</u>	<u>4,708</u>
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	1,041	3,667	4,708
Additions	248	–	248
Amortisation provided during the year	(313)	(800)	(1,113)
At 31 December 2023	<u>976</u>	<u>2,867</u>	<u>3,843</u>
At 31 December 2023 and at 1 January 2024:			
Cost	1,552	8,000	9,552
Accumulated amortisation	(576)	(5,133)	(5,709)
Net carrying amount	<u>976</u>	<u>2,867</u>	<u>3,843</u>
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	976	2,867	3,843
Additions	2,892	–	2,892
Amortisation provided during the year	(398)	(800)	(1,198)
At 31 December 2024	<u>3,470</u>	<u>2,067</u>	<u>5,537</u>
At 31 December 2024 and at 1 January 2025:			
Cost	4,444	8,000	12,444
Accumulated amortisation	(974)	(5,933)	(6,907)
Net carrying amount	<u>3,470</u>	<u>2,067</u>	<u>5,537</u>
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	3,470	2,067	5,537
Amortisation provided during the year	(562)	(800)	(1,362)
At 31 December 2025	<u>2,908</u>	<u>1,267</u>	<u>4,175</u>
At 31 December 2025:			
Cost	4,444	8,000	12,444
Accumulated amortisation	(1,536)	(6,733)	(8,269)
Net carrying amount	<u>2,908</u>	<u>1,267</u>	<u>4,175</u>

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments, at cost	85,931	97,339	100,132
Impairment losses on investment in subsidiaries	(20,716)	(32,068)	(20,460)
Investments in subsidiaries	<u>65,215</u>	<u>65,271</u>	<u>79,672</u>

The impairment losses on those subsidiaries are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Nanjing Zhongke Wenge Technology Co., Ltd.			
(a)	20,716	20,460	20,460
Guoke Zhi'an (Beijing) Technology Co., Ltd.			
(a, b)	—	11,608	—
Total	<u>20,716</u>	<u>32,068</u>	<u>20,460</u>

(a) Due to the business adjustment of the subsidiaries, Nanjing Zhongke Wenge Technology Co., Ltd. and Guoke Zhi'an (Beijing) Technology Co., Ltd. have ceased their core business activities since December 2021 and December 2024. The management concluded that there was an indication for impairment and perform impairment assessments on investment in the subsidiaries.

(b) Guoke Zhi'an (Beijing) Technology Co., Ltd. has been disposed on 28 July 2025.

The Company's outstanding balances with the subsidiaries are disclosed in note 39.

18. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Tax losses	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023.	—	3,236	3,236
Deferred tax credited to profit or loss during the year	—	1,178	1,178
Gross deferred tax assets at 31 December 2023.	—	4,414	4,414
Deferred tax charged to profit or loss during the year	—	(2,814)	(2,814)
Gross deferred tax assets at 31 December 2024.	—	1,600	1,600
Deferred tax credited to profit or loss during the year	963	1,367	2,330
Gross deferred tax assets at 31 December 2025	<u>963</u>	<u>2,967</u>	<u>3,930</u>

Deferred tax liabilities

	Fair value adjustment on acquisition of subsidiary	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023.	—	3,959	3,959
Deferred tax charged to profit or loss during the year	—	980	980

	Fair value adjustment on acquisition of subsidiary	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000
Gross deferred tax liabilities at 31 December 2023	–	4,939	4,939
Deferred tax credited to profit or loss during the year	–	(3,022)	(3,022)
Gross deferred tax liabilities at 31 December 2024	–	1,917	1,917
Acquisition of a subsidiary	1,020	–	1,020
Deferred tax (credited)/charged to profit or loss during the year	(128)	1,151	1,023
Gross deferred tax liabilities at 31 December 2025	892	3,068	3,960

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax liabilities recognised in the consolidated statement of financial position . . .	(525)	(317)	(30)
Total	(525)	(317)	(30)

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	539,733	667,175	991,662
Deductible temporary differences	12,697	23,547	22,425
Total	552,430	690,722	1,014,087

The Group has tax losses arising in Chinese Mainland of RMB538,944,000 and RMB662,202,000 and RMB976,478,000 as at 31 December 2023, 2024 and 2025, respectively, that will expire in one to ten years for offsetting against future taxable profits, and tax losses arising in Hong Kong of RMB789,000, RMB4,973,000 and RMB15,183,000 as at 31 December 2023, 2024 and 2025, respectively, that will not expire for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Company

The Company has tax losses arising in Chinese Mainland of RMB374,458,000 and RMB432,492,000 and RMB650,142,000 as at 31 December 2023, 2024 and 2025, respectively, that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income			
Unlisted equity investments, at fair value	–	–	10,000
	=	=	=

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

20. INVENTORIES**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Costs to fulfil a contract	51,137	41,778	42,970
Purchased hardware and components	–	–	13,764
Less: provision for impairment losses on inventories	(2,668)	(5,365)	(1,125)
	<u>48,469</u>	<u>36,413</u>	<u>55,609</u>

As at 31 December 2023, 2024 and 2025, inventories were stated at the lower of cost and net realisable value.

The movements in provision

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	77	2,668	5,365
Impairment losses recognised (<i>note 6</i>)	2,617	2,697	650
Amounts written off	(26)	–	(4,890)
Carrying amount at 31 December	<u>2,668</u>	<u>5,365</u>	<u>1,125</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Costs to fulfil a contract	38,474	35,277	25,599
Purchased hardware and components	–	–	13,764
Less: provision for impairment losses on inventories	(2,668)	(5,365)	(1,125)
Total	<u>35,806</u>	<u>29,912</u>	<u>38,238</u>

As at 31 December 2023, 2024 and 2025, inventories were stated at the lower of cost and net realisable value.

The movements in provision

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	47	2,668	5,365
Impairment losses recognised (<i>note 6</i>)	2,626	2,697	650
Amounts written off	(5)	—	(4,890)
Carrying amount at 31 December	<u>2,668</u>	<u>5,365</u>	<u>1,125</u>

21. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	129,455	180,789	264,460
Bank acceptance notes	510	—	—
	<u>129,965</u>	<u>180,789</u>	<u>264,460</u>
Less: Impairment losses	(6,341)	(13,084)	(16,140)
Total	<u>123,624</u>	<u>167,705</u>	<u>248,320</u>

The Group's trading terms with its customers are mainly on credit. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables, based on recognition date and net of loss allowance, as at the end of each of the Relevant Periods is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	96,755	116,273	200,899
1 to 2 years	21,440	34,901	12,516
2 to 3 years	2,625	13,749	23,673
3 to 4 years	1,553	1,592	10,445
Over 4 years	741	1,190	787
Total	<u>123,114</u>	<u>167,705</u>	<u>248,320</u>

The movements in the impairment losses on trade receivables, bank acceptance and bills receivable are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	2,762	6,341	13,084
Impairment losses, net	3,579	6,743	7,727
Acquisition of a subsidiary	—	—	623
Disposal of a subsidiary	—	—	(189)
Amount written off as uncollectible (<i>a</i>)	—	—	(5,105)
At end of year	<u>6,341</u>	<u>13,084</u>	<u>16,140</u>

- (a) Decrease in the loss allowance of RMB5,105,000 as a result of the write-off of certain trade receivables, which came from deteriorating financial positions of these customers.

The Group's bills receivable aged within six months were not past due. Bank acceptance bills receivable that are measured at fair value through other comprehensive income are considered as having very low credit risk and the loss allowance is assessed to be minimal.

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are divided into two groups assessed for impairment allowance.

Under the aging basis, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on past due information for grouping of customers that have similar loss patterns. Under the industry basis, an impairment analysis is performed at each reporting date using estimated loss rate to measure expected credit losses. The estimated loss rates are based on historical observable default rates over expected life of the debts, study of each specific industry's credit-rating from external agency and default and recovery data of different credit-rating from external agency, and are adjusted for forward-looking information (for example, forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off when the management expects them to be uncollectible.

Set out below is the information about the credit risk exposure on the Group's trade receivables, commercial acceptance bills receivables and contract assets using a provision matrix:

As at 31 December 2023

<i>Ageing basis:</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate . . .	3.83%	12.31%	22.44%	46.31%	72.43%	100.00%	7.32%
Gross carrying amount (RMB'000).	59,853	8,600	3,199	2,600	243	–	74,495
Expected credit losses (RMB'000).	2,293	1,059	718	1,204	176	–	5,450
<i>Industry basis:</i>	Government		Media		Technology		Total
Expected credit loss rate	0.24%		1.90%		0.90%		1.62%
Gross carrying amount (RMB'000) .	6,602		44,126		4,232		54,960
Expected credit losses (RMB'000) .	16		837		38		891

As at 31 December 2024

<i>Ageing basis:</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate . . .	5.32%	18.52%	29.78%	47.09%	73.89%	100.00%	12.07%
Gross carrying amount (RMB'000).	65,626	22,522	4,997	2,920	1,375	243	97,683
Expected credit losses (RMB'000).	3,493	4,172	1,488	1,375	1,016	243	11,787
<i>Industry basis:</i>	Government		Media		Technology		Total
Expected credit loss rate	0.29%		2.03%		0.94%		1.56%
Gross carrying amount (RMB'000) .	12,283		54,843		15,980		83,106
Expected credit losses (RMB'000) .	36		1,111		150		1,297

As at 31 December 2025

<i>Ageing basis:</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate . . .	4.49%	21.34%	29.54%	42.41%	82.14%	100.00%	9.91%
Gross carrying amount (RMB'000).	119,036	4,729	15,848	3,223	1,092	1,062	144,990
Expected credit losses (RMB'000).	5,350	1,009	4,682	1,367	897	1,062	14,367

<i>Industry basis:</i>	Government	Media	Technology	Total
Expected credit loss rate	0.29%	1.99%	0.93%	1.48%
Gross carrying amount (RMB'000) .	3,818	65,120	50,532	119,470
Expected credit losses (RMB'000) . .	11	1,293	469	1,773

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	104,240	138,105	204,236
Bank acceptance notes	510	—	—
	104,750	138,105	204,236
Less: Impairment losses on trade receivables . . .	(5,336)	(10,536)	(11,654)
Total	99,414	127,569	192,582

An ageing analysis of the Company's trade receivables, based on the past due information and net of loss allowance, as at the end of each of the Relevant Periods is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year.	73,988	84,886	153,974
1 to 2 years.	20,344	27,154	6,786
2 to 3 years.	2,331	12,973	21,247
3 to 4 years.	1,500	1,392	9,791
Over 4 years	741	1,164	784
Total	98,904	127,569	192,582

The movements in the loss allowance for impairment of trade receivables and bank acceptance bills receivable are as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	2,575	5,336	10,536
Impairment losses, net	2,761	5,200	5,138
Amount written off as uncollectible	—	—	(4,020)
At end of year	5,336	10,536	11,654

APPENDIX I

ACCOUNTANTS' REPORT

Set out below is the information about the credit risk exposure on the Group's trade receivables and commercial acceptance bills receivable using a provision matrix:

As at 31 December 2023

<i>Ageing basis:</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate . . .	3.83%	12.31%	22.45%	46.30%	72.43%	100.00%	8.16%
Gross carrying amount (RMB'000).	41,982	7,350	2,820	2,501	243	–	54,896
Expected credit losses (RMB'000).	1,610	905	633	1,158	176	–	4,482

<i>Industry basis:</i>	Government	Media	Technology	Total
Expected credit loss rate	0.24%	1.90%	0.90%	1.73%
Gross carrying amount (RMB'000) .	2,474	42,638	4,232	49,344
Expected credit losses (RMB'000) . .	6	810	38	854

As at 31 December 2024

<i>Ageing basis:</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate . . .	5.32%	18.53%	29.77%	47.09%	73.96%	100.00%	12.84%
Gross carrying amount (RMB'000).	47,190	17,990	3,893	2,542	1,275	243	73,133
Expected credit losses (RMB'000).	2,512	3,333	1,159	1,197	943	243	9,387

<i>Industry basis:</i>	Government	Media	Technology	Total
Expected credit loss rate	0.29%	2.03%	0.94%	1.77%
Gross carrying amount (RMB'000) .	5,517	52,715	6,740	64,972
Expected credit losses (RMB'000) . .	16	1,070	63	1,149

As at 31 December 2025

<i>Ageing basis:</i>	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Expected credit loss rate . . .	4.14%	19.05%	29.53%	41.25%	82.21%	100.00%	10.15%
Gross carrying amount (RMB'000).	80,315	2,808	12,770	2,046	1,079	764	99,782
Expected credit losses (RMB'000).	3,322	535	3,771	844	887	764	10,123

<i>Industry basis:</i>	Government	Media	Technology	Total
Expected credit loss rate	0.29%	1.99%	0.93%	1.47%
Gross carrying amount (RMB'000) .	1,370	53,987	49,097	104,454
Expected credit losses (RMB'000) . .	4	1,072	455	1,531

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Prepayments to suppliers	4,780	14,246	26,813
Other tax recoverable	9,443	7,023	9,648
Deposits and other receivables	3,097	7,040	18,161
Listing expenses	—	—	2,193
	17,320	28,309	56,815
Impairment allowance	(49)	(106)	(176)
	17,271	28,203	56,639
Non-current:			
Rent deposits	3,890	2,616	3,083
Impairment allowance	(62)	(39)	(43)
	3,828	2,577	3,040
Total	21,099	30,780	59,679

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Prepayments to suppliers	4,352	13,732	25,228
Other tax recoverable	8,412	6,593	8,345
Deposits and other receivables	2,887	6,689	16,705
Listing expenses	—	—	2,193
	15,651	27,014	52,471
Impairment allowance	(46)	(100)	(154)
	15,605	26,914	52,317
Non-current:			
Rent deposits	2,516	1,772	1,433
Impairment allowance	(40)	(27)	(20)
	2,476	1,745	1,413
Total	18,081	28,659	53,730

The Group performs impairment assessment under the ECL model on other receivables and deposits, which are subject to impairment assessment under IFRS 9. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

Other receivables are unsecured, non-interest-bearing and have no fixed terms of repayment.

23. CONTRACT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract assets arising from:			
Warranty deposit.	7,219	11,815	7,497
Impairment allowance	(154)	(1,232)	(280)
Total	<u>7,065</u>	<u>10,583</u>	<u>7,217</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract assets arising from:			
Warranty deposit.	6,203	9,831	4,385
Impairment allowance	(117)	(1,172)	(127)
Total	<u>6,086</u>	<u>8,659</u>	<u>4,258</u>

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits, at fair value (a)	—	70,068	—
Listed equity investments, at fair value	—	103	106
Other unlisted investments, at fair value	—	750	26,000
Total	<u>—</u>	<u>70,921</u>	<u>26,106</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits, at fair value (a)	—	70,068	—
Other unlisted investments, at fair value	—	—	300
Total	<u>—</u>	<u>70,068</u>	<u>300</u>

- (a) The structured deposits were issued by banks in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. The interest rates fluctuate within the range of 1.35% to 3.10%, hooked onto the exchange rate or gold price.

25. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Cash and cash equivalents	524,408	445,027	324,621
Time deposits	–	–	10,845
Restricted cash	2,618	5,317	26,201
	<u>527,026</u>	<u>450,344</u>	<u>361,667</u>
Non-current:			
Time deposits	10,191	10,519	–
	<u>537,217</u>	<u>460,863</u>	<u>361,667</u>

As at 31 December 2023, 31 December 2024 and 31 December 2025, time deposit balances of the Group amounted to RMB10,191,000 and RMB10,519,000 and RMB10,845,000, respectively with a term of three years and earning interest at the time deposit rates.

As at 31 December 2023, 31 December 2024 and 31 December 2025, restricted cash represented letter of guarantee amounting to RMB2,618,000 and RMB3,006,000 and RMB8,975,000, respectively. As at 31 December 2024 and 31 December 2025, restricted cash represented frozen funds amounting to RMB2,311,000 and RMB17,226,000, respectively, for purchasing structured deposits and listed equity investments.

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents			
Denominated in RMB	523,116	442,726	314,166
Denominated in USD	–	–	5
Denominated in HKD	1,292	2,301	10,450
	<u>524,408</u>	<u>445,027</u>	<u>324,621</u>
Time deposits			
Denominated in RMB	10,191	10,519	10,845
Restricted cash			
Denominated in RMB	2,618	5,317	18,975
Denominated in HKD	–	–	7,226
	<u>2,618</u>	<u>5,317</u>	<u>26,201</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	461,414	286,691	230,187
Restricted cash	2,618	5,267	18,143
	<u>464,032</u>	<u>291,958</u>	<u>248,330</u>
Denominated in RMB	464,032	291,958	248,330

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2023, 2024 and 2025, the Group and the Company have assessed the credit risk of cash and cash equivalents, time deposits and restricted cash to be minimal as they were placed in reputable financial institutions.

26. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	47,348	48,716	70,789
1 to 2 years.	4,555	10,691	5,435
2 to 3 years.	1,042	2,149	6,084
Over 3 years	1,526	1,089	2,268
Total	<u>54,471</u>	<u>62,645</u>	<u>84,576</u>

The trade payables are non-interest-bearing and are normally settled within 7 to 180 days upon receipt of the Value-Added Tax invoice.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year.	44,942	37,843	68,745
1 to 2 years.	4,051	10,465	5,129
2 to 3 years.	850	2,133	5,921
Over 3 years	1,465	838	2,002
Total	<u>51,308</u>	<u>51,279</u>	<u>81,797</u>

27. OTHER PAYABLES AND ACCRUALS**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payable.	22,160	34,429	43,890
Other tax payables	12,479	14,617	20,599
Government grants	5,800	4,060	2,320
Listing expenses	—	—	6,268
Others	14,521	11,919	8,496
Total	<u>54,960</u>	<u>65,025</u>	<u>81,573</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payable.	11,340	20,789	28,156
Other tax payables	11,552	13,101	16,163
Listing expenses	—	—	2,481
Others	10,320	10,634	5,006
Total	<u>33,212</u>	<u>44,524</u>	<u>51,806</u>

Other payables are non-interest-bearing, unsecured and repayable on demand.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

As at 31 December 2025			
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – secured	2.12-3.00	2026	21,535
Bank loans – unsecured	2.11-2.60	2026	7,382
			<u>28,917</u>
Non-current			
Bank loans – secured	3.00	2027-2035	37,000
Bank loans – unsecured	2.60	2027	3,520
			<u>40,520</u>
Total			<u><u>69,437</u></u>

The Company

As at 31 December 2025			
	Effective interest rate	Maturity	RMB'000
	(%)		
Current			
Bank loans – unsecured	2.11-2.60	2026	7,381
Non-current			
Bank loans – unsecured	2.60	2027	3,520
Total			<u><u>10,901</u></u>

The Group

As at 31 December			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed into:			
Bank loans repayable:			
Within one year	–	–	28,917
In the second year	–	–	6,520
In the third to fifth years, inclusive	–	–	11,000
Beyond five years	–	–	23,000
Total	–	–	<u><u>69,437</u></u>
	=	=	

The Company

As at 31 December			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed into:			
Bank loans repayable:			
Within one year	–	–	7,381
In the second year	–	–	3,520
Total	–	–	<u><u>10,901</u></u>
	=	=	

Notes:

- (a) The bank loans are guaranteed by the Company, the shareholders of Zhejiang Xinhua Mobile Media Co., Ltd., or third-party financing guarantee companies. Zhejiang Xinhua Mobile Media Co., Ltd. secured guarantees from third-party financing guarantee companies by paying guarantee fees.
- (b) The secured bank loan of RMB40,000,000.00, which would be repayable over 10 years in installments, is subject to a covenant that requires once if goodwill arising from business combination is impaired, the borrower shall repay portion of bank loan in advance.

29. CONTRACT LIABILITIES**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities.	62,993	44,337	46,423

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities.	52,594	34,031	24,365

Contract liabilities represented advances received to deliver products and services.

The analysis of the revenue, which was included in the contract liabilities balance at the beginning of the period, recognised during the Relevant Periods relates to carried-forward contract liabilities, refer to note 5.

30. PROVISION**The Group**

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Warranties (a)	2,866	3,693	4,439
Total	2,866	3,693	4,439

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Warranties (a)	2,480	2,920	2,860
Total	2,480	2,920	2,860

(a) Warranties

Provision was made for estimated warranties in respect of the services provided which were still under warranty at the end of each of the Relevant Periods. These claims are normally expected to be settled according to the terms of sales contracts within 1 year.

31. SHARE CAPITAL

The Group and the Company

Shares

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Issued and fully paid:			
Share capital	150,000	156,429	158,267

A summary of movements in the Company's share capital is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At 1 January	150,000	150,000	156,429
Capital contributions from shareholders	—	6,429	1,838
At 31 December	150,000	156,429	158,267

Pursuant to the shareholders' resolution dated 24 September 2021, shareholders of the Company agreed to increase the registered capital from RMB68,249,251 to RMB72,360,652, which has been fully paid in 2022 (72,360,652 shares with a nominal value of RMB1.00 each).

Pursuant to the shareholders' resolution dated 4 March 2022, shareholders of the Company agreed to increase the registered capital from RMB72,360,652 to RMB77,049,622 (77,049,622 shares with a nominal value of RMB1.00 each).

Pursuant to the shareholders' resolution dated 15 December 2022, shareholders of the Company agreed to increase the registered capital from RMB77,049,622 to RMB150,000,000 and transferred capital reserve of RMB64,984,230 to share capital in accordance with the proportion of each shareholder's contribution (150,000,000 shares with a nominal value of RMB1.00 each).

Pursuant to the shareholders' resolution dated 25 November 2024, shareholders of the Company agreed to increase the registered capital from RMB150,000,000 to RMB156,429,000 (156,429,000 shares with a nominal value of RMB1.00 each).

Pursuant to the shareholders' resolution dated 22 April 2025, shareholders of the Company agreed to increase the registered capital from RMB156,429,000 to RMB158,267,000 (158,267,000 shares with a nominal value of RMB1.00 each).

The Company entered into respective shareholders' agreements (collectively, the "Pre-IPO Investors Agreements") with various pre-IPO Investors (collectively, the "Pre-IPO Investors") from 2018 to 2025 and issued ordinary shares thereto with a total consideration of approximately RMB1,215.0 million (collectively, the "Pre-IPO Investments") with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the Pre-IPO Investors Agreements, the Pre-IPO Investors were granted by the Company with redemption rights.

There was no exercise of redemption rights granted by the Company throughout the Relevant Periods.

On 18 June 2025, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights granted by the Company have been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods. Had the redemption rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at the present value of the redemption amount prior to entering into the supplemental agreements:

- (i) The redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redemption financial liabilities	1,120,434	1,349,011	–
Total current liabilities	1,314,367	1,536,031	257,544
Net current (liabilities)/assets	(590,912)	(771,862)	498,014
Net (liabilities)/assets	(524,918)	(719,454)	504,096

- (ii) The finance costs associated with the redemption financial liabilities, the net loss for the year, basic and dilutive earning per share would have been:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial costs associated with the redemption financial liabilities	77,299	78,577	41,560
Net loss attributable to ordinary equity holders of the parent (after taking into account the finance costs associated with the redemption financial liabilities)	(336,322)	(235,429)	(215,865)
Basic earnings per share	(2.24)	(1.56)	(1.37)
Dilutive earnings per share	(2.24)	(1.56)	(1.37)

32. SHARE-BASED PAYMENTS

Expenses arising from equity-settled share-based payment transactions were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share Incentive Schemes (a)	74,267	41,868	38,501
Pre-IPO Share Option Schemes (b)	–	–	6,012
Total	<u>74,267</u>	<u>41,868</u>	<u>44,513</u>

Share-based payment expenses relating to employees recognised for the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Administrative expenses	31,510	29,726	30,316
Research and development expenses	12,460	2,081	5,466
Selling and marketing expenses	24,549	8,750	6,742
Cost of sales	5,748	1,311	1,989
Total	<u>74,267</u>	<u>41,868</u>	<u>44,513</u>

(a) Share incentive plan

To provide incentives and rewards to eligible participants who contribute to the Group's operation, the controlling shareholder of the Company designed and established several employee shareholding platforms for the Company to operate a series of employee incentive schemes (the "Share Incentive Schemes"). Eligible participants of the Share Incentive Schemes, including members of senior management, mid-level managers and other employees of the Group, were determined by the controlling shareholder and approved by the Company through board resolutions. The controlling Shareholder of the Company has the right to determine the eligible participants and vesting criteria. When the eligible participants resign, the controlling Shareholder is obliged to designate a person to repurchase the shares at subscription prices and then reallocate these shares to other eligible participants.

Share incentive plan with service condition

For the 2018, 2020, 2023 and 2025 batches, 103,500 shares, 2,810,688 shares, 9,219,479 shares and 856,372 shares of the Company were granted to eligible participants through the employee shareholding platforms of the Share Incentive Schemes at subscription prices of RMB0.00 per share, RMB0.00 per share, RMB4.30 per share and RMB7.7 per share, respectively. The grant date fair values of the shares of the Share Incentive Schemes were RMB43.50 per share, RMB21.48 per share, RMB21.70 per share and RMB25.60 per share, which were determined based on investors' recent capital injection prices. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss.

The shares held by the employee shareholding platforms of the Share Incentive Schemes will be vested in phases after meeting the assessment requirements and completing the corresponding service period. Therefore, service conditions are included in assumptions about the number of equity instruments that are expected to vest. The vesting period is agreed upon by the equity incentive agreement and the related expense is recognised over the vesting period, which is from the date of grant to the date of completion of the service period.

Share incentive plan with no service condition

On 5 June 2025, 671,991 shares of the Company were granted to eligible participants through the employee shareholding platforms of the Share Incentive Schemes at subscription prices of RMB18.61 per share. The grant date fair value of the shares of the Share Incentive Schemes was RMB25.60 per share, which was determined based on investors' recent capital injection prices. These Share Incentive Schemes have no service condition and is an immediately exercisable share-based payment.

Movements in the number of equity shares granted and the respective weighted average grant date fair values were as follows:

	As at 31 December					
	2023		2024		2025	
	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares
	<i>RMB per share</i>		<i>RMB per share</i>		<i>RMB per share</i>	
At 1 January	12.17	1,504,397	20.97	9,949,463	21.64	6,188,245
Granted during the year . . .	21.70	9,219,479	—	—	25.60	1,528,363
Exercised during the year . .	12.17	(721,829)	19.50	(2,910,152)	22.37	(3,432,428)
Forfeited during the year. . .	17.61	(52,584)	21.13	(851,066)	23.26	(25,000)
At 31 December	<u>20.97</u>	<u>9,949,463</u>	<u>21.64</u>	<u>6,188,245</u>	<u>22.47</u>	<u>4,259,180</u>

(b) Pre-IPO Share Option Scheme

The Group adopted the Pre-IPO Share Option Scheme, the purpose of which is to recognise employees' contribution to the Group. As at 10 June 2025, the Group granted options under the Pre-IPO Share Option Scheme to 53 grantees, including directors, senior management of the Company and other employees of the Group, to subscribe 1,927,290 shares.

The exercise price of all the options granted is RMB17.90 per ordinary share. The vesting commencement date shall be the later of 1-4 years after the grant and the listing date of the public offering. The options may not be exercised until they vest.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Pre-IPO Share Option Scheme during the period:

	As at 31 December	
	2025	
	Weighted average exercise price	Number of options
	<i>RMB per share</i>	
At 1 January	—	—
Granted during the year	17.90	1,927,290
At 31 December	17.90	1,927,290

The fair value of the share options granted on 10 June 2025 was RMB21,429,000 (RMB11.12 each), of which the Group recognised a share option expense of RMB6,012,000 during the period from 1 January 2025 to 31 December 2025 based on the Group's best estimate of the number of equity instruments that will ultimately vest.

The fair value of share options granted was estimated as at the date of grant, using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	Year ended 31 December 2025
Dividend yield (%)	0.00%
Expected volatility (%)	46.69-48.52
Risk-free interest rate (%)	1.41-1.49
Expected life of options (year)	1-4
Fair value (RMB per share)	25.60

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other feature of the options granted was incorporated into the measurement of fair value.

33. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

(i) *Share premium and other reserve*

The share premium and other reserve of the Group mainly represents the premium in issuing shares and the premium in acquisition of non-controlling interest.

(ii) *Statutory surplus reserve*

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

(iv) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 32 to the Historical Financial Information.

The Company

	Share premium and other reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022 and 1 January 2023	924,751	11,207	(273,816)	662,142
Loss for the year	—	—	(212,030)	(212,030)
Total comprehensive income for the year	—	—	(212,030)	(212,030)
Capital contributions from shareholders	8,029	—	—	8,029
Share-based payments	—	73,298	—	73,298
Transfer from the share-based payment reserve upon exercise	8,850	(8,850)	—	—
As at 31 December 2023 and 1 January 2024	941,630	75,655	(485,846)	531,439
Loss for the year	—	—	(100,164)	(100,164)
Total comprehensive income for the year	—	—	(100,164)	(100,164)
Issue of new shares	143,571	—	—	143,571
Transaction cost on issue of new shares	(660)	—	—	(660)
Share-based payments	—	41,868	—	41,868
Transfer from the share-based payment reserve upon exercise	47,168	(47,168)	—	—
As at 31 December 2024 and 1 January 2025	1,131,709	70,355	(586,010)	616,054
Loss for the year	—	—	(123,312)	(123,312)
Total comprehensive income for the year	—	—	(123,312)	(123,312)
Issue of new shares	45,162	—	—	45,162
Share-based payments	—	44,513	—	44,513
Transfer from the share-based payment reserve upon exercise	56,148	(56,148)	—	—
As at 31 December 2025	1,233,019	58,720	(709,322)	582,417

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	<u>2025</u>
Percentage of equity interest held by non-controlling interests:	
Zhejiang Xinhua Mobile Media Co., Ltd.	49%
	<u>==</u>
	<u>2025</u>
	<i>RMB'000</i>
Profit for the year allocated to non-controlling interests:	
Zhejiang Xinhua Mobile Media Co., Ltd.	8,042
	<u>==</u>
Accumulated balances of non-controlling interests at the reporting date:	
Zhejiang Xinhua Mobile Media Co., Ltd.	8,227
	<u>==</u>

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	<u>Zhejiang Xinhua Mobile Media Co., Ltd.</u>
	<i>RMB'000</i>
For the period from 19 May 2025 (acquisition date) to 31 December 2025	
Revenue	57,886
Total expenses	(14,680)
Profit for the year	16,412
Total comprehensive income for the year	16,412
	<u>==</u>
Current assets	62,511
Non-current assets	8,026
Current liabilities	(52,695)
Non-current liabilities	(1,053)
	<u>==</u>
Net cash flows from operating activities	4,203
Net cash flows from investing activities	26
Net cash flows from financing activities	1,323
	<u>==</u>
Net increase/(decrease) in cash and cash equivalents	5,552
	<u>==</u>

35. BUSINESS COMBINATION

On 19 May 2025, the Group acquired a 51% equity interest in Zhejiang Xinhua Mobile Media Co., Ltd. ("Xinhua Mobile") through purchasing 10,131,000 shares of Xinhua Mobile at the cash consideration of RMB31,001,000; and subscribing for the additional registered capital of Xinhua Mobile of RMB6,536,100 at the cash consideration of RMB20,000,000, after which Xinhua Mobile's registered capital will be increased from RMB26,144,400 to RMB32,680,500. Xinhua Mobile engaged in AI service as well. The acquisition was made as part of the Group's strategy to expand its market share. The purchase consideration for the acquisition was in the form of cash, with RMB51,001,000 being paid on 19 May 2025. After the injection, the Company held approximately 51% of Xinhua Mobile's equity, and the Company was able to exercise control over Xinhua Mobile on 19 May 2025 (the "Acquisition Date").

Pursuant to the terms of the agreement, the current acquisition includes an earn-out provision, which specifies that: i) If Xinhua Mobile meets certain performance conditions, such as achieving specified revenue and net profit targets, during the period from 2025 to 2027, the Group shall be obliged to acquire the remaining 49% equity interest in Xinhua Mobile. The consideration for this acquisition shall be calculated based on the achievement of the performance conditions. ii) In the event that the performance conditions are not met, as compensation, Xinhua Mobile shall transfer a certain number of additional shares to the Group and the Group will not need to acquire the remaining 49% equity interest. The number of such additional shares shall be determined based on the valuation derived from the performance conditions.

Regards the remaining 49% equity interest in Xinhua Mobile, the directors take a view that the Group does not have a present ownership interest in the shares concerned. However, the Group is contractually obligated to acquire the NCI when performance conditions are met. Consequently, the financial liability associated with the NCI put option has been recognized at the present value of the amount payable upon exercise of the NCI put option.

The fair values of the identifiable assets and liabilities of Zhejiang Xinhua Mobile Media Co., Ltd. as at the date of acquisition were as follows:

	<i>Notes</i>	Fair value recognised on acquisition
		<i>RMB'000</i>
Property, plant and equipment	<i>13</i>	1,712
Right-of-use assets		939
Other intangible assets	<i>16</i>	6,045
Prepayments, other receivables and other assets		2,059
Cash and bank balances		3,931
Trade receivables		4,220
Inventories		18,364
Trade payables, other payables and accruals		(37,302)
Interest-bearing bank and other borrowings		(17,500)
Lease liabilities		(939)
Deferred tax liabilities	<i>18</i>	(1,020)
Total identifiable net assets at fair value.		(19,491)
Capital injection by the Group		20,000
Non-controlling interests		(342)
Goodwill on acquisition		50,834
Satisfied by cash		51,001

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB4,220,000 and RMB1,725,000, respectively, which are equal to the gross contractual amounts RMB4,890,000 and RMB1,741,000 minutes expected uncollectible amount RMB670,000 and RMB18,000, respectively.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	<i>RMB'000</i>
Cash consideration excluding capital injection by the Group	(31,001)
Cash and bank balances acquired	3,931
Net outflow of cash and cash equivalents included in cash flows from investing activities.	(27,070)

The expected synergies from combining operations of the Group and the Xinhua Mobile make up the goodwill recognized.

Since the acquisition, Xinhua Mobile had contributed RMB55,020,000 to the Group's revenue and a gain of RMB15,593,000 to the consolidated profit for the year ended 31 December 2025.

Had the combination taken place at the beginning of the year, the consolidated revenue of the Group and the consolidated loss of the Group for the year ended 31 December 2025 would have been RMB409,543,000 and RMB174,881,000, respectively.

36. DISPOSAL OF A SUBSIDIARY

	Notes	2025 RMB'000
Net assets disposed of:		
Property, plant and equipment	13	58
Other intangible assets	16	68
Cash and bank balances		2,994
Trade receivables		4,494
Prepayments, other receivables, and other assets		545
Inventories		2,400
Contract assets		755
Trade payables		(468)
Contract liabilities		(1,585)
Other payables and accruals		(9,698)
Subtotal		(437)
Gain on disposal of a subsidiary		437
Total consideration		—
Satisfied by:		
Cash		—

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	2025 RMB'000
Cash consideration	—
Cash and bank balances disposed of	(2,994)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	(2,994)

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB31,256,000, RMB15,964,000 and RMB24,360,000, respectively, in respect of lease arrangements for plant and equipment.

(b) Changes in liabilities arising from financing activities

	Listing expenses RMB'000	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2023	—	—	25,366	25,366
Changes from financing cash flows	—	—	(19,787)	(19,787)
New leases	—	—	31,256	31,256
Interest expense	—	—	1,500	1,500
Lease term termination	—	—	(2,519)	(2,519)
At 31 December 2023	—	—	35,816	35,816
Changes from financing cash flows	—	—	(14,743)	(14,743)
New leases	—	—	15,964	15,964
Interest expense	—	—	933	933

	Listing expenses	Interest-bearing bank and other borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease term termination	—	—	(23,606)	(23,606)
At 31 December 2024	—	—	14,364	14,364
Changes from financing cash flows .	(2,193)	51,367	(14,745)	34,429
Increase arising from acquisition of a subsidiary	—	17,500	939	18,439
Accrued expense	8,461	—	—	8,461
New leases	—	—	24,360	24,360
Interest expense	—	570	730	1,300
Lease term termination	—	—	(7,166)	(7,166)
At 31 December 2025	<u>6,268</u>	<u>69,437</u>	<u>18,482</u>	<u>94,187</u>

(c) **Total cash outflow for leases**

The total cash outflow for leases included in the statement of cash flows is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating activities	946	1,614	1,676
Within financing activities	19,787	14,743	14,745
Total	<u>20,733</u>	<u>16,357</u>	<u>16,421</u>

38. COMMITMENTS

The Group had the following capital commitments at the end of each reporting period:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:			
Property, plant and equipment	<u>173</u>	<u>15</u>	<u>1,059</u>

39. RELATED PARTY TRANSACTIONS(a) **Outstanding balances with related parties:***The Company*

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade related:			
Due from subsidiaries	5,377	16,491	24,063
Less: Impairment allowance	<u>(3,804)</u>	<u>(2,861)</u>	<u>(70)</u>
	<u>1,573</u>	<u>13,630</u>	<u>23,993</u>
Due to subsidiaries	<u>2,544</u>	<u>8,125</u>	<u>173,845</u>

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-trade related:			
Due from subsidiaries	126,339	273,104	430,184
Less: Impairment allowance	(24,601)	(23,301)	(1,248)
	<u>101,738</u>	<u>249,803</u>	<u>428,936</u>

As at 31 December 2023, 2024 and 2025, all the remaining balances due to related parties were non-interest-bearing, unsecured and repayable on demand.

As at 31 December 2023, 2024 and 2025, all the remaining balances due from related parties were non-interest-bearing, unsecured and payable on demand.

(b) Compensation of key management personnel of the Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, bonuses, allowances and benefits in kind	6,811	6,375	5,117
Performance related bonuses	173	1,795	2,588
Share-based payments	37,556	25,424	15,738
Pension scheme contributions	<u>2,785</u>	<u>2,333</u>	<u>1,895</u>
Total compensation paid to key management personnel	<u>47,325</u>	<u>35,927</u>	<u>25,338</u>

Further details of directors', the chief executive's and supervisors' emoluments are included in note 8 to the Historical Financial Information.

(c) Redemption rights of the Pre-IPO Investors granted by the founder shareholders (the "Founders Redemption Right")

The Pre-IPO Investors had been granted the redemption right by the founder shareholders. The Company is not a party to Founders Redemption Right. Pursuant to another supplemental agreement entered into by the Company and the Shareholders in June 2025, the Founders Redemption Right was terminated prior to the first submission of the listing application to the Stock Exchange.

The Company has not provided any form of guarantee in connection with any potential failure of the founder shareholders to fulfill their obligations relating to the redemption rights granted by founder shareholders. Accordingly, no financial liability regarding redemption rights granted by founder shareholders was recorded by the Company during the Relevant Periods.

40. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group

As at 31 December 2023

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade and bills receivables (<i>note 21</i>)	510	123,114	123,624
Financial assets included in prepayments, other receivables and other assets (<i>note 22</i>)	—	6,876	6,876
Time deposits	—	10,191	10,191
Restricted cash	—	2,618	2,618
Cash and cash equivalents	—	524,408	524,408
Total	<u>510</u>	<u>667,207</u>	<u>667,717</u>

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade and bills payables	54,471	54,471
Financial liabilities included in other payables and accruals . .	20,321	20,321
Total	<u>74,792</u>	<u>74,792</u>

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	70,921	—	70,921
Trade and bills receivables (<i>note 21</i>)	—	167,705	167,705
Financial assets included in prepayments, other receivables and other assets (<i>note 22</i>)	—	9,511	9,511
Time deposits	—	10,519	10,519
Restricted cash	—	5,317	5,317
Cash and cash equivalents	—	445,027	445,027
Total	<u>70,921</u>	<u>638,079</u>	<u>709,000</u>

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade and bills payables	62,645	62,645
Financial liabilities included in other payables and accruals . .	15,979	15,979
Total	<u>78,624</u>	<u>78,624</u>

*As at 31 December 2025**Financial assets*

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments	Equity investments			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss.	—	—	26,106	—	26,106
Equity investments designated at fair value through other comprehensive income. .	—	10,000	—	—	10,000
Trade and bills receivables (note 21)	—	—	—	248,320	248,320
Financial assets included in prepayments, other receivables and other assets (note 22)	—	—	—	21,025	21,025
Time deposits	—	—	—	10,845	10,845
Restricted cash	—	—	—	26,201	26,201
Cash and cash equivalents .	—	—	—	324,621	324,621
Total	<u>—</u>	<u>10,000</u>	<u>26,106</u>	<u>631,012</u>	<u>667,118</u>

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade and bills payables	84,576	84,576
Financial liabilities included in other payables and accruals . .	17,084	17,084
Interest-bearing bank loans and other borrowings.	69,437	69,437
Put option liabilities	52,555	52,555
Total	<u>223,652</u>	<u>223,652</u>

For the details of pre-IPO investments, please refer to note 31 to this report.

The Company*As at 31 December 2023**Financial assets*

	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade and bills receivables (<i>note 21</i>)	510	98,904	99,414
Financial assets included in prepayments, other receivables and other assets (<i>note 22</i>)	–	5,317	5,317
Due from subsidiaries	–	103,311	103,311
Restricted cash	–	2,618	2,618
Cash and cash equivalents	–	461,414	461,414
Total	<u>510</u>	<u>671,564</u>	<u>672,074</u>

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade and bills payables	51,308	51,308
Due to subsidiaries	2,544	2,544
Financial liabilities included in other payables and accruals . .	10,320	10,320
Total	<u>64,172</u>	<u>64,172</u>

*As at 31 December 2024**Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	70,068	–	70,068
Trade and bills receivables (<i>note 21</i>)	–	127,569	127,569
Financial assets included in prepayments, other receivables and other assets (<i>note 22</i>)	–	8,334	8,334
Due from subsidiaries	–	263,433	263,433
Time deposits	–	–	–
Restricted cash	–	5,267	5,267
Cash and cash equivalents	–	286,691	286,691
Total	<u>70,068</u>	<u>691,294</u>	<u>761,362</u>

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade and bills payables	51,279	51,279
Due to subsidiaries	8,125	8,125
Financial liabilities included in other payables and accruals . .	10,634	10,634
Total	<u>70,038</u>	<u>70,038</u>

*As at 31 December 2025**Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss.	300	—	300
Trade and bills receivables (<i>note 21</i>)	—	192,582	192,582
Financial assets included in prepayments, other receivables and other assets (<i>note 22</i>)	—	17,964	17,964
Due from subsidiaries	—	452,929	452,929
Restricted cash.	—	18,143	18,143
Cash and cash equivalents	—	230,187	230,187
Total	<u>300</u>	<u>911,805</u>	<u>912,105</u>

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade and bills payables	81,797	81,797
Due to subsidiaries	173,845	173,845
Interest-bearing bank loans and other borrowings.	10,901	10,901
Financial liabilities included in other payables and accruals . .	7,487	7,487
Total	<u>274,030</u>	<u>274,030</u>

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals and short-term interest-bearing bank loans approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in financial assets at fair value through profit or loss, which represent structured deposits issued by banks in Chinese Mainland, listed equity investments and other unlisted investments. The Group estimated the fair value of these structured deposits based on the net value announced by the bank at the end of each of the Relevant Periods. The Group estimated the fair value of listed equity investments based on the share's closing price at the end of each of the Relevant Periods. The fair values of unlisted equity investments designated at fair value through profit or loss have been estimated using the latest price method of financing.

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using the latest price method of financing.

The Group has bank acceptance notes issued by banks in Chinese Mainland measured at fair value through other comprehensive income. The Group has estimated the fair value of these bank acceptance notes by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Equity investments designated at fair value through other comprehensive income				
Unlisted equity investments	Recent transaction method	Transaction price per share	RMB18,450.18	1% increase or decrease in subscription price per share would result in increase or decrease in fair value by RMB100,000
Financial assets at fair value through profit or loss				
Unlisted equity investments	Recent transaction method	Transaction price per capital	RMB10.98-20.00	1% increase or decrease in subscription price per capital would result in increase or decrease in fair value by RMB260,000

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Financial assets at fair value through profit or loss				
Unlisted equity investments	Recent transaction method	Transaction price per capital	RMB1.00	1% increase or decrease in subscription price per capital would result in increase or decrease in fair value by RMB7,500

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through other comprehensive income	—	510	—	510
Financial assets at fair value through profit or loss.	—	—	—	—
Total	—	510	—	510

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through other comprehensive income	—	—	—	—
Financial assets at fair value through profit or loss.	103	70,068	750	70,921
Total	103	70,068	750	70,921

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable	
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income.	—	—	10,000	10,000
Financial assets at fair value through profit or loss.	106	—	26,000	26,106
Total	106	—	36,000	36,106

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. As the Group's major businesses are in Chinese Mainland, the majority of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB. The Group was not exposed to material foreign currency risk during the Relevant Periods.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific verification procedures.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	129,965	129,965
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,987	—	—	—	6,987
– Doubtful**	—	—	—	—	—
Time deposits					
– Not yet past due	10,191	—	—	—	10,191
Restricted cash					
– Not yet past due	2,618	—	—	—	2,618
Cash and cash equivalents					
– Not yet past due	524,408	—	—	—	524,408
Total	544,204	—	—	129,965	674,169

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	180,789	180,789
Financial assets included in prepayments, other receivables and other assets					
– Normal**	9,656	—	—	—	9,656
– Doubtful**					
Time deposits					
– Not yet past due	10,519	—	—	—	10,519
Restricted cash					
– Not yet past due	5,317	—	—	—	5,317
Cash and cash equivalents					
– Not yet past due	445,027	—	—	—	445,027
Total	<u>470,519</u>	<u>—</u>	<u>—</u>	<u>180,789</u>	<u>651,308</u>

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	—	—	—	264,460	264,460
Financial assets included in prepayments, other receivables and other assets					
– Normal**	21,244	—	—	—	21,244
– Doubtful**					
Time deposits					
– Not yet past due	10,845	—	—	—	10,845
Restricted cash					
– Not yet past due	26,201	—	—	—	26,201
Cash and cash equivalents					
– Not yet past due	324,621	—	—	—	324,621
Total	<u>382,911</u>	<u>—</u>	<u>—</u>	<u>264,460</u>	<u>647,371</u>

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The Group's objective is to maintain a balance between continuity and flexibility through the use of lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
Lease liabilities	19,794	14,485	3,102	—	—	37,381
Trade and bills payables	54,471	—	—	—	—	54,471
Financial liabilities included in other payables and accruals	20,321	—	—	—	—	20,321
Total	94,586	14,485	3,102	—	—	112,173

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
Lease liabilities	11,619	2,820	275	—	—	14,714
Trade and bills payables	62,645	—	—	—	—	62,645
Financial liabilities included in other payables and accruals	15,979	—	—	—	—	15,979
Total	90,243	2,820	275	—	—	93,338

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025						
Lease liabilities	12,155	6,368	552	—	—	19,075
Trade and bills payables	84,576	—	—	—	—	84,576
Financial liabilities included in other payables and accruals	10,816	—	—	—	—	10,816
Interest-bearing bank loans and other borrowings	29,234	6,826	3,261	9,055	28,540	76,916
Put option liabilities	—	—	58,800	—	—	58,800
Total	136,781	13,194	62,613	9,055	28,540	250,183

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. The debt-to-asset ratios as at 31 December 2023, 2024 and 2025 were as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total liabilities	211,631	190,381	357,515
Total assets	807,147	819,938	861,611
Debt-to-asset ratio	<u>26%</u>	<u>23%</u>	<u>41%</u>

43. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events for which disclosures or adjustments are required after the end of the Relevant Periods.

44. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Global Offering on our consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 31 December 2025 or any future dates following the Global Offering.

	Consolidated net tangible assets attributable to owners of the Company as at 31 December 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets	Unaudited pro forma adjusted net tangible assets attributable to owners of the Company per share	
	RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000	RMB (Note 3)	HK\$ (Note 4)
Based on an Offer Price Of					
HK\$60.70 per share	435,575	740,896	1,176,471	6.80	7.81

Notes:

- (1) The consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 is extracted from the Accountants' Report, which is based on the audited consolidated total equity attributable to owners of the Company as at 31 December 2025 of approximately RMB496 million. The amount of audited consolidated net tangible assets attributable to the owners of the Company as at 31 December 2025 exclude other intangible assets of RMB9 million and goodwill of RMB51 million.

- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$60.70 per share, which are RMB741 million after deduction of the underwriting fees and other related expenses payable by the Company of RMB64 million (excluding the listing expense of RMB21 million that have been charged to profit or loss during the Track Record Period) and does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.0 to RMB0.8705.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per share is calculated based on total 173,101,207 shares in issue assuming the Global Offering had been completed on 31 December 2025, representing 158,266,607 shares in issue as at 31 December 2025, and 14,834,600 shares to be issued pursuant to the Global Offering.
- (4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at an exchange rate of HK\$1.0 to RMB0.8705. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.
- (5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2025.



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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Beijing Zhongke WengeAI Science and Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Beijing Zhongke WengeAI Science and Technology Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2025, and related notes as set out on pages II-1 and II-2 of the prospectus dated 17 June 2026 issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group's financial position, has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young

Certified Public Accountants

Hong Kong

17 June 2026

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are resident or other tax provisions. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to an investment in the H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H Shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change and may have retrospective effect.

This discussion does not address any aspects of PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC taxation***Taxation on dividends******Individual investors***

According to the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (hereinafter referred to as the “Individual Income Tax Law”) that was promulgated on 10 September 1980 and amended on 31 August 2018 by the Standing Committee of the 13th NPC, and came into effect on 1 January 2019, and the Regulations for the Implementation of the Individual Income Tax Law (中華人民共和國個人所得稅法實施條例), that were amended by the State Council on 18 December 2018 and came into effect on 1 January 2019, dividends paid by Chinese companies to individual investors are generally subject to a withholding tax at a flat rate of 20%. In addition, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (財政部、國家稅務總局、證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知) issued by the MOF, the SAT and CRSC on 7 September 2015, where an individual acquires stocks of a listed company from public offering of the company or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempt from individual income tax; if the individual holds the stocks for one month or less, the income from dividends is fully taxable; if the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable; The aforesaid income is subject to an individual income tax at a flat rate of 20%. In fact, the withholding tax rate for dividends of non-resident individuals may be lower than 20% under certain circumstances. However, according to the Circular of the MOF and the SAT on Issues Concerning Individual Income Tax Policies (財政部、國家稅務總局關於個人所得稅若干政策問題的通知), the income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise is exempt

from individual income tax for the time being. On 3 February 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知). On 3 February 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (國務院辦公廳關於深化收入分配制度改革重點工作分工的通知). According to these two documents, the PRC government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and the Ministry of Finance and the State Administration of Taxation should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the MOF and the SAT. According to the Notice of the SAT on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document (Guo Shui Fa [1993] No. 45) (國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知) issued by the SAT on 28 June 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, normally withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the excessive withholding amount will be refunded. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or are under other situations, the non-foreign-invested enterprise is required to withhold the tax at a rate of 20%.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) signed on 21 August 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the Hong Kong Special Administrative Region (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income issued by the State Administration of Taxation (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書) effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

Corporate investors

According to the EIT Law that was amended and came into effect on 29 December 2018, and the Regulations for the Implementation of the EIT Law (中華人民共和國企業所得稅法實施條例) that were amended and came into effect on 20 January 2025, where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so, but its income generated in China is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in China (including dividends received from a Chinese resident enterprise whose shares are issued and listed in Hong Kong) and the enterprise income rate is generally 10%. The aforesaid income tax payable by a non-resident enterprise must be withheld at source. The payer of the income is the withholding obligator. The withholding tax may be reduced or eliminated under an applicable treaty for the avoidance of double taxation.

The Notice of the Issues Concerning Withholding EIT on the Dividends Distributed by Chinese Resident Enterprises to Overseas H-share Non-Chinese Resident Enterprise Shareholders (國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知) that was promulgated by the SAT and came into effect on 6 November 2008, further clarifies that with regard to dividends distributed from profits generated after 1 January 2008, Chinese resident enterprises must withhold and pay enterprise income tax at a tax rate of 10% on dividends distributed to H-share non-Chinese resident enterprise shareholders. The Reply of the Imposition of Enterprise Income Tax on B-share and Other Dividends of Non-resident Enterprises (關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆) that was promulgated by the SAT on 24 July 2009, further provides that any Chinese resident enterprise listed on any overseas stock exchange must withhold enterprise income tax at a rate of 10% on dividends distributed to non-Chinese resident enterprise shareholders. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) signed on 21 August 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income issued by the SAT (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書) effective on 6 December 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. The application of the dividend clause of tax agreements shall be subject to the PRC tax laws and regulations, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (國家稅務總局關於執行稅收協定股息條款有關問題的通知).

Tax treaties

Non-Chinese resident investors residing in countries that have entered into treaties for the avoidance of double taxation with China or residing in Hong Kong or Macau Special Administrative Region are entitled to preferential tax rates on dividends received by such investors from the Chinese companies. China has entered into arrangements for the avoidance of double taxation with Hong Kong and Macau Special Administrative Region, respectively, and has entered into treaties for the avoidance of double taxation with certain other countries, including but not limited to Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. A non-Chinese resident enterprise entitled to a preferential tax rate under a relevant income tax treaty or arrangement may apply to China tax authorities for a refund of the difference between the amount of tax withheld and the amount of tax calculated according to the treaty rate.

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

*Taxes on income from transfer of equity**VAT and local surcharges*

Pursuant to the Circular on Comprehensively Promoting the Pilot Programme of the Collection of VAT in Lieu of Business Tax (財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知) (the “**Circular 36**”), promulgated by the MOF and the SAT on 23 March 2016 and as amended on 11 July 2017, 25 December 2017 and 20 March 2019 respectively, the entities and individuals that sell services, intangible assets or immovable properties within the territory of the PRC are value-added tax payers, and shall pay value-added tax instead of business tax. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to value-added tax at 6% on the taxable income.

Meanwhile, the taxpayers of value-added tax are also subject to urban maintenance and construction tax, education surcharge and local education surcharge.

Income tax***Individual investors***

According to the Individual Income Tax Law and its implementation regulations, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of equity in Chinese resident enterprises. In accordance with the Circular of the Declaring that Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares (財政部及國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) (hereinafter referred to as “No. 61 Circular”) that was promulgated by the MOF and the SAT on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares of listed companies remain exempt from individual income tax. According to the Announcement of the MOF and the SAT about the Catalogue of Preferential Individual Income Tax Policies with Continued Effect (財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告) promulgated by the MOF and the SAT on 29 December 2018, the No. 61 Circular will remain effective.

According to the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) promulgated by the MOF, the SAT and the CSRC on 31 December 2009, individuals’ income from transferring at Shanghai Stock Exchange or Shenzhen Stock Exchange the shares of a listed company acquired from the public offerings of the company or from the transfer market shall continuously be exempt from the individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知) jointly issued by the three aforementioned authorities on 10 November 2010.

As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-resident individuals on the sale of shares of PRC-resident enterprises listed on overseas stock exchanges (for example, the Stock Exchange).

Corporate investors

According to the EIT Law and its implementation regulations, where a non-Chinese resident enterprise has not set up any institutions or establishments in China, or it has done so but its income generated in China is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in China (including gains from the disposal of shares of Chinese resident enterprises) and the enterprise income rate is generally 10%. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

Tax policies for Shanghai — Hong Kong Stock Connect

On 31 October 2014, the MOF, the SAT and the CRSC jointly promulgated the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (hereinafter referred to as “**Shanghai — Hong Kong Stock Connect Taxation Policy**”). Pursuant to the Shanghai — Hong Kong Stock Connect Taxation Policy, the income from the transfer price difference obtained by corporate investors of the mainland of China investing in stocks listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect is included in their total income and enterprise income tax is levied on such income in accordance with the law. The income from dividends and bonus obtained by corporate investors of the mainland of China investing in stocks listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect is included in their total income. The enterprise income tax is levied on such income in accordance with the law. Among them, enterprise income tax will be exempt according to law for income from dividends and bonus obtained by resident enterprises of the Mainland of China that hold H-shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends and bonus obtained by corporate investors of the Mainland of China. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonus obtained by individual investors of the Mainland of China investing in H-shares listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect, the H-share companies shall apply to China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (Hereinafter referred to as “**CSDCC**”) for provision by the CSDCC to the H-share companies the register of individual investors of the Mainland of China. The H-share companies shall withhold individual income tax at a rate of 20%.

Tax policies for Shenzhen — Hong Kong Stock Connect

On 5 November 2016, the MOF, the SAT and the CRSC jointly issued the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (hereinafter referred to as “**Shenzhen — Hong Kong Stock Connect Taxation Policy**”). Pursuant to the Shenzhen — Hong Kong Stock Connect Taxation Policy, the income from the transfer price difference obtained by corporate investors of the mainland of China investing in stocks listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect is included in their total income. The EIT is levied on such income in accordance with the law. The income from dividends and bonus obtained by corporate investors of the Mainland of China investing in stocks listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect is included in their total income. The EIT is levied on such income in accordance with the law. EIT is exempt according to law for income from dividends and bonus obtained by resident enterprises of the Mainland of China that hold H-shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends and bonus obtained by corporate investors of the Mainland of China. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonus obtained by individual investors of the Mainland of China investing in the PRC listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect, the H-share companies shall apply to the CSDCC for provision by the CSDCC to the H-share companies the register of individual investors of the Mainland of China, and the H-share companies shall withhold individual income tax at a rate of 20%.

Chinese stamp duty

In accordance with the Stamp Tax Law of the PRC (中華人民共和國印花稅法) that was promulgated on 10 June 2021 and came into effect on 1 July 2022. The entities and individuals that conclude taxable certificates, or conduct securities transactions within the territory of the PRC shall be taxpayers of stamp tax, and shall pay stamp tax in accordance with the provisions of this law. Where entities or individuals, outside the territory of the PRC, conclude taxable certificates that are used within the territory of the PRC, they shall pay stamp tax in accordance with the provisions of this law.

Estate duty

As of the date of this document, China currently has not imposed any estate tax.

PRINCIPAL TAXATION OF OUR GROUP IN THE PRC**Enterprise income tax**

According to the EIT Law, the EIT rate in China is 25% and is in line with the rate applicable to foreign-invested enterprises and foreign enterprises.

According to the Announcement of the MOF and the SAT on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Proprietors with Tax Policies (財政部、國家稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告) that was promulgated on 2 August 2023 and implemented on 1 January 2023, for small and micro-profit enterprises, the taxable income will be calculated at the reduced rate of 25% and the EIT shall be paid at the tax rate of 20%, and the policy will continue to be implemented until 31 December 2027.

According to the Administrative Measures for Recognition of High and New-Technology Enterprises (高新技術企業認定管理辦法) that was promulgated by the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部), the MOF and the SAT on 14 April 2008, amended on 29 January 2016 and came into effect on 1 January 2016, high- and new-tech enterprises can apply for a preferential enterprise income tax rate of 15% in accordance with the EIT Law.

Value-added tax

Pursuant to the Provisional Regulations on VAT of the PRC (中華人民共和國增值稅暫行條例) that were amended and came into effect on 19 November 2017, all organisations and individuals engaged in sales of goods, provision of processing, repairs and replacement services, or import of goods within the territory of China are subject to VAT. For taxpayers selling or importing goods, except as otherwise provided in the above regulations, the general tax rate is 17%.

Pursuant to the Circular 36 that promulgated by the MOF and the SAT on 23 March 2016 and came into effect on 1 May 2016, upon approval of the State Council, the pilot programme of replacing business tax with VAT will be promoted nationwide from 1 May 2016. All business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry are included in the scope of the pilot programme. The payment of business tax will be replaced by the payment of VAT. Pursuant to the Measures for the Implementation of the Pilot Programme of Replacing Business Tax with VAT (營業稅改徵增值稅試點實施辦法) that was issued and came into effect at the same time with the aforementioned notice, the tax rates applied to taxpayers for selling services, intangible assets or real estates shall be 17%, 11%, 6% and zero, respectively.

Pursuant to the Notice on Adjusting VAT Rates (關於調整增值稅稅率的通知) that was promulgated by the MOF and the SAT on 4 April 2018 and came into effect on 1 May 2018, for taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 17% and 11% are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening the VAT Reform (關於深化增值稅改革有關政策的公告) that was promulgated by the MOF, the SAT and General Administration of Customs of the PRC (中華人民共和國海關總署) on 20 March 2019 and came into effect on 1 April 2019, for taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 16% and 10% are adjusted to 13% and 9%, respectively.

According to the Announcement on the VAT Reduction and Exemption Policy for Small-scale VAT Taxpayers (關於增值稅小規模納稅人減免增值稅政策的公告) promulgated and implemented by the MOF and the SAT on 1 August 2023, small-scale VAT taxpayers with monthly sales less than RMB100,000 (inclusive) are exempt from VAT, and the announcement will be implemented until 31 December 2027.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “VAT Law”), which came into effect on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC. According to the VAT Law, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of VAT, and shall pay VAT in accordance with this law. For taxpayers’ sale of goods, provision of processing, repairs or replacement services or tangible movable property leasing services or import of goods, the tax rate is 13%, unless otherwise stipulated. In certain specific circumstances, the rate may be 9%, 6%, or 0%.

FOREIGN EXCHANGE REGULATIONS IN THE PRC

The principal regulations governing foreign currency exchange in the PRC is Forex Regulations which was promulgated by the State Council on 29 January 1996, became effective on 1 April 1996 and was subsequently amended on 14 January 1997 and 5 August 2008 and the Regulations on the Administration of Settlement, Sale and Payment of Foreign Exchange (結匯、售匯及付匯管理規定) which was promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996. Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the SAFE or its local counterparts is obtained.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at financial institutions that carries business of foreign exchange settlement and sale by presenting valid documentation. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' general meetings on the distribution of profits, effect payment from foreign exchange accounts or with the purchased foreign exchange at designated foreign exchange banks.

On 26 December 2014, the SAFE issued the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (國家外匯管理局關於境外上市外匯管理有關問題的通知), pursuant to which a domestic company shall, within 15 working days upon the end of its overseas public offering, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials. Funds raised by a domestic company through overseas listing may be transferred back or deposited overseas, and the use of such funds shall be consistent with those contents mentioned in publicly disclosed documents such as the document.

On 13 February 2015, the SAFE issued the Notice of on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知), which came into effect on 1 June 2015 and was partially repealed on 30 December 2019. The notice has cancelled the approval of foreign exchange registration under domestic direct investment and the approval of foreign exchange registration under overseas direct investment. Instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its local offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Circular of the SAFE on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) issued by the SAFE on 9 June 2016, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust the above proportion in due time according to balance of payments.

THE PRC LEGAL SYSTEM

The PRC legal system is composed of the constitution, laws, administrative regulations, local regulations, separate rules, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomy regulations, separate rules of autonomous regions and international treaties of which the PRC government is a signatory. Court judgements do not constitute binding precedents, although they may be used for the purpose of judicial reference and guidance.

Pursuant to The PRC Constitution (《中華人民共和國憲法》, the “**Constitution**”), which was promulgated on 4 December 1982 and last amended and came into effect on 11 March 2018 and the Legislation Law of the PRC (《中華人民共和國立法法》, the “**Legislation Law**”), which was promulgated on 15 March 2000, last amended on 13 March 2023, and came into effect on 15 March 2023, the National People’s Congress (“**NPC**”) and the SCNPC exercise the legislative power of the State in accordance with the Constitution. The NPC enacts and amends the basic laws governing criminal offences, civil affairs, the State organs and other matters. The SCNPC enacts and amends laws other than those to be enacted by the NPC. When the National People’s Congress is not in session, it may supplement and amend in part the laws enacted by the National People’s Congress, which shall not be in contradiction with the basic principle of such laws.

The State Council is the highest administrative organ of the State administration, and enacts administrative regulations under the Constitution and laws.

People’s congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may, in light of the specific conditions and actual needs of their respective administrative areas, formulate local regulations, provided that such regulations do not contradict the Constitution, the laws or the administrative regulations.

The ministries and commissions of the State Council, the People’s Bank of China, the National Audit Office, the agencies endowed with administrative functions directly subordinate to the State Council and the organizations prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and decrees of the State Council, formulate rules within the scope of their authority.

The people’s congresses or the standing committees thereof of the cities divided into districts may, in light of the specific local conditions and actual needs of the cities, formulate local regulations in terms of urban and rural development and management, ecological civilization development, historical and cultural protection, and grassroots governance, provided that they do not contradict the Constitution, the laws, the administrative regulations and the local regulations of their respective provinces or autonomous regions, and where there are other legal provisions on the formulation of local regulations by the cities divided into districts, such provisions shall prevail.

The people's congresses of ethnic autonomous regions have the power to formulate autonomous regulations and separate regulations on the basis of the political, economic and cultural contexts of local ethnic groups. The autonomous regulations and separate regulations of the autonomous regions shall become effective upon approval by the SCNPC. Adaptation may be made to autonomous regulations and separate regulations on the basis of the characteristics of the local ethnic groups, but such adaptation shall not contradict the basic principles of the laws and administrative regulations, nor shall any adaptation be made to the provisions of the Constitution or the Law on Ethnic Autonomous Regions or the provisions in other laws and administrative regulations specially formulated to provide for ethnic autonomous regions.

The people's governments of provinces, autonomous regions, centrally-administered municipalities and cities divided into districts or autonomous prefectures may, in accordance with laws and administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities, formulate rules.

The Constitution, promulgated by the NPC, is the basis of the PRC legal system and has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. Within the PRC legal hierarchy, laws prevail over administrative regulations, local regulations, and rules. Administrative regulations prevail over local regulations and rules. Local regulations prevail over rules of the local governments at or below the corresponding level. Rules enacted by the people's governments of the provinces or autonomous regions prevail over the rules enacted by the people's governments of cities divided into districts and autonomous prefectures within the same administrative jurisdiction.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation which has been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government but contravenes the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congress of provinces, autonomous regions or municipalities directly under the central government has the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committee of a local people's congress has the power to revoke any inappropriate rules formulated by the people's government at the corresponding level. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at the next lower level.

According to the Constitution, the authority of the interpretation of laws shall be vested to the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, interpretation on the application of laws and decrees in court trials and the procuratorial work shall be given by the Supreme People's Court and the Supreme People's Procuratorate, respectively. Interpretation of the laws and decrees unrelated to court trials and procuratorial work shall be given by the State Council and the competent ministries and commissions.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities which have enacted these regulations shall provide interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of the PRC of Organisation of the People's Courts (《中華人民共和國人民法院組織法》) which was last amended on 26 October 2018 and took effect on 1 January 2019, People's courts are divided into the Supreme People's Court, the local people's courts and special people's courts.

Local people's courts at various levels are divided into higher people's courts, intermediate people's courts and primary people's courts. The people's courts at lower levels are subject to the supervision of the people's courts at higher levels. The Supreme People's Court is the highest judicial organ of the PRC and it has the power to supervise the administration of justice by the local people's courts at all levels and all special people's courts. The people's procuratorates also have the right to exercise legal supervision over the trial activities of people's courts at same or lower levels.

The people's courts adopt a "second instance as final" appellate system in the trial of the cases. A party to the case concerned may appeal against the judgement and ruling of the first instance by the local people's courts to the people's courts at the next higher level in accordance with the legal procedures. The people's procuratorates may appeal to the people's court at the next higher level in accordance with the legal procedures. In the absence of any appeal by any parties to the case concerned or any appeal by the people's procuratorates within the stipulated period, the judgement and ruling of the first instance by the local people's courts shall be final and legally binding. Judgements and rulings of the second instance of the intermediate people's courts, the higher people's courts and Supreme People's Court and the judgements and rulings of the first instance of the Supreme People's Court shall be the final judgements and rulings. If, however, the Supreme People's Court finds some definite errors in a legally effective judgement, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgement,

ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgement, ruling or conciliation statement, and considers that a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision. For death penalties, except those judged by the Supreme People's Court, requests shall be submitted to the Supreme People's Court for approval.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》, the “**Civil Procedure Law**”), which was enacted on 9 April 1991 and last amended on 1 September 2023 and became effective on 1 January 2024, sets forth the criteria for instituting a civil case, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by the people's court located in the defendant's place of domicile. The litigants of a contract dispute or other property rights dispute may agree in writing on selection of the People's Court at the location of the defendant's place of domicile, place of performance of contract, place of execution of contract, address of the Plaintiff, location of the subject matter, etc. or a venue which has actual connection with the dispute to be the People's Court which has jurisdiction, but shall not violate the provisions hereof on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a stateless person, a foreign enterprise or a foreign organization is given the equal litigation rights and obligations as a citizen, a legal person or other organizations in the PRC when initiating actions or defending against litigations at a PRC court. Should foreign courts impose restrictions on the litigation rights of the citizens, legal persons or other organizations in the PRC, the PRC courts shall impose reciprocal restrictions on the litigation rights of citizens, enterprises and organizations in that country. A foreign individual, a stateless person, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. All parties to a civil action shall perform the legally effective judgements and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

With respect to a legally effective judgment or ruling rendered by a People's Court, where the enforcee or its properties is/are not located in the PRC, and the parties concerned request for enforcement, the parties concerned may submit an application directly to a foreign court which has jurisdiction for ratification and enforcement. For a judgment or ruling made by a foreign court which has come into legal effect for which recognition and enforcement are applied or requested, where a people's court concludes, upon examination pursuant to the international treaty concluded or acceded to by the PRC or under the principle of reciprocity, that it does not violate the basic principles of the laws of the PRC and damage the sovereignty, security or public interest, the people's court shall rule on recognition of the validity.

THE COMPANY LAW, THE OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES ON THE ARTICLES OF ASSOCIATION

The Company Law (《公司法》) which was promulgated on 29 December 1993 by the SCNPC, last amended on 29 December 2023 and came into effect on 1 July 2024 regulates the organization and operation of companies and protects the legitimate rights and interests of companies, shareholders, employees and creditors.

The Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》, the “**Overseas Listing Trial Measures**”) promulgated by the CSRC on 17 February 2023 with effect from 31 March 2023 are applicable to the overseas securities offering and listing by the PRC domestic companies.

The Guidelines on the Articles of Association for Listed Companies (《上市公司章程指引》, the “**Articles Guidelines**”) last amended by the CSRC on March 28, 2025 with effect from the same date provides the guidance for the company's articles of association. Accordingly, the contents as provided in the Articles Guidelines have been included in the Articles of Association of our Company.

Set out below is a summary of the principal provisions of the Company Law, the Overseas Listing Trial Measures and the Articles Guidelines applicable to our Company.

General

A joint-stock limited liability company (“**company**”) refers to a corporate legal person established in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company is limited to the total amount of all assets it owns and the liability of its shareholders is limited to the extent of the shares they subscribe for.

Incorporation

A company may be incorporated by promotion or subscription. A company may be incorporated by a minimum of one but no more than 200 promoters, more than half of whom shall have their domiciles within the territory of the PRC. Companies incorporated by promotion are companies with the registered capital entirely subscribed for by the promoters. Where companies are incorporated by subscription, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the articles of association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

The registered capital of the company shall be the total share capital of the issued shares as registered with the company registration authority. Before the capital for the shares subscribed for by the promoters are paid in full, the company may not offer any share to others. Promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the articles of association and make full payment for the shares they have subscribed for prior to the establishment of a company. If a promoter makes its capital contributions in non-monetary property, the procedures for the transfer of the property rights therein shall be gone through according to law. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters' agreement.

Promoters of a joint stock limited company established by means of stock floatation shall, within 30 days after full payment has been made for the shares to be issued at the time of establishment, hold an establishment meeting of the company. The promoters shall notify each subscriber of the date of the meeting or make a public announcement 15 days before the meeting is held. The establishment meeting may not be held unless the subscribers who hold more than half of the voting rights attend the meeting. Where a joint stock limited company is established by means of promotion, the convening and voting procedures for the establishment meeting shall be prescribed by the articles of association of the company or the agreement of the promoters.

The board of directors shall, within 30 days after the end of the establishment meeting of a company, authorize a representative to file an application for registration of establishment with the company registration authority. The company is formally established and has the status of a legal person after the approval for registration has been given and a business license has been issued by the relevant registration authority. If a promoter fails to make its capital contributions on schedule and in full amount, it shall, apart from making full amount capital contributions to the company, be liable for compensation for the losses it causes to the company. Where any promoter fails to make payment for the shares subscribed for, or the actual value of the non-monetary property used as capital contributions is obviously lower than the shares subscribed for, other promoters shall bear several and joint liability with such promoter to the extent of the insufficient capital contributions.

If the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term.

In cases where the company is not established, the legal consequences shall be borne by the shareholders at the time of establishment; if there are two or more shareholders at the time of establishment, they shall have joint and several claims and bear joint and several liabilities.

If a shareholder at the time of establishment causes harm to another person due to performance of their responsibilities for the establishment of the company, the company or other faultless shareholders may seek to recover any resulting compensation liability borne by them from the shareholder at fault.

Share capital

The promoters may make capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out in accordance with the laws or administrative regulations on valuation without any over-valuation or under-valuation.

Shares shall be issued under the principle of fairness and impartiality and each share of the same class shall carry the same rights. Shares of the same class in the same issue shall be issued at the same price and on the same conditions. The same price shall be paid for each share subscribed for by a subscriber.

A PRC domestic company shall file with the CSRC before offering its shares to the public overseas. Pursuant to the Overseas Listing Trial Measures, the target investors for overseas issuance and listing of a domestic company shall be overseas investors, except as in compliance with the Overseas Listing Trial Measures or otherwise provided by the state.

Under the PRC Company Law, a company shall prepare a shareholder register and place it within its premises which sets forth the following matters:

- (i) name and domicile of each shareholder;
- (ii) class and number of shares subscribed for by each shareholder;
- (iii) serial number of shares if the shares are issued in paper form; and
- (iv) the date on which each shareholder obtained the shares.

Increase of registered capital

According to the Company Law, if a company proposes to issue new shares, its shareholders' meeting shall make a resolution about the following matters:

- (i) the class and amount of the new shares;
- (ii) the issuing price of the new shares;
- (iii) the beginning and ending dates for the issuance of the new shares;
- (iv) the class and amount of the new shares to be issued to the original shareholders; and
- (v) if any no par value share is issued, the proceeds from the issuance of the new shares shall be included into the registered capital.

Save for the above-mentioned shareholder approval requirement, for a public offering of new shares, the Securities Law of the PRC (《中華人民共和國證券法》, the “**Securities Law**”) provides that the company shall:

- (i) the company has a sound and well-functioning organization structure;
- (ii) the company is a going concern;
- (iii) the auditor has issued non-qualified audit reports for the company's financial accounting documents for the past three years;
- (iv) the company and its controlling shareholders and de facto controllers have not had any criminal records in the past three years in relation to corruption, bribery, embezzlement, misappropriation of assets and breach of socialist market economic order; and
- (v) other requirements as prescribed by the securities regulatory authority of the State Council approved by the State Council.

Reduction of registered capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- (i) the company shall prepare a balance sheet and an inventory of the assets;
- (ii) the reduction of registered capital must be approved by shareholders' meeting;

- (iii) the company shall inform its creditors of the reduction in registered capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days after the resolution approving the reduction has been passed;
- (iv) the creditors shall, within thirty (30) days from the date they receive the written notice, or within forty five (45) days from the date the announcement is made in the case of those who have not received such written notice, have the right to claim full repayment of their debts or provision of a corresponding guarantee from the company; and
- (v) the company must apply to the company registration authority for registration of the reduction in registered capital.

Repurchase of shares

A company may not purchase its own shares except under any of the following circumstances:

- (i) reducing the registered capital of the company;
- (ii) merging with another company that hold shares in the company;
- (iii) applying the shares for the staff shareholding scheme or as share incentives;
- (iv) shareholders who disagree with the resolutions for the merger and separation of the company made in general meeting may demand the company to purchase their shares;
- (v) utilising the shares for conversion of corporate bonds which are convertible into shares issued by the company;
- (vi) it is necessary for a listed company to maintain its company value and its shareholders' interests.

Where the company needs to purchase its own shares under any of the circumstances set out in clauses (i) and (ii) under the preceding article, it shall be subject to a resolution of the general meeting. Where the company needs to purchase its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) under the preceding article, it shall be made as prescribed by the articles or under the authorization by the general meeting and approved by way of a resolution at the board meeting attended by more than two thirds of the directors of the company.

After the company purchases its own shares under the circumstance set out in clauses (i), it shall cancel the purchased shares within 10 days after the purchase; while under either circumstance set out in clauses (ii) or (iv), it shall transfer them or write them off within six months; while under any of the circumstances set out in clauses (iii), (v) or (vi), the aggregate number of shares of the company held by itself shall not exceed 10% of its total shares in issue and the company shall transfer them or write them off within three years.

A listed company purchasing its own shares shall perform the obligation of information disclosure according to the Securities Law. A listed company purchasing its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) shall carry out trading in a public and centralized manner.

A company may not accept its own shares as the subject matter of a pledge.

Transfer of shares

The shares of the Company shall be transferred according to the law.

According to the Company Law, a shareholder may transfer its shares on a stock exchange established in accordance with law or by any other means as required by the State Council. Stocks may be transferred by a shareholder in the form of endorsement or by any other means prescribed by the relevant laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. The register of shareholders shall not be modified within 20 days before any shareholders' meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

According to the Company Law, shares of the company issued prior to the public offering of shares may not be transferred within one year of the date the company are listed and traded on the stock exchange. Where any laws, administrative regulations, or the securities regulatory authority under the State Council have other provisions regarding the transfer of shares of a listed company by its shareholders or actual controllers, those provisions shall prevail.

Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the Company Law and the Articles Guidelines, the shareholders of the company shall have the following rights:

- (i) obtaining dividends and other forms of profit distribution according to the numbers of shares held by them;
- (ii) requesting to convene, convening, presiding over, and attending in person or by proxy the shareholders' meetings and exercising their corresponding voting rights, according to the law;
- (iii) overseeing the operations of the Company and offering recommendations or making inquiries;
- (iv) transferring, donating or pledging their shares in accordance with laws, administrative regulations and the articles of association;
- (v) consulting and copying the articles of association, register of shareholders, minutes of shareholders' meetings, resolutions adopted at the meetings of the board of directors, and financial accounting reports. Shareholders complying with the provisions may consult the Company's accounting books and accounting vouchers;
- (vi) participating in the distribution of residual assets of the company according to the numbers of shares held by them when the company is terminated or liquidated;
- (vii) requiring the company to purchase their shares if they are against a combination or division resolution of the shareholders' meeting;
- (viii) other rights as set out by laws, administrative regulations, departmental rules, and the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in laws, administrative regulations, regulatory documents and the articles of association.

Shareholders' general meeting

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. The general meeting may exercise its powers:

- (i) to elect and remove the directors and supervisors and to decide on their remunerations;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the reports of the board of supervisors;
- (iv) to review and approve the company's profit distribution proposals and loss recovery proposals;
- (v) making resolutions on the increase or decrease of the registered capital of the company;
- (vi) making resolutions on the issuance of corporate bonds;
- (vii) making resolutions on the merger, division, dissolution, liquidation or change of corporate form of the company;
- (viii) to amend the company's articles of association; and
- (ix) to exercise any other authority stipulated in the articles of association.

The shareholders' meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.

A shareholders' general meeting is required to be held once every year. If any of the following circumstances occurs, an extraordinary shareholders' meeting shall be held within two months:

- (i) the number of directors is less than two thirds of the number as provided for by the Company Law or the articles of association;
- (ii) the outstanding losses of the company reach one-third of the company's total share capital;
- (iii) shareholders individually or in aggregate holding 10% or more of the company's shares request that an extraordinary general meeting shall be convened;
- (iv) the board deems it necessary;

- (v) the board of supervisors so requests; or
- (vi) any other circumstances as provided for in the articles of association.

The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting.

Where the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. If the board of supervisors fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over such meeting.

In accordance with the Company Law, a notice of the general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Under the Company Law, a single shareholder who holds, or several shareholders who jointly hold, 1% or more of the shares of the company may submit an interim proposal in writing to the board of directors 10 days before the general meeting is held. The interim proposal shall contain a clear topic for discussion and specific matters for resolution. The board of directors shall, within two days upon receipt of the proposal, notify the other shareholders, and submit the said interim proposal to the general meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the articles of association or fails to fall into the scope of functions of the shareholders' general meeting.

The general meeting shall not make resolutions on matters that are not clearly listed in the notices given to the shareholders.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Shareholders present at a shareholders' general meeting have one vote for each share they hold, except for shareholders of classified shares, save that shares held by the company are not entitled to any voting rights. Resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting. A resolution made at the general meeting on modifying the articles of association, increasing or reducing the registered capital as well as merger, division, dissolution or change of the corporate form shall be adopted by two thirds or more of the voting rights held by the shareholders who attend the meeting.

Where the Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company must be approved by way of resolution of the general meeting, the directors shall convene a shareholders' general meeting promptly to vote on such matters. An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Minutes shall be prepared in respect of matters considered at the general meeting and the presider and the directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of directors

The board of directors of a company shall consist of three or more members, and may include employee representatives among them. In the case of a company with three hundred or more employees, except when a board of supervisors has been established including a number of employee representatives among its members as required by the law, the company's board of directors shall include employee representatives among its members. An employee representative on the board of directors shall be elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections.

The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors may exercise the following functions and powers:

- (i) to convene shareholders' general meetings and report its work to the shareholders' general meetings;
- (ii) to implement the resolution of the shareholders' general meeting;
- (iii) to decide on the company's operational plans and investment proposals;

- (iv) to formulate the company's profit distribution proposals and loss recovery proposals;
- (v) to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- (vi) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- (vii) to decide on the setup of the company's internal management organs;
- (viii) to decide on the appointment or dismissal of the general manager of the company and the remuneration thereof, and, according to the nomination of the general manager, to decide on hiring or dismissing deputy general managers and financial officer of the company as well as their remuneration;
- (ix) to formulate the company's basic management system; and
- (x) other functions and powers specified in the articles of association or granted by the shareholders' meeting

The board of directors shall convene at least two meetings every year. Each meeting shall be notified to all directors and supervisors 10 days before it is held. Interim board meetings may be proposed to be convened by shareholders representing more than 10% or more of the voting rights, more than one-third of the directors or the supervisory board. The chairman of the board of directors shall, within 10 days upon receipt of such a proposal, convene and preside over the board meetings. If the board of directors holds an interim meeting, it may separately decide the method and time limit for the notification on convening the board meetings. The board meetings shall be held only if more than half of the directors are present. Resolutions of the board shall be passed by more than half of all directors. For voting on a resolution of the board of directors, each director shall have one vote. The directors shall attend the meeting of the board of directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The board of directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall be responsible for the resolutions made by the board of directors. Where a resolution of the board of directors is in violation of any law, administrative regulation, article of association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in voting on such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, such director may be exempted from liability.

Under the Company Law, the following persons may not serve as a director of a company:

- (i) a person who has no capacity for civil conduct or has limited capacity for civil conduct;
- (ii) a person who has been subjected to criminal punishment for corruption, bribery, embezzlement or misappropriation of property, or disruption of the economic order of the socialist market, or who has ever been deprived of political rights due to a criminal conviction, and five years have not elapsed since the term of punishment was completed, or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;
- (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (iv) Any former legal representative of a company or enterprise which has had its business license revoked or been ordered to shut down due to any violation of the law, and where the individual was personally responsible for the situation, and three years have not elapsed since the date of revocation of business license or shutdown order; and
- (v) a person identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts.

Where the election or appointment of any director is in violation of the preceding paragraph, it shall be invalidated.

Under the Company Law, the board of directors shall have one chairman and may have vice chairmen. The chairman and the vice chairmen shall be elected by more than half of all the directors. The chairman shall convene and preside over the board meetings and review the implementation of the resolution of the board of directors. The vice chairmen shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

A company may, as stipulated in its articles of association, establish an audit committee composed of directors in the board of directors to exercise the functions and powers prescribed for the board of supervisors by the Company Law, without establishing a board of supervisor or supervisors.

Supervisory board

A company shall have a supervisory board composed of three or more members. The supervisory board consists of shareholders' representatives and an appropriate proportion of employees' representatives of the company, among which the proportion of the employees' representatives shall not be lower than one third, and the actual proportion shall be determined in the articles of association. Employees' representatives at the supervisory board shall be elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections. Directors and senior management shall not act concurrently as supervisors. The supervisory board shall appoint a chairman and may have vice chairmen. The chairman and the vice chairmen of the supervisory board shall be elected by more than half of the supervisors.

The chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the chairman of the supervisory board is incapable of performing or is not performing his/her duties, the vice chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the vice chairman of the supervisory board is incapable of performing or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over supervisory board meetings.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if reelected. If a supervisor fails to be reelected timely upon expiration of the term of office, or the resignation of a supervisor during term of office results in the number of the members of supervisory board being less than the quorum, the original supervisor shall, before a newly elected supervisor takes office, continue to exercise the duties of the supervisor according to the law, administrative regulations and the articles of association.

The supervisory board may exercise the following functions and powers:

- (i) to review the company's financial affairs;
- (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated any laws, regulations, the articles of association or the resolutions of the shareholders' meeting;
- (iii) when the acts of directors or senior managements are detrimental to the company's interests, to require the directors and senior managements to correct such acts;
- (iv) to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meetings under the Company Law;

- (v) to submit proposals to the shareholders' general meetings;
- (vi) to bring actions against directors and senior managements pursuant to the relevant provisions of the Company Law; and
- (vii) other functions and powers stipulated in the articles of association.

A joint stock limited company may, in accordance with the provisions of the Articles, establish an audit committee composed of directors on the Board to exercise the functions and powers of the Board of Supervisors in place of establishing the Board of Supervisors.

On December 27, 2024, the CSRC issued relevant transitional arrangements for the implementation of the supporting systems and rules of the new Company Law. Before January 1, 2026, a listed company shall stipulate in the Articles that the Board shall establish an audit committee to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law in accordance with the Company Law, the Regulations of the State Council on the Implementation of the Registered Capital Registration Management System under the Company Law of the People's Republic of China (《國務院關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》) and the relevant supporting systems and rules of the CSRC. Before a listed company adjusts the establishment of its internal supervision structure, the Board of Supervisors or supervisors shall continue to abide by the requirements of the previous system and rules of the CSRC.

General manager and senior management

A company shall have a general manager who shall be appointed or removed by the board of directors. The general manager shall be responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorization of the board of directors.

The general manager shall be present at meetings of the board of directors.

According to the Company Law, senior management refers to the general manager, deputy general manager, financial officer, secretary to the board of a listed company, and other persons as stipulated in the articles of association.

Duties of directors, supervisors, and senior managements

Directors, supervisors, and senior managements are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors, and senior managements shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. Directors,

supervisors, and senior managements shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

Directors, supervisors, and senior managements are prohibited from:

- (i) embezzling company property or misappropriating company funds;
- (ii) depositing company funds into accounts under their own names or the names of other individuals;
- (iii) giving bribes or accepting any other illegal proceeds by taking advantage of their power;
- (iv) personally accepting commissions on transactions to which the company is a party;
- (v) unauthorized divulgence of confidential information of the company; and
- (vi) other acts in violation of their duty of loyalty to the company.

Income generated by directors, supervisors, and senior managements in violation of aforementioned provisions shall be returned to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall truthfully provide relevant information and materials to the supervisory board, or if a limited liability company has no supervisory board, supervisors, without impeding the discharge of duties by the supervisory board or supervisors.

Where a director or senior management contravenes law, administrative regulation or the articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate more than 1% of the company's shares consecutively for over 180 days may request in writing that the supervisory board institute litigation at a people's court on its behalf. Where the supervisor violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institutes litigation at a people's court on its behalf.

If the supervisory board or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at a people's court in its own name for the company's benefit.

For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people's court in accordance with the procedure described above.

Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at a people's court.

Finance and accounting

A company shall establish its own financial and accounting systems according to the laws, administrative regulations and the provisions of the financial department of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the provisions of the financial department of the State Council.

The company's financial and accounting reports shall be made available for shareholders' inspection at the company 20 days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall publish its financial and accounting reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached 50% or more of the company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Profits distributed to shareholders by a resolution of a shareholders' general meeting or the board of directors in violation of the Company Law must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium received from the issuance of shares by the company at a price exceeding the face value of the shares, the amount of capital obtained from the issuance of non-par value shares that is not included in the registered capital, and other items stipulated by financial department of the State Council to be included in the capital reserve, shall be included in the capital reserve. The common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its registered capital. When using a company's reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of any individual.

Appointment and dismissal of auditors

Pursuant to the Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders' general meeting, the board of directors or supervisory board in accordance with the articles of association. The accounting firm should be allowed to make representations when shareholders' general meeting, the board of directors or supervisory board conducts a vote on the dismissal of the accounting firm on their respective meetings. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Profit distribution

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

Amendments to the articles of association

Pursuant to the Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of voting rights held by shareholders attending the meeting.

Dissolution and liquidation

Pursuant to the Company Law, a company shall be dissolved for any of the following reasons:

- (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;
- (ii) dissolution by a resolution of shareholders' general meeting;
- (iii) dissolution due to the merger or division of the company;
- (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operations and management of the company have suffered serious difficulties that cannot be resolved through other means, rendering on-going existence of the company a cause for significant losses to the shareholders.

In cases where a company falls under the circumstances specified in subparagraph (i) or (ii) above and has not yet distributed its assets to shareholders, it may continue its existence by amending its articles of association or by resolution of the shareholders' meeting. The amendments to the articles of association or the resolution of the shareholders' meeting in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall establish a liquidation committee to carry out liquidation within 15 days of the date on which the dissolution matter occurs. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's articles of association or it is otherwise elected by the shareholders' general meeting. If a liquidation committee is not established within the prescribed period, any interested party may file an application with a people's court and request the court to appoint relevant persons to form a liquidation committee to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following functions and powers during the liquidation:

- (i) to dispose of the company's assets and to prepare a balance sheet and an inventory of assets, respectively;
- (ii) to notify the company's creditors or publish announcements;
- (iii) to deal with any outstanding business related to the liquidation;
- (iv) to pay any overdue tax together with any tax arising during the liquidation process;
- (v) to settle the company's financial claims and liabilities;
- (vi) to distribute the company's remaining assets after its debts have been paid off; and
- (vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification. A creditor shall, in making the claim, state all matters relevant to his/her creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement. The remaining assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to the shares held by them. The company shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before settlements are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people's court, the liquidation committee shall hand over the administration of the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders' general meeting or the people's court for confirmation. Following such confirmation, the report shall be submitted to the company registration authority to apply for the company's registration. Members of the liquidation committee are required to perform their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation committee neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Liquidation of a company declaring bankruptcy according to laws shall be processed in accordance with the laws on corporate bankruptcy.

Overseas listing

Pursuant to the Overseas Listing Trial Measures, if a PRC domestic company submits an initial public offering application to an overseas regulatory authority or an overseas stock exchange, the issuer shall file with the CSRC within three business days after submitting the application.

Suspension and termination of listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

Pursuant to the Overseas Listing Trial Measures, in the case of voluntary or mandatory termination of listing, the issuer shall report the specific situation to the CSRC within three business days from the date of the occurrence and public disclosure of the relevant event.

Merger and division

Pursuant to the Company Law, a merger agreement shall be signed by the merging companies and the involved companies shall prepare their respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspaper or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he/she has not received the notification, demand the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. Unless an agreement in writing is reached with creditors in respect of the settlement of debts, the liabilities of the company which have accrued prior to such division shall be jointly borne by the separated companies.

The Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issuance and trading of our shares and disclosure of information. In October 1992, the State Council established the Securities Committee (國務院證券委員會) and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the aforementioned two departments and reformed the CSRC.

On 22 April 1993, the Provisional Regulations Concerning the Issuance and Trading of Shares (《股票發行與交易管理暫行條例》), which were promulgated by the State Council and came into effect on the same day, govern the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, settling and transfer of listed equity securities, as well as the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On 25 December 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations principally govern the issuance, subscription, trading and declaration of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The Securities Law took effect on 1 July 1999 and was revised as of 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles regulating, among other matters, the issuance and trading of securities, takeovers of listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides

that domestic enterprises must comply with the relevant regulations of the State Council to, directly or indirectly, issue securities or lists its securities to be traded outside the PRC. Currently, the issuance and trading of foreign issued shares (including H share) are principally governed by the rules and regulations promulgated by the State Council and the CSRC.

The CSRC promulgated the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) on 14 November 2019, with latest amendments issued on 10 August 2023 and effective on the same day. This provision is to regulate the listing and circulation (“**Full Circulation**”) of unlisted domestic shares of H-share companies listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued in China after overseas listing and unlisted shares held by foreign shareholders). Subject to compliance with relevant laws and regulations, as well as the policy requirements of state-owned assets management, foreign investment and industry regulation, the holders of unlisted domestic shares may independently determine the number and proportion of shares for which an application will be filed for circulation, and entrust H-share companies to file with the CSRC. Unlisted domestic joint-stock limited companies may file with the CSRC for “Full Circulation” simultaneously at the time of its overseas initial public offering and listing.

Arbitration and enforcement of arbitral awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》, the “**Arbitration Law**”) was passed on 31 August 1994, became effective on 1 September 1995 and was amended on 27 August 2009, 1 September 2017 and 12 September 2025, and came into effect on 1 March 2026. It is applicable to contract disputes and other property disputes between citizens, legal persons and other organizations where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association (中國仲裁協會) of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case, unless the arbitration agreement is null and void.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award made by the arbitration body shall be the final. Where an arbitration award has been made and a party reapplies for arbitration or requests a hearing before the People’s Court upon the same matter, the arbitration commission or People’s Court shall not deal with the matter. If a party fails to comply with the award, the other party to the award may apply to the people’s court for enforcement under the Civil Procedure Law. The people’s court shall enforce the arbitral award upon receipt of the application. A people’s court may refuse to enforce an arbitral award made by an arbitration tribunal after verification by collegial bench formed by the people’s court if

there is any procedural irregularity (including but not limited to the jurisdiction of the arbitration commission, the making of an award on matters beyond the scope of the arbitration agreement or irregularity in the composition of the arbitration tribunal or arbitration proceedings).

A party seeking to enforce an arbitral award of PRC Arbitration Tribunal against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or participated in by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》, the “**New York Convention**”) adopted on 10 June 1958 pursuant to a resolution passed by the SCNPC on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the State to which the arbitration for enforcement is made. At the time of the PRC’s accession to the New York Convention, the SCNPC declared that (i) the PRC applies the New York Convention only on the basis of reciprocity for the recognition and enforcement of arbitral awards made in the territory of any State party; and (ii) the PRC applies the New York Convention only for disputes arising out of the contractual and non-contractual commercial legal relationship identifies by the PRC law.

According to the Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People’s Court on 24 January 2000 and became effective on 1 February 2000, and the Supplementary Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (Articles 1 and 4 became effective on 27 November 2020, and Articles 2 and 3 became effective on 19 May 2021) promulgated on 26 November 2020, the courts of the Hong Kong Special Administrative Region (the “**HKSAR**”) agree to enforce the awards made pursuant to the Arbitration Law by the arbitral authorities in the Mainland (the list to be supplied by the Legislative Affairs Office of the State Council (國務院法制辦公室) through the Hong Kong and Macao Affairs Office of the State Council (國務院港澳事務辦公室) and the people’s courts of the Mainland agree to enforce the awards made in the HKSAR pursuant to the Arbitration Ordinance of the HKSAR. If the people’s courts of the Mainland find that the enforcement of awards made by the HKSAR arbitral bodies in the Mainland will be against public interests of the Mainland, or the courts of the HKSAR decide that the enforcement of the arbitral awards in the HKSAR will be against public policies of the HKSAR, the awards may not be enforced.

Judicial judgement and enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on 3 July 2008 and implemented on 1 August 2008, where any people's court of the Mainland or any court of the HKSAR has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to the written jurisdiction agreement, any party concerned may apply to a people's court of the Mainland or a court of the HKSAR for recognition and enforcement of the judgment. "Written jurisdiction agreement" refers to a written agreement between the parties concerned giving the exclusive jurisdiction of either the people's court of the Mainland or the court of the HKSAR in order to resolve dispute relating to particular legal relation occurred or likely to occur. Therefore, the party concerned may apply to the court of the Mainland or the court of the HKSAR to recognize and enforce the final judgment made in the Mainland or the HKSAR that meet certain conditions of the aforementioned regulations. On 18 January 2019, the Supreme People's Court and the HKSAR government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between the HKSAR and the Mainland. The New Arrangement discontinued the requirement for a written jurisdiction agreement for bilateral recognition and enforcement. The New Arrangement came into effect on 29 January 2024, after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in the HKSAR. The New Arrangement supersedes the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administration Region Pursuant to Agreed Jurisdiction Agreements by Parties Concerned.

This appendix contains a summary of the main provision of the Articles of Association of the Company adopted on June 9, 2025, which will take effect from the date of the listing of H Shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of the Company, so it may not contain all the information that is important to potential investors

ISSUANCE OF SHARES

The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry the equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. The subscribers shall pay the same price for each share subscribed.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase of Capital

The Company may, based on its operating and development needs, increase its capital in the following ways pursuant to the requirements of laws and regulations and subject to the resolutions separately passed at the general meetings:

- (i) by offering shares to unspecified objects;
- (ii) by offering shares to specified objects;
- (iii) by allotting bonus shares to its existing shareholders;
- (iv) by converting common reserve fund into share capital;
- (v) by any other means which is stipulated by law and administrative regulations and approved by the competent authority.

Reduction of Capital

The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The Company shall reduce its registered capital in accordance with the PRC Company Law and other relevant regulations as well as the procedures stipulated in the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its shares except in the following circumstances:

- (i) to reduce its registered capital;
- (ii) to merge with another company that holds the shares;
- (iii) to utilize shares in the employee share ownership scheme or for share incentive;
- (iv) to acquire the shares upon request by shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (v) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to protect its value and the shareholders' equity;
- (vii) Other circumstances permitted by laws, regulations and regulatory rules of the place where the Company's shares are listed.

Where the Company repurchases its shares under the circumstances set out in items (i) and (ii) of the preceding paragraph, it shall be subject to the resolution of the general meeting; where the Company repurchases its shares under the circumstances set out in items (iii), (v) and (vi) of the preceding paragraph, it shall be subject to the resolution of the Board meeting attended by more than two-thirds (2/3) of the directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

The shares repurchased by the Company in accordance with the paragraph 1 shall be processed in the following ways: for the circumstance in item (i), such shares shall be canceled in ten (10) days after the date of repurchase; for the circumstance in item (ii) or (iv), such shares shall be transferred or canceled in six (6) months; for the circumstance in item (iii), (v) or (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled in three (3) years.

TRANSFER OF SHARES

Shares issued by the Company prior to its public offering shall not be transferred within one (1) year as of the date on which the shares are listed and traded in a stock exchange.

The Directors and senior management of the Company shall regularly declare the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferred within one (1) year as of the listing date of the shares of the Company. The shares of the Company held by

them shall not be transferred within six months after their resignation. Where the rules of the stock exchange where the Company's shares are listed have other provisions on the transfer of shares, such provisions shall also be complied with.

The Company shall not accept its own shares as collateral.

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Shareholders

The Company shall establish a register of shareholders with the information provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Rights and Obligations of Shareholders

Shareholders of the Company shall entitle the following rights:

- (i) to the Company for dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) to request, convene, hold, participate or authorize proxies to attend shareholders' general meeting, and to exercise voting rights according to the proportion of shares they hold;
- (iii) to supervise the business operations of the Company and to make suggestions or inquiries;
- (iv) to transfer, give or pledge the shares held by them in accordance with the laws and regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association;
- (v) to inspect and copy articles of association, all of the register of Shareholders, the stubs of the Company's debentures, minutes of shareholders' meetings, resolutions of board meetings and financial accounting reports of the Company; qualified shareholders may consult the company's accounting books and accounting vouchers, in accordance with the provisions of laws, administrative regulations, the relevant regulations of the securities regulatory authorities and the stock exchanges of the place where the Company's shares are listed, and the provisions of this Articles of Association;

- (vi) to participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) to require the Company to buy back its shares in the event that shareholders objecting to resolutions of the general meeting concerning merger or division of the Company satisfy the requirements of the Articles of Association and relevant laws and regulations on the procedures for share buy-back by the Company;
- (viii) to inspect the Hong Kong branch of register of Shareholders; however, the Company may, in accordance with equivalent provisions under Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), suspend the registration of shareholders; and
- (ix) Other rights set out in laws and regulations and the Articles of Association.

A shareholder requesting for inspection and copying of information or access to materials referred to in the preceding Article shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

Shareholders of the Company shall assume the following obligations:

- (i) to abide by the laws and regulations and the Articles of Association;
- (ii) to make a capital contribution according to the shares they subscribe for and the capital participation method;
- (iii) not to withdraw shares unless otherwise provided by laws and regulations;
- (iv) to abide by laws, administrative regulations and the Articles of Association and exercise the rights of shareholders in accordance with the law, and not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status or the shareholders' limited liability to harm the interests of the Company's creditors;
- (v) Other obligations to be assumed by the Shareholders according to the laws and regulations and the Articles of Association.

If a shareholder abuses his/her shareholder rights and causes a loss to the Company or other shareholders, he or she shall be held liable for damages in accordance with laws. If a shareholder abuses the independent legal person status of the Company or the limited liability of shareholders in order to evade debts and thereby seriously damages the interests of the Company's creditors, he or she shall assume joint and several liability for the Company's debts.

SHAREHOLDERS' GENERAL MEETING**General rules for the Shareholders' General Meeting**

The general meeting is composed of all shareholders. The general meeting acts as the organ of authority of the Company which, according to laws, exercises the following functions and power:

- (i) to elect and replace the directors not appointed by the employee representatives and decide on matters relating to the remuneration of the directors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the Company's profit distribution plans and loss recovery plans;
- (iv) to decide on the increase or reduction of the Company's registered capital, as well as the issuance of any type of shares, warrants, and other similar securities;
- (v) to decide on the issue of bonds by the Company;
- (vi) to decide on merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to decide on the appointment or dismissal of the accounting firms that undertakes the auditing of the Company;
- (ix) to review and approve the security-related matters stipulated in Article 44;
- (x) to review the matters stipulated in Article 43;
- (xi) to review and approve the related party transaction matters (except for granting of guarantee by the Company) the amount of which between the Company and any of its related parties is more than RMB30 million and accounts for more than one (1) percent of the total assets or market value of the latest audited net assets of the Company;
- (xii) to review and approve the change of the use of the raised funds;
- (xiii) to review stock incentive plans and employee stock ownership plans;
- (xiv) to review other matters which, according to laws, administrative regulations, departmental rules or the Articles of Association, are subject to shareholders' approval in general meetings;

The Company shall convene an extraordinary general meeting within two (2) months in any of the following cases:

- (i) When the number of Directors is less than the number prescribed by the PRC Company Law or less than two-thirds (2/3) of the amount required by the Articles of Association;
- (ii) When the Company's uncovered losses amount to one-third (1/3) of the total paid-up share capital;
- (iii) When Shareholders, individually or collectively, holding more than ten percent (10%) of the voting shares of the Company request (based on the date when the shareholder makes a written request);
- (iv) When the Board of Directors deems it necessary;
- (v) When the Audit Committee proposes to convene it;
- (vi) Other circumstances as stipulated by laws, regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.

The Convening of the General Meeting

With the consent of more than half of all independent non-executive Directors, independent non-executive Directors have the right to propose to the board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback within ten (10) days after receiving the proposal to agree or disagree with the convening of the extraordinary general meeting. If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of the convening of the general meeting within five (5) days after making a resolution of the Board of Directors.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall make such proposal in writing. The Board of Directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an extraordinary general meeting within ten (10) days after receiving the proposal.

Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company may sign written requests to the Board of Directors for the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws and regulations, the Hong Kong Listing Rules and the Articles of Association, provide written feedback within ten (10) days after receiving the request, whether it agrees or does not agree to convene an extraordinary general meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall, within five (5) days after making a resolution of the Board of Directors, issue a notice to convene the general meeting, and any changes to the original request in the notice shall be subject to the consent of the shareholders concerned.

If the Board of Directors does not agree to convene an extraordinary general meeting, or does not provide feedback within ten (10) days after receiving the request, shareholders, individually or collectively, holding more than ten percent (10%) of the shares of the Company shall have the right to propose to the Audit Committee the convening of an extraordinary general meeting, and shall submit their request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall, within five (5) days after receiving the request, issue a notice convening the general meeting, and any changes to the original proposal in the notice shall be subject to the consent of the shareholders concerned.

If the Audit Committee fails to issue a notice of a general meeting within the prescribed period, it shall be deemed not to convene and preside over the general meeting. Shareholders who individually or collectively hold more than ten percent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over the general meeting on their own. The shareholding of the convening shareholder shall not be less than ten percent (10%) before the announcement of the resolution of the general meeting.

Notices of the Shareholders' General Meeting

The convener shall notify all shareholders at least twenty one (21) days prior to the annual general meeting, and shall notify all shareholders at least fifteen (15) days prior to the extraordinary general meeting.

The notice of the general meeting shall meet the following requirements:

- (i) the time, venue and duration of the meeting;
- (ii) subject matters and proposals submitted for consideration and approval at the meeting;
- (iii) particulars shall be in clear text that all shareholders are entitled to attend general meetings and may appoint their proxies in writing to attend and vote at the meetings. Such proxies need not be shareholders of the Company;
- (iv) the equity registration date of the shareholders who are entitled to attend on the general meetings;
- (v) name(s) and telephone number(s) of the standing contact person(s) for the affairs of meetings;

- (vi) online or other means of voting time and voting procedures;
- (vii) other requirements stipulated by laws and regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Resolutions at the General Meeting

The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by more than half (1/2) of the voting rights held by the shareholders present at the general meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds (2/3) of the voting rights held by the shareholders present at the general meeting.

The following matters shall be resolved by way of ordinary resolution of the general meeting:

- (i) work reports of the board of directors;
- (ii) proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- (iii) appointment and removal of members of the board of directors, their remuneration and method of payment of their remuneration;
- (iv) annual report of the company;
- (v) all matters required to be approved by a general meeting other than those required to be approved by way of special resolution under any laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The following matters shall be resolved by way of special resolution of the general meeting:

- (i) the increase or reduction of the registered capital by the Company, as well as the issuance of any type of shares, warrants, and other similar securities;
- (ii) the merger, spin-off, division, dissolution, or liquidation of the Company;
- (iii) the amendment to the Articles of Association;

- (iv) the amount of purchase and the sale of major assets by the Company within one year exceeds thirty percent (30%) of the latest audited total assets of the Company;
- (v) the share incentive schemes;
- (vi) other matters which the laws, regulations, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association require to be adopted by special resolutions and which the general meeting, by an ordinary resolution, considers to have a material impact on the Company and therefore require to be adopted by a special resolution.

Shareholders may exercise voting rights in the amount of the voting shares they represent and each share shall have one vote.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

When a connected transaction is considered at a general meeting, the connected shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes.

Where any shareholder is, under the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors not appointed by the employee representatives shall be elected or replaced at the general meeting for a term of three (3) years, and may be re-elected upon the expiration of the term.

The General Manager or other Senior Management Members may concurrently serve as Directors, provided that the total number of Directors who concurrently serve as Senior Management Members and Directors who are employee representatives shall not exceed half (1/2) of the total number of Directors of the Company.

Board of Directors

The Company shall have a Board of Directors, which shall consist of nine (9) Directors and shall have one (1) chairman of the Board, and three (3) independent non-executive Directors, one (1) Director appointed by employee representatives.

The Board of Directors shall be accountable to the general meeting and exercises the following functions and powers:

- (i) to convene general meetings and report on its work to the general meetings;
- (ii) to implement the resolutions of the general meeting;
- (iii) to determine the business operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and loss recovery plans of the Company;
- (v) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of shares of the Company;
- (vi) to formulate plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution, liquidation or change of corporate form of the Company;
- (vii) to decide on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the scope of authorization of the general meeting;
- (viii) to determinate the setup of the Company's internal management organizations;
- (ix) to decide on the appointment or dismissal of the Company's general manager, secretary to the board of directors and other senior management as well as their remuneration, reward and disciplinary matters; and to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and other senior management as well as their remunerations, rewards and punishments according to the nomination of the general manager;
- (x) to formulate the basic management system of the Company;
- (xi) to formulate the amendment to the Articles of Association;
- (xii) to manage the information disclosure of the Company;

- (xiii) to request the general meeting to engage or replace the accounting firm that provides audits for the Company;
- (xiv) to listen to the work report of the general manager of the Company and inspect the work of the manager;
- (xv) other functions and powers conferred by laws and regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association or the general meetings.

The chairman of the Board shall exercise the following functions and powers:

- (i) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (ii) to supervise and inspect the implementation of the resolutions of the Board of Directors;
- (iii) to sign important documents of the Board of Directors and other documents which shall be signed by the legal representative of the Company;
- (iv) in the event of force majeure emergency such as the occurrence of a major natural disaster, to exercise special disposal authority over the affairs of the Company in accordance with the provisions of the law and the interests of the Company, and to report to the Board of Directors and the general meeting of shareholders of the Company afterwards;
- (v) other functions and powers conferred by the Board of Directors.

The Board of Directors shall convene at least four (4) meetings each year. The notice of a regular Board meeting shall be sent to all Directors at least ten (10) days before the date of the meeting.

Shareholders representing more than one tenth (1/10) of all voting rights, more than one thirds (1/3) of all directors or the audit committee may propose the holding of an interim meeting of the board of directors. The chairman of the board of directors shall, within ten (10) days of receipt of such proposal, convene and preside over the meeting of the Board of Directors.

A meeting of the Board of Directors may only be held if more than half of the Directors are present. Resolutions of the Board of Directors shall be passed by more than half of all Directors.

AUDIT COMMITTEE

The Board of Directors sets up an Audit Committee to exercise the functions and powers of the board of supervisors stipulated in the PRC Company Law.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervision and evaluation of internal and external audit work and internal control. The following matters shall be submitted to the Board of Directors for deliberation after the approval of more than half of all members of the Audit Committee:

- (i) to disclose financial information and internal control evaluation reports in financial and accounting reports and periodic reports;
- (ii) to make changes in accounting policies, accounting estimates or correction of major accounting errors for reasons other than changes in accounting standards;
- (iii) other matters stipulated by laws, administrative regulations, provisions of the CSRC and the Articles of Association.

GENERAL MANAGER

The Company shall have one (1) general manager, who shall be appointed or dismissed by the Board of Directors.

The Company shall have two (2) deputy general managers who shall be appointed or dismissed by the Board of Directors.

The general manager shall be directly accountable to the Board of Directors and exercise the following functions and powers:

- (i) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions of the Board of Directors, and to report on his/her work to the Board of Directors;
- (ii) to organize and implement the Company's annual business plan and investment plan;
- (iii) to formulate the plan for establishment of the Company's internal management organization;
- (iv) to formulate the Company's basic management system;
- (v) to formulate the detailed rules and regulations of the Company;

- (vi) to request the Board of Directors to engage or dismiss deputy general manager and chief financial officer of the Company;
- (vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (viii) other functions and powers conferred by the Articles of Association and the Board of Directors.

SECRETARY TO THE BOARD

The Company shall have one (1) board secretary, whose responsibilities include preparing general meetings and board meetings of the Company, maintaining documents and managing shareholder information of the Company, and handling the information disclosure of the Company.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall formulate its own financial and accounting systems in accordance with the laws, administrative regulations and the requirements of relevant state departments.

The Company shall publish and disclose its annual report within four (4) months from the ending date of each financial year, its interim report within two (2) months from the ending date of the first half of each financial year, and quarterly reports if required regulations of the stock exchange where its shares are listed, to the CSRC (if applicable) and the stock exchange where the Company's shares are listed. If the regulatory rules of the stock exchange where the Company's shares are listed provide otherwise, such rules shall prevail. The above-mentioned annual and interim reports shall be prepared in accordance with the relevant laws, administrative regulations and the provisions of the CSRC and the stock exchange(s).

PROFIT DISTRIBUTION

The Company shall implement a continuous and stable profit distribution policy. The profit distribution of the Company attaches importance to the reporting of investment and reasonable investment. The cash dividend policy target is steady growth of dividend.

The Company may implement interim cash dividends.

Form of profit distribution: the Company may distribute profits in the form of cash, shares or a combination of cash and shares. Under the premise of ensuring the necessary funds for normal production, operations, and development, the company shall distribute an appropriate proportion of cash dividends.

The Company is not required to distribute profits if:

- (i) the audit report on it for the most recent year is either a non-unqualified opinion or an unqualified opinion with a significant uncertainty paragraph relating to going concern;
- (ii) the asset-liability ratio at the end of the most recent fiscal year is higher than seventy percent (70%);
- (iii) the operating cash flow is negative in the most recent fiscal year;
- (iv) any other circumstances that the Company deems inappropriate for distribution occurs.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company may be dissolved for any of the following reasons:

- (i) the term of business operation prescribed in the Articles of Association expires or any other circumstance for dissolution prescribed in the Articles of Association occurs;
- (ii) the general meeting resolves to dissolve the Company;
- (iii) dissolution is required due to merger or division of the Company;
- (iv) the Company is revoked of its business license, ordered to close down or annulled according to law due to violation of laws and regulations;
- (v) by article 231 of PRC Company Law;
- (vi) where the Company has serious difficulties in its business management and its subsistence will cause serious damage to the interests of shareholders, which is unable to be resolved through any other means, shareholders representing more than ten percent (10%) of all voting rights may apply to the people's court for dissolution of the Company.

Where any of the circumstances prescribed in items (i) and (ii) occurs and has not yet distributed assets to Shareholders, the Company may continue to exist after the amendment to the Articles of Association or by resolution of the general meeting.

If the Company is dissolved under items (i), (ii), (iv) or (v), a liquidation committee shall be set up, which shall start liquidation within fifteen (15) days from the date of occurrence of the cause for dissolution. The members of such liquidation committee shall be determined by the Directors or the Shareholders' general meeting.

The liquidation committee shall notify its creditors within a period of ten (10) days since the date it is established, and make announcements in newspapers within sixty (60) days. Creditors shall, within thirty (30) days since the date of receiving the notice, or for creditors who do not receive the notice, within forty-five (45) days since the date of the public announcement, report their creditors' rights to the liquidation committee.

If the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and schedule of assets, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court for a declaration of bankruptcy.

Upon acceptance of a bankruptcy application by a people's court, the Company's liquidation committee shall refer the liquidation matters to the People's Court.

Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, submit the same to the general meeting or the people's court for confirmation, and submit the aforementioned documents to the company registration authority to apply for company deregistration.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) after the PRC Company Law or relevant laws and regulations or regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association are in conflict with the provisions of the amended ones;
- (ii) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;
- (iii) the general meeting decides to amend the Articles of Association.

1. FURTHER INFORMATION ABOUT OUR COMPANY**A. Incorporation**

We were incorporated as a joint stock limited company in the PRC on March 20, 2017. Our Company has established a principal place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on June 10, 2025. Mr. Lam Kang Chi has been appointed as our agent for the acceptance of service of process in Hong Kong. As our Company was incorporated in the PRC, our corporate structure and the Articles are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of the Articles of Association of the Company is set out in Appendix V to this prospectus.

B. Changes in Share Capital

At the date of our Company's establishment as a joint stock limited company, its registered capital was RMB10,000,000, divided into 10,000,000 Domestic Unlisted Shares of nominal value of RMB1.00 each.

Save as disclosed in "History and Corporate Structure", there had been no alterations of our share capital within two years immediately preceding the date of this prospectus.

Upon completion of the Global Offering, but without taking into account any exercise of the Pre-IPO Share Option and the Over-allotment Option, our registered share capital will increase from RMB158,266,607 to RMB173,101,207, comprising 173,101,207 H Shares fully paid up, representing approximately 100% of our total issued share capital, respectively.

C. Our Company's Shareholders' Meetings Held on June 9, 2025

At the Shareholders' meeting of our Company held on June 9, 2025, the following resolutions were passed by the Shareholders of our Company, among other things:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;
- (b) the proposed number of H Shares to be offered under the Global Offering and the grant of the Over-allotment Option. The number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 25% of the total number of H Shares to be offered initially pursuant to the Global Offering;
- (c) the Board and its authorized person are authorized to deal with matters in connection with the Global Offering and Listing; and
- (d) subject to the completion of the Global Offering, the Articles of Association effective on the Listing Date has been adopted, and the Board has been authorized to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

D. Change in Share Capital of Our Company's Subsidiaries

Our Company's subsidiaries (for the purpose of the Listing Rules) as of the Latest Practicable Date are set out in the Accountants' Report under Appendix I to this prospectus.

The following sets out the changes in the share capital of our subsidiaries that made a material contribution to our results of operations during the two years immediately preceding the date of this prospectus. For details of our major subsidiaries, see "History and Corporate Structure – Corporate and Shareholding Structure."

Beijing Zhongke Wencai Technology Center (Limited Partnership) (北京中科文才科技中心(有限合夥))

On January 30, 2024, Beijing Zhongke Wencai Technology Center (Limited Partnership) was established under the laws of the PRC with a registered capital of RMB1,000,000.

Beijing Zhongke Wenge Technology Media Co., Ltd. (北京中科聞歌科技傳媒有限公司)

On March 18, 2025 Beijing Zhongke Wenge Technology Media Co., Ltd. was established under the laws of the PRC with a registered capital of RMB1,000,000 and its registered capital was further increased to RMB10,500,000 on October 30, 2025.

Wenge Decai (Beijing) Technology Center (Limited Partnership) (聞歌德才(北京)科技中心(有限合夥), "Wenge Decai")

On August 28, 2025, Wenge Decai was established under the laws of the PRC with a registered capital of RMB3,000,000.

Guoke Zhiyi (Beijing) Technology Co., Ltd. (國科智醫(北京)科技有限公司, "Guoke Zhiyi")

On September 9, 2025, Guoke Zhiyi was established under the laws of the PRC with a registered capital of RMB1,000,000.

Wenge Wenyi (Beijing) Technology Center (Limited Partnership) (聞歌聞醫(北京)科技中心(有限合夥), "Wenge Wenyi")

On September 17, 2025, Wenge Wenyi was established under the laws of the PRC with a registered capital of RMB1,000,000.

Shenzhen Zhisuan Julang Technology Co., Ltd. (深圳智算巨量科技有限公司, "Zhisuan Julang")

On November 4, 2025, Zhisuan Julang was established under the laws of the PRC with a registered capital of RMB5,000,000.

Guoke Zhixue (Beijing) Technology Co., Ltd. (國科智學(北京)科技有限公司, “*Guoke Zhixue*”)

On November 10, 2025, Guoke Zhixue was established under the laws of the PRC with a registered capital of RMB1,000,000.

Guoke Panshi (Beijing) Technology Co., Ltd. (國科磐石(北京)科技有限公司, “*Guoke Panshi*”)

On November 10, 2025, Guoke Panshi was established under the laws of the PRC with a registered capital of RMB1,000,000.

Guoke Julang (Beijing) Technology Co., Ltd. (國科巨量(北京)科技有限公司, “*Guoke Julang*”)

On November 10, 2025, Guoke Julang was established under the laws of the PRC with a registered capital of RMB1,000,000.

Beijing Geqi Technology Center (Limited Partnership) (北京歌啟科技中心(有限合夥), “*Beijing Geqi Technology*”)

On 20 March 2026, Beijing Geqi Technology was established under the laws of the PRC with a registered share capital of RMB3,000,000.

Shaoxing Geqi Technology Partnership Enterprise (Limited Partnership) (紹興歌啟科技合夥企業(有限合夥), “*Shaoxing Geqi Technology*”)

On 23 March 2026, Shaoxing Geqi Technology was established under the laws of the PRC with a registered share capital of RMB3,000,000.

Shaoxing Song Research Technology Partnership Enterprise (Limited Partnership) (紹興歌研科技合夥企業(有限合夥), “*Shaoxing Song Research Technology*”)

On 23 March 2026, Shaoxing Song Research Technology was established under the laws of the PRC with a registered share capital of RMB2,550,000.

Zhejiang Wenge Industrial Intelligent Technology Co., Ltd. (浙江聞歌工業智能科技有限公司, “*Zhejiang Wenge Industrial*”)

On 25 March 2026, Zhejiang Wenge Industrial was established under the laws of the PRC with a registered share capital of RMB10,000,000.

Zhejiang Juxi Intelligent Technology Co., Ltd. (浙江巨細智能科技有限公司, “*Zhejiang Juxi Intelligent*”)

On 27 March 2026, Zhejiang Juxi Intelligent was established under the laws of the PRC with a registered share capital of RMB10,000,000.

Save as set out above, there has been no alteration in the registered capital of our subsidiaries during the two years immediately preceding the date of this prospectus.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

Our Company has entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this prospectus which are or may be material, a copy of each has been delivered to the Registrar of Companies for registration:

- (a) the capital increase agreement (增資協議) dated November 28, 2024 entered into by and among our Company, Beijing Artificial Intelligence Industry Investment Fund (Limited Partnership)* (北京市人工智能產業投資基金(有限合夥)) (“AI Fund”), Wenge Zhicai (Tianjin) Technology Center (Limited Partnership)* (聞歌智才(天津)科技中心(有限合夥)), Wenge Jiangcai (Tianjin) Technology Center (Limited Partnership)* (聞歌匠才(天津)科技中心(有限合夥)), Yuxin Digital Technology (Henan) Equity Investment Fund Partnership (Limited Partnership)* (豫信數科(河南)股權投資基金合夥企業(有限合夥)), Shenzhen Hengbang Zhiyuan No.23 Venture Capital Partnership (Limited Partnership)* (深圳市恒邦致遠二十三號創業投資合夥企業(有限合夥)), Shenzhen Hengbang Zhiyuan No. 20 Venture Capital Partnership (Limited Partnership)* (深圳市恒邦致遠二十號創業投資合夥企業(有限合夥)), Qingdao Xinding Gnaw Ge Jinwu Private Equity Investment Fund Partnership (Limited Partnership)* (青島新鼎啃哥錦伍私募股權投資基金合夥企業(有限合夥)), Qingdao Xindinggnanggexin Third Investment Partnership (Limited Partnership)* (青島新鼎啃哥欣叁投資合夥企業(有限合夥)), CDBC Manufacturing Industry Transformation and Upgrading Fund (Limited Partnership)* (國開製造業轉型升級基金(有限合夥)), CCTV Integrated Media Industry Investment Fund (Limited Partnership)* (央視融媒體產業投資基金(有限合夥)), Beijing Zhongguancun Science City Technology Growth Investment Partnership Enterprise (Limited Partnership)* (北京中關村科學城科技成長投資合夥企業(有限合夥)), Zhuhai Daye Shengde Technology Management Center (Limited Partnership)* (珠海大業盛德科技管理中心(有限合夥)), Guoke Dacheng Kechuang Equity Investment Fund (Tianjin) Partnership Enterprise (Limited Partnership)* (國科大成科創股權投資基金(天津)合夥企業(有限合夥)), Guoke Xinxing Kechuang Equity Investment Fund (Tianjin) Partnership Enterprise (Limited Partnership)* (國科新興科創股權投資基金(天津)合夥企業(有限合夥)), Shenzhen Hengbang Growth No.10 Venture Capital Partnership Enterprise (Limited Partnership)* (深圳市恒邦成長十號創業投資合夥企業(有限合夥)), Beijing Wendan Technology Co., Ltd. (Limited Partnership)* (北京文丹科技有限合夥企業(有限合夥)), Gongqingcheng Ruisheng Equity Investment Partnership Enterprise (Limited Partnership)* (共青城瑞晟股權投資合夥企業(有限合夥)), China Internet Investment Fund (Limited Partnership)* (中國互聯網投資基金(有限合夥)), Infotech National Emerging Industry Venture Investment Guidance Fund (Limited Partnership)* (盈富泰克國家新興產業創業投資引導基金(有限合夥)),

Shenzhen Shenbao Yiben Cultural Industry Equity Investment Fund Partnership (Limited Partnership)* (深圳市深報一本文化產業股權投資基金合夥企業(有限合夥)), Xiyue Xinmei No. 1 (Zhuhai) Equity Investment Partnership Enterprise (Limited Partnership)* (喜粵新媒一號(珠海)股權投資基金合夥企業(有限合夥)), Jiaxing Xingge Equity Investment Partnership Enterprise (Limited Partnership)* (嘉興興歌股權投資合夥企業(有限合夥)), Liaoning Xinxing Phase II Cultural Entrepreneurship Investment Fund Partnership Enterprise (Limited Partnership)* (遼寧新興二期文化創業投資基金合夥企業(有限合夥)), Shenzhen Hengbang Growth No.5 Venture Capital Partnership Enterprise (Limited Partnership)* (深圳市恒邦成長五號創業投資合夥企業(有限合夥)), Shenzhen Shengrunda Investment Co., Ltd* (深圳聖潤達投資有限公司), National Science and Technology Achievement Transformation Entrepreneurship Investment Fund (Wuhan) Partnership Enterprise (Limited Partnership)* (國科科技成果轉化創業投資基金(武漢)合夥企業(有限合夥)), Shenzhen Capital Group Co., Ltd.* (深圳市創新投資集團有限公司), Beijing Hongtu Tech Technology Entrepreneurship Investment Center (Limited Partnership)* (北京紅土科技創業投資中心(有限合夥)), Zhongke Liandong Chuangxin Equity Investment Fund (Shaoxing) Partnership (Limited Partnership)* (中科聯動創新股權投資基金(紹興)合夥企業(有限合夥)), Beijing Zhongzi Innovation Artificial Intelligence Venture Capital Phase I Fund (Limited Partnership)* (北京中自創新人工智能創投一期基金(有限合夥)), Beijing Guoke Dingzhi Equity Investment Center (Limited Partnership)* (北京國科鼎智股權投資中心(有限合夥)), Beijing Jinke Huisheng Venture Capital Partnership (Limited Partnership)* (北京金科匯晟創業投資合夥企業(有限合夥)), Guizhou Fenghou Zhiyuan Venture Capital Center (Limited Partnership)* (貴州豐厚智源創業投資中心(有限合夥)), Beijing Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership)* (北京中科創星硬科技創業投資合夥企業(有限合夥)), Ruide Huihuang Investment Co., Ltd.* (瑞得輝煌投資有限公司), Qingdao Lanhai Fangzhou Venture Capital Fund Partnership (Limited Partnership)* (青島藍海方舟創業投資基金合夥企業(有限合夥)), Shenzhen Hengbang Zhiyuan No.5 Investment Partnership Enterprise (Limited Partnership)* (深圳市恒邦致遠五號投資合夥企業(有限合夥)), Fuzhou Youbang Technology Center (General Partnership)* (撫州市友邦科技中心(普通合夥)), Beijing Zhongzi Investment Management Company Limited* (北京中自投資管理有限公司), Zhongke Youcai (Hainan) Science and Technology Center (Limited Partnership)* (中科優才(海南)科技中心(有限合夥)), Beijing Zhongke Sanshi Technology Development Co., Ltd.* (北京中科三石科技發展有限公司), Beijing Phase II Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership)* (北京二期中科創星硬科技創業投資合夥企業(有限合夥)), Wang Lei, Luo Yin, and Zeng Dajun, pursuant to which AI Fund agreed to subscribe for 6,428,571 Shares at a consideration of RMB150,000,000;

- (b) the capital increase agreement (增資協議) dated June 5, 2025 entered into by and among our Company, Beijing Shijingshan District Modern Innovation Industry Development Fund Co., Ltd.* (北京市石景山區現代創新產業發展基金有限公司) (“**Modern Industry Fund**”), Hainan Xinyi Technology Center (Limited

Partnership)* (海南新移科技中心(有限合夥)) (“**Hainan Xinyi**”), Beijing Artificial Intelligence Industry Investment Fund (Limited Partnership)* (北京市人工智能產業投資基金(有限合夥)), Wenge Zhicai (Tianjin) Technology Center (Limited Partnership)* (聞歌智才(天津)科技中心(有限合夥)), Wenge Jiangcai (Tianjin) Technology Center (Limited Partnership)* (聞歌匠才(天津)科技中心(有限合夥)), Yuxin Digital Technology (Henan) Equity Investment Fund Partnership (Limited Partnership)* (豫信數科(河南)股權投資基金合夥企業(有限合夥)), Shenzhen Hengbang Zhiyuan No. 23 Venture Capital Partnership (Limited Partnership)* (深圳市恒邦致遠二十三號創業投資合夥企業(有限合夥)), Shenzhen Hengbang Zhiyuan No. 20 Venture Capital Partnership (Limited Partnership)* (深圳市恒邦致遠二十號創業投資合夥企業(有限合夥)), Qingdao Xinding Gnaw Ge Jinwu Private Equity Investment Fund Partnership (Limited Partnership)* (青島新鼎啃哥錦伍私募股權投資基金合夥企業(有限合夥)), Qingdao Xindinggnanggexin Third Investment Partnership (Limited Partnership)* (青島新鼎啃哥欣叁投資合夥企業(有限合夥)), CDBC Manufacturing Industry Transformation and Upgrading Fund (Limited Partnership)* (國開製造業轉型升級基金(有限合夥)), CCTV Integrated Media Industry Investment Fund (Limited Partnership)* (央視融媒體產業投資基金(有限合夥)), Beijing Zhongguancun Science City Technology Growth Investment Partnership Enterprise (Limited Partnership)* (北京中關村科學城科技成長投資合夥企業(有限合夥)), Zhuhai Daye Shengde Technology Management Center (Limited Partnership)* (珠海大業盛德科技管理中心(有限合夥)), Guoke Dacheng Kechuang Equity Investment Fund (Tianjin) Partnership Enterprise (Limited Partnership)* (國科大成科創股權投資基金(天津)合夥企業(有限合夥)), Guoke Xinxing Kechuang Equity Investment Fund (Tianjin) Partnership Enterprise (Limited Partnership)* (國科新興科創股權投資基金(天津)合夥企業(有限合夥)), Shenzhen Hengbang Growth No. 10 Venture Capital Partnership Enterprise (Limited Partnership)* (深圳市恒邦成長十號創業投資合夥企業(有限合夥)), Beijing Wendan Technology Co., Ltd. (Limited Partnership)* (北京文丹科技有限合夥企業(有限合夥)), Gongqingcheng Ruisheng Equity Investment Partnership Enterprise (Limited Partnership)* (共青城瑞晟股權投資合夥企業(有限合夥)), China Internet Investment Fund (Limited Partnership)* (中國互聯網投資基金(有限合夥)), Infotech National Emerging Industry Venture Investment Guidance Fund (Limited Partnership)* (盈富泰克國家新興產業創業投資引導基金(有限合夥)), Shenzhen Shenbao Yiben Cultural Industry Equity Investment Fund Partnership (Limited Partnership)* (深圳市深報一本文化產業股權投資基金合夥企業(有限合夥)), Xiyue Xinmei No. 1 (Zhuhai) Equity Investment Partnership Enterprise (Limited Partnership)* (喜粵新媒一號(珠海)股權投資基金合夥企業(有限合夥)), Jiaxing Xingge Equity Investment Partnership Enterprise (Limited Partnership)* (嘉興興歌股權投資合夥企業(有限合夥)), Liaoning Xinxing Phase II Cultural Entrepreneurship Investment Fund Partnership Enterprise (Limited Partnership)* (遼寧新興二期文化創業投資基金合夥企業(有限合夥)), Shenzhen Hengbang Growth No. 5 Venture Capital Partnership Enterprise (Limited Partnership)* (深圳市恒邦成長五號創業投資合夥企業(有限合夥)), Shenzhen Shengrunda Investment Co., Ltd* (深圳聖潤達投資有限公司), National Science and Technology Achievement Transformation Entrepreneurship Investment Fund (Wuhan) Partnership Enterprise (Limited Partnership)* (國科科技成果轉化創

業投資基金(武漢)合夥企業(有限合夥)), Shenzhen Capital Group Co., Ltd.* (深圳市創新投資集團有限公司), Beijing Hongtu Tech Technology Entrepreneurship Investment Center (Limited Partnership)* (北京紅土科技創業投資中心(有限合夥)), Zhongke Liandong Chuangxin Equity Investment Fund (Shaoxing) Partnership (Limited Partnership)* (中科聯動創新股權投資基金(紹興)合夥企業(有限合夥)), Beijing Zhongzi Innovation Artificial Intelligence Venture Capital Phase I Fund (Limited Partnership)* (北京中自創新人工智能創投一期基金(有限合夥)), Beijing Guoke Dingzhi Equity Investment Center (Limited Partnership)* (北京國科鼎智股權投資中心(有限合夥)), Beijing Jinke Huisheng Venture Capital Partnership (Limited Partnership)* (北京金科匯晟創業投資合夥企業(有限合夥)), Guizhou Fenghou Zhiyuan Venture Capital Center (Limited Partnership)* (貴州豐厚智源創業投資中心(有限合夥)), Beijing Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership)* (北京中科創星硬科技創業投資合夥企業(有限合夥)), Ruide Huihuang Investment Co., Ltd.* (瑞得輝煌投資有限公司), Qingdao Lanhai Fangzhou Venture Capital Fund Partnership (Limited Partnership)* (青島藍海方舟創業投資基金合夥企業(有限合夥)), Shenzhen Hengbang Zhiyuan No. 5 Investment Partnership Enterprise (Limited Partnership)* (深圳市恒邦致遠五號投資合夥企業(有限合夥)), Fuzhou Youbang Technology Center (General Partnership)* (撫州市友邦科技中心(普通合夥)), Beijing Zhongzi Investment Management Company Limited* (北京中自投資管理有限公司), Zhongke Youcai (Hainan) Science and Technology Center (Limited Partnership)* (中科優才(海南)科技中心(有限合夥)), Beijing Zhongke Sanshi Technology Development Co., Ltd.* (北京中科三石科技發展有限公司), Beijing Phase II Zhongke Chuangxing Hard Technology Venture Capital Partnership (Limited Partnership)* (北京二期中科創星硬科技創業投資合夥企業(有限合夥)), Wang Lei, Luo Yin, and Zeng Dajun, pursuant to which Modern Industry Fund and Hainan Xinyi agreed to subscribed for 782,143 Shares and 1,055,893 Shares at a consideration of RMB20.0 million and RMB27.0 million respectively;

- (c) the share transfer and capital increase agreement dated April 28, 2025, entered into between Beijing Zhongke Wenge Technology Media Co., Ltd.* (北京中科聞歌科技傳媒有限公司) (“**Wenge Media**”), Zhejiang Xinhua Mobile Media Co., Ltd.* (浙江新華移動傳媒股份有限公司) (“**Xinhua Mobile**”), Yan Guangsheng (顏廣生, “**Mr. Yan**”), Hangzhou Dulai Network Technology Co., Ltd.* (杭州都來網路科技有限公司, “**Hangzhou Dulai**”), Yangpu Runhang Investment Partnership (Limited Partnership)* (洋浦潤杭投資合夥企業(有限合夥), “**Yangpu Runhang**”), Hainan Xinyi Investment Center (Limited Partnership)* (海南新移投資中心(有限合夥), “**Xinyi Investment**”), Ucap Cloud Information Technology Co., Ltd.* (開普雲信息科技股份有限公司, “**Ucap Technology**”), and Beijing Linteng Tianhai Advertising Co., Ltd.* (北京麟騰天海廣告有限公司, “**Beijing Linteng**”), pursuant to which (i) Mr. Yan, Hangzhou Dulai, Yangpu Runhang and Xinyi Investment, as the sellers, agreed to sell and Wenge Media, as the purchaser, agreed to purchase 10,131,000 shares of Xinhua Mobile at the consideration of RMB31,001,000; and (ii) Wenge Media agreed to subscribe for the additional registered capital of Xinhua Mobile of RMB6,536,100 at the consideration of RMB20,000,000;

- (d) the capital increase agreement dated July 22, 2025 entered into between Super Intelligent Computing (Beijing) Technology Co., Ltd.* (超智算(北京)科技有限公司) (“**SIC**”), Super Intelligent Computing (Yangquan) Technology Co., Ltd.* (超智算(陽泉)科技有限公司), Super Intelligent Computing Guoxing (Beijing) Technology Co., Ltd.* (超智算國興(北京)科技有限公司), Super Intelligent Computing Guohe (Beijing) Technology Co., Ltd.* (超智算國合(北京)科技有限公司), Super Intelligent Computing (Xi’an) Technology Co., Ltd.* (超智算(西安)科技有限公司), Liu Mingtao (劉明濤), Beijing Jianghong Enterprise Management Center (Limited Partnership)* (北京江弘企業管理中心 (有限合夥)), Beijing Zhuotairuixin Technology Industry Development Co., Ltd.* (北京卓泰瑞欣科技產業發展有限公司), Beijing Hongcan Enterprise Management Center (Limited Partnership)* (北京鴻燦企業管理中心(有限合夥)), Beijing Shijingshan District Modern Innovation Industry Development Fund Co., Ltd.* (北京市石景山區現代創新產業發展基金有限公司), and Beijing Zhongke Wencai Technology Center (Limited Partnership)* (北京中科文才科技中心(有限合夥)) (“**Zhongke Wencai**”), pursuant to which Zhongke Wencai agreed to subscribe for the additional registered capital of SIC of RMB900,000 at the consideration of RMB18,000,000;
- (e) the share subscription agreement dated August 11, 2025 entered into between D2 Intelligence Limited (中科聞歌國際有限公司) (“**D2 Intelligence**”), with Cherrypicks International Holdings Limited (創奇思國際控股有限公司) (“**Cherrypicks International**”), NetDragon Websoft Inc., and Chiu Tsz Kiu Jason Felix, pursuant to which Cherrypicks International agreed to issue to D2 Intelligence and D2 Intelligence wishes to subscribe from Cherrypicks International 542 shares at RMB18,439.98 (or its equivalent in USD) per share for an aggregate amount of RMB10,000,000 (or its equivalent in USD);
- (f) the Hong Kong Underwriting Agreement;
- (g) the cornerstone investment agreement dated June 15, 2026, entered into among the Company, China Orient International Asset Management Limited – China Orient Enhanced Income Fund, and China International Capital Corporation Hong Kong Securities Limited, pursuant to which China Orient International Asset Management Limited – China Orient Enhanced Income Fund agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of US\$6,000,000;
- (h) the cornerstone investment agreement dated June 15, 2026, entered into among the Company, Harvest Global Investments Limited (嘉實國際資產管理有限公司), and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Harvest Global Investments Limited (嘉實國際資產管理有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of US\$6,000,000;

- (i) the cornerstone investment agreement dated June 15, 2026, entered into among the Company, First Seafront Asset Management Limited (前海國際基金管理有限公司), China International Capital Corporation Hong Kong Securities Limited and ABCI Capital Limited, pursuant to which First Seafront Asset Management Limited (前海國際基金管理有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of US\$5,000,000;
- (j) the cornerstone investment agreement dated June 15, 2026, entered into among the Company, Guohui (HK) Holdings Co., Limited (國惠(香港)控股有限公司), and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Guohui (HK) Holdings Co., Limited (國惠(香港)控股有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of US\$5,000,000;
- (k) the cornerstone investment agreement dated June 15, 2026, entered into among the Company, Huatai Capital Investment Limited (華泰資本投資有限公司), and China International Capital Corporation Hong Kong Securities Limited, pursuant to which Huatai Capital Investment Limited (華泰資本投資有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of US\$5,000,000;
- (l) the cornerstone investment agreement dated June 15, 2026, entered into among the Company, CMBC International Investment (HK) Limited (民銀國際投資(香港)有限公司), and China International Capital Corporation Hong Kong Securities Limited, pursuant to which CMBC International Investment (HK) Limited (民銀國際投資(香港)有限公司) agreed to subscribe for Offer Shares at the Offer Price in the aggregate amount of US\$4,000,000.

B. Our Intellectual Property Rights**(a) Trademarks**

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
闻歌	PRC	Company	42	32118052	2029-04-06
			38	32126502	2029-04-06
			35	32132836	2029-05-27
			9	32133900	2029-06-06
wenge	PRC	Company	42	32132591	2029-05-27
			38	32138709	2029-04-06
			35	32124868	2029-05-27
			9	32125904	2029-06-20
中科闻歌	PRC	Company	42	32137944	2029-04-06
			38	32131833	2029-04-06
			35	32129988	2029-04-06
			9	32142179	2029-04-06
	PRC	Company	42	37925638	2030-04-27
			9	37922040	2030-03-06
	PRC	Company	42	51688027	2032-04-13
			41	51647690A	2031-11-13
			38	51652426	2031-10-06
			35	51665477A	2031-11-13
			9	51647110	2031-10-06
	PRC	Company	42	51688037	2032-09-06
			38	51685788	2032-05-06
			35	51652395	2031-11-20
	PRC	Company	42	59461820	2032-03-20
			35	59443367	2032-03-20
			9	59232433	2032-03-27
wisea	PRC	Company	42	59442164	2032-05-20
			9	59236988	2032-06-13
	PRC	Company	42	59448244	2032-05-27
	PRC	Company	35	60092640	2032-07-06
	PRC	Company	9	61227371	2032-08-13
			9	62084449	2032-09-20

Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
	PRC	Company	9	61231215	2032-08-20
	PRC	Company	9	61250087	2032-08-13
	PRC	Company	42	66684626	2033-04-13
			38	66683577	2033-02-06
			36	66677067	2033-04-13
			35	66673570	2033-04-13
			9	66677038	2033-04-13
	PRC	Company	42	66675490	2033-09-13
			9	66677042	2033-04-13
	PRC	Company	41	68955384	2033-06-27
YaYi	PRC	Company	41	70983431	2034-01-06
			9	70997236	2034-01-13
	Hong Kong	Company	42	306893812	2035-05-08
			41		
			38		
			35		
			9		

As of the Latest Practicable Date, we have applied for the registration of the following trademarks which we consider to be or may be material to our business:

Trademark	Place of registration	Rights holder	Category	Application date
Zhongke	Hong Kong	Company	9, 35, 38, 41, 42	2025-12-01
WengAI	Hong Kong	Company	9, 35, 38, 41, 42	2025-12-01

(b) Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

Copyright	Copyright owner	Registration number	Date of registration
“Wensi” Decision Support Service Platform [Abbreviation: “Wensi” System] V1.0 (「聞思」決策服務平台[簡稱:「聞思」系統] V1.0)	Issuer	2017SR378903	2017-07-18

Copyright	Copyright owner	Registration number	Date of registration
Media Big Data Editorial Operations Decision-Making System [Abbreviation: Media Editorial Operations System] V1.0 (媒體大數據編務決策系統[簡稱:「媒體編務系統」] V1.0)	Issuer	2017SR435830	2017-08-10
“Tianhu” Super Intelligent Computing Platform [Abbreviation: “Tianhu” Platform] V1.0 (「天湖」超級智算平台[簡稱:「天湖」平台] V1.0)	Issuer	2019SR0068550	2019-01-21
“Tianhu” Data Distributed Storage and Analysis System V1.0 (「天湖」數據分佈式存儲分析系統V1.0)	Issuer	2019SR1276887	2019-12-04
Big Data Visualization Governance and Multidimensional Analysis System V1.0 (大數據可視化治理與多維分析系統V1.0)	Issuer	2019SR1276844	2019-12-04
Big Data Intelligent Engine Software – Data Collection System V6.0 (大數據智能引擎軟件-數據採集系統V6.0)	Issuer	2021SR0583551	2021-04-23
Multi-Source Heterogeneous Data Correlation and Integration Platform [Abbreviation: DataX+] V1.0 (多源異構數據關聯整合平台[簡稱:DataX+] V1.0)	Issuer	2021SR1796032	2021-11-18
Data Exchange and Sharing Service Platform V1.0 (數據交換共享服務平台 V1.0)	Issuer	2021SR1832515	2021-11-22
Tianhu Intelligent Computing Platform V2.0 (天湖智算平台 V2.0)	Issuer	2021SR1832517	2021-11-22
Machine Learning Platform V1.0 (機器學習平台 V1.0)	Issuer	2021SR1852696	2021-11-23
Data Intelligent Middleware Software V1.0 (數據智能中台軟件 V1.0)	Issuer	2021SR1888900	2021-11-25
Knowledge Graph Exploratory Analysis Application Platform [Abbreviation: Knowledge Analysis System] V1.0 (知識圖譜探索式分析應用平台[簡稱:知識分析系統] V1.0)	Issuer	2021SR1923617	2021-11-29

Copyright	Copyright owner	Registration number	Date of registration
Domain Knowledge Graph Management Platform [Abbreviation: Knowledge Management System] V1.0 (領域知識圖譜管理平台[簡稱:知識管理系統] V1.0)	Issuer	2021SR1923618	2021-11-29
Domain Knowledge Graph Intelligent Construction Platform [Abbreviation: Knowledge Construction System] V1.0 (領域知識圖譜智能構建平台[簡稱:知識構建系統] V1.0)	Issuer	2021SR1923616	2021-11-29
Artificial Intelligence Platform V1.0 (人工智能平台 V1.0)	Issuer	2021SR1972935	2021-12-02
Data Integration and Converged Platform V1.0 (數據集成融合平台 V1.0)	Issuer	2021SR1972934	2021-12-02
Multi-Modal Content Retrieval System [Abbreviation: Multi-Modal Retrieval] V1.0 (多模態內容檢索系統 [簡稱:多模態檢索] V1.0)	Issuer	2021SR2066289	2021-12-16
Financial Domain-Oriented NLP Modeling Platform V1.0 (一種面向金融領域的自然語言處理建模平台 V1.0)	Issuer	2022SR0119628	2022-01-18
Data Quality Management Software V2.0 (數據質量管理軟件 V2.0)	Issuer	2022SR1605682	2022-12-24
Multi-Functional Video Editing Software [Abbreviation: Video Editing] V1.0 (多功能視頻編輯軟件 [簡稱:視頻編輯]V1.0)	Issuer	2023SR0211935	2023-02-08
Video Automatic Segmentation and Speed Adjustment Software [Abbreviation: Segmentation & Speed Adjustment] V1.0 (視頻自動拆條與變速軟件 [簡稱:自動拆條與變速]V1.0)	Issuer	2023SR0211951	2023-02-08
Data Security Platform V2.0 (數據安全平台V2.0)	Issuer	2023SR0344366	2023-03-16
Data Development Platform V2.0 (數據開發平台V2.0)	Issuer	2023SR0344370	2023-03-16
Data Governance Platform V2.0 (數據治理平台V2.0)	Issuer	2023SR0344367	2023-03-16

Copyright	Copyright owner	Registration number	Date of registration
Data Annotation Platform [Abbreviation: Data Annotation] V2.0 (數據標注平台[簡稱:數據標注] V2.0)	Issuer	2023SR0344371	2023-03-16
Machine Translation Platform V1.0 (機 器翻譯平台V1.0)	Issuer	2023SR0431132	2023-04-03
Large-Scale Knowledge Graph Modeling and Management System V2.0 (大規模知識圖譜建模與管理系 統V2.0)	Issuer	2023SR0431134	2023-04-03
Large-Scale Knowledge Graph Automated Construction System V2.0 (大規模知識圖譜自動構建系統V2.0) .	Issuer	2023SR0431135	2023-04-03
Exploratory Knowledge Graph Analysis System V2.0 (探索式知識圖譜分析系 統V2.0)	Issuer	2023SR0431136	2023-04-03
Media Large Model Intelligent Topic Selection System [Abbreviation: Intelligent Topic Selection] V1.0 (媒 體大模型智能選題系統[簡稱:智能選 題] V1.0).	Issuer	2023SR1248243	2023-10-17
YAYi Large Model Application Platform [Abbreviation: YAYi] V1.0 (雅意大模型應用平台[簡稱:YAYi 雅 意] V1.0).	Issuer	2023SR1359655	2023-11-02
Multi-Modal Knowledge Graph System Software V1.0 (多模態知識圖譜系統 軟件V1.0)	Issuer	2023SR1394409	2023-11-07
Workflow Engine Software V1.0 (工作 流引擎軟件V1.0)	Issuer	2023SR1496441	2023-11-23
YAYi Large Model Software V1.0 (雅 意大模型軟件V1.0).	Issuer	2023SR1493626	2023-11-23
YAYi Document Intelligent Q&A System V1.0 (雅意文檔智能問答系統 V1.0)	Issuer	2023SR1493618	2023-11-23
Lingxi • AIGC Platform [Abbreviation: Lingxi • AIGC] V1.1 (靈犀 • AIGC平台 [簡稱:靈犀 • AIGC] V1.1)	Issuer	2023SR1564309	2023-12-05
Edge Computing Terminal System V1.0 (邊緣計算終端系統V1.0).	Issuer	2024SR1270807	2024-08-29

Copyright	Copyright owner	Registration number	Date of registration
Multi-Investment Intelligent Industry Chain Analysis System V1.0 (多投智能產業鏈分析系統V1.0)	Issuer	2024SR1270815	2024-08-29
YAYi All-in-One Platform [Abbreviation: YAYi] V1.0 (雅意一體機平台[簡稱:雅意] V1.0).	Issuer	2024SR1270939	2024-08-29
Multimodal content intelligent labeling platform V1.0 (多模態內容智能打標平台V1.0)	Issuer	2024SR0871902	2024-06-26
Yayi Intelligent Agent Development Platform [abbreviated as: Intelligent Agent Development] V1.0 (雅意智能體開發平台[簡稱:智能體開發]V1.0)	Issuer	2025SR0357887	2025-02-28
Yayi Large Model Application Platform [abbreviated as: Yayi] V2.0 (雅意大模型應用平台[簡稱:雅意]V2.0)	Issuer	2025SR0402523	2025-03-06
Yayi Intelligent Search System [abbreviated as: Yayi AI Search] V2.0 (雅意智能搜索系統[簡稱:雅意AI搜索]V2.0)	Issuer	2025SR0402554	2025-03-06
Smart Language: Large Model Multi-language Translation Development and Service Application Platform [abbreviated as: Smart Language Translation Expert] V1.0 (智語•大模型多語言翻譯開發與服務應用平台[簡稱:智語•譯專家]V1.0)	Issuer	2025SR0402433	2025-03-06

(c) **Patents**

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Picture similarity detecting and system (一種圖片相似度檢測方法及系統)	2018104884279	Invention patent	2020-07-24

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Text tracing method and device and storage medium (文 本溯源方法、設備及 存儲介質)	2018115779098	Invention patent	2020-10-23
Issuer	Text hotspot extraction method and device (文本熱點提取方法 及裝置)	2019102609248	Invention patent	2020-10-23
Issuer	Domain-oriented text information extraction clustering method and device and storage medium (一種面向領域的文 本信息抽取聚類方 法、設備和存儲介 質)	2019110191493	Invention patent	2020-10-23
Issuer	Information popularity prediction method and device, and storage medium (一 種新聞流行度預測方 法、設備和存儲介 質)	2019104717302	Invention patent	2020-12-04
Issuer	Event cognitive analysis method, system, and storage medium (一種事件認 知分析方法、系統及 存儲介質)	2018110698821	Invention patent	2020-12-08
Issuer	Word vector model construction method and device and keyword matching method and device (詞向量模型的構建 方法、關鍵詞匹配方 法及裝置)	2018115521048	Invention patent	2020-12-08

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Reference identification method, equipment and computer storage medium (一 種引用識別方法、設 備和計算機可存儲介 質)	2018104185039	Invention patent	2021-02-09
Issuer	Decision prediction method and system based on machine learning (一種基於機 器學習的判決預測方 法及系統)	2018102183715	Invention patent	2021-03-12
Issuer	Webpage junk information filtering method and device and storage medium (網頁垃圾信息過濾 方法、裝置及存儲介 質)	201811608345X	Invention patent	2021-06-08
Issuer, Shenzhen Wenge	Image detection method and device, electronic equipment and storage medium (圖像檢測方法、裝 置、電子設備及存儲 介質)	2021105691468	Invention patent	2021-08-31
Issuer	A method and system for analyze large data (一種大數據分 析方法及系統)	2018110687973	Invention patent	2021-09-14
Issuer	Cross-modal data matching method and device, equipment and medium (跨模態數據 的匹配方法、裝置、 設備及介質)	2021111998990	Invention patent	2022-02-22

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Video segmentation method, device, equipment, system and storage medium (視頻切分方法、裝置、設備、系統及存儲介質)	2021113179715	Invention patent	2022-03-04
Issuer	Method and system for analyzing text propagation path (一種文字傳播路徑分析方法及系統)	2018104356329	Invention patent	2022-04-12
Issuer	Cross-modal data matching method and device, equipment and medium (跨模態數據的匹配方法、裝置、設備及介質)	2021111996340	Invention patent	2022-06-28
Issuer	Knowledge graph ontology construction method, device and equipment and readable storage medium (知識圖譜本體構建方法、裝置、設備及可讀存儲介質)	2022103774441	Invention patent	2022-07-29
Issuer	Face counterfeit image identification method and device, equipment and medium (人臉偽造圖像鑒別方法、裝置、設備以及介質)	2022103636598	Invention patent	2022-07-29

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Text classification method, device and equipment and computer readable storage medium (文本分類方法、裝置、設備及計算機可讀存儲介質)	202210340732X	Invention patent	2022-07-29
Issuer	Named entity identification method and device, equipment and medium (命名實體識別方法、裝置、設備及介質)	2021113894854	Invention patent	2022-08-02
Issuer	Quantum computing-based question and answer model construction method and apparatus, and electronic device (一種基於量子計算的問答模型構建方法、裝置及電子設備)	2021116166384	Invention patent	2022-08-19
Issuer	Text abstract extraction method and device, equipment and storage medium (文本摘要抽取方法、裝置、設備及存儲介質)	2021115644849	Invention patent	2022-08-30
Issuer	Stand identification method, apparatus and device, and medium (立場識別方法、裝置、設備及介質)	202111493451X	Invention patent	2022-08-30
Issuer	Video synthesis method and device, equipment and storage medium (一種視頻合成方法、裝置、設備及存儲介質)	2021100032322	Invention patent	2023-03-07

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer, Xinhua Integrated Media Technology Development (Beijing) Co., Ltd (新 華融合媒體科技發展 (北京)有限公司)	Text clustering method based on topic description, electronic equipment and storage medium (基於話題描述的文 本聚類方法、電子設 備和存儲介質)	2023103463678	Invention patent	2023-06-06
Issuer, Xinhua Integrated Media Technology Development (Beijing) Co., Ltd (新 華融合媒體科技發展 (北京)有限公司)	User viewpoint and vertical field acquisition method based on event evolution (基於事件 演化的用戶觀點和立 場獲取方法)	2023103463663	Invention patent	2023-06-13
Issuer	Quantum vision MLP processing system and storage medium (一種量子視覺MLP 處理系統及存儲介 質)	2022115836364	Invention patent	2023-06-23
Issuer	Reinforcement learning model construction method for information retrieval (一種用於信息檢索 的強化學習模型構建 方法)	2022112879160	Invention patent	2023-06-23
Issuer	Visually-driven virtual character processing system (一種視覺驅 動的虛擬角色處理系 統)	202310696721X	Invention patent	2023-10-10
Issuer	Data processing method based on kafka stream, electronic equipment and storage medium (基於kafka流的數據 處理方法、電子設備 及存儲介質)	202311296035X	Invention patent	2023-12-15

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Word vector generation method oriented to large language model, electronic equipment and storage medium (面向大語言模型的詞向量生成方法、電子設備及存儲介質)	2023113744536	Invention patent	2024-01-12
Issuer	Virtual human video synthesis method based on voice driving and face self-driving (基於語音驅動和人臉自驅動的虛擬人視頻合成方法)	2023107247451	Invention patent	2024-01-26
Issuer	Image denoising processing system (一種圖像去噪處理系統)	2023109644111	Invention patent	2024-01-26
Issuer	Emotion analysis method and device based on domain information, equipment and storage medium (基於領域信息的情感分析方法、裝置、設備及存儲介質)	2021108813274	Invention patent	2024-02-23
Issuer	Multi-modal large model training strategy determination method, electronic equipment and medium (一種多模態大模型訓練策略確定方法、電子設備及介質)	2023114153571	Invention patent	2024-04-19

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Multi-modal large language model training method, electronic equipment and storage medium (一種多模態大型語言模型訓練方法、電子設備及存儲介質)	2023114127971	Invention patent	2024-04-26
Issuer, Xinhua Integrated Media Technology Development (Beijing) Co., Ltd (新華融合媒體科技發展(北京)有限公司)	Event context generation method, electronic equipment and storage medium (一種事件脈絡生成方法、電子設備和存儲介質)	202310347374X	Invention patent	2024-05-03
Issuer	Image generation system (一種圖像生成系統)	2023109644249	Invention patent	2024-05-07
Issuer	Text original recognition method and device, electronic equipment and storage medium (一種文本原創識別方法、裝置、電子設備及存儲介質)	2020103407119	Invention patent	2024-05-10
Issuer, Xinhua Integrated Media Technology Development (Beijing) Co., Ltd (新華融合媒體科技發展(北京)有限公司)	Text clustering cleaning and merging method based on topic description (一種基於話題描述的文本聚類清洗和合併方法)	2023103479619	Invention patent	2024-05-14
Issuer	Imby content recognition method and device, electronic equipment and storage medium (諷刺內容識別方法、裝置、電子設備以及存儲介質)	2020115612364	Invention patent	2024-05-14

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Named entity recognition method and device based on ensemble learning, equipment and medium (基於集成學 習的命名實體識別方 法、裝置、設備和介 質)	2019113689621	Invention patent	2024-05-14
Issuer	Test stage training face forgery detection method and system containing uncertainty guidance (含不確定性引導的 測試階段訓練人臉偽 造檢測方法及系統)	2023112249828	Invention patent	2024-05-17
Issuer	Reverse image reconstruction method, device and equipment and readable storage medium (逆轉圖像重 建方法、裝置、設備 及可讀存儲介質)	202310864682X	Invention patent	2024-05-24
Issuer	Abstract generation method and device, electronic equipment and storage medium (摘要生成方法、裝 置、電子設備及存儲 介質)	2020115932911	Invention patent	2024-05-24
Issuer	Intelligent video cutting method and storage medium (一 種智能裁剪視頻的方 法及存儲介質)	2022115727831	Invention patent	2024-05-31

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	News subject identification method and device and computer readable storage medium (一 種新聞主體識別方 法、設備和計算機可 讀存儲介質)	2020102660459	Invention patent	2024-05-3
Issuer	Financial risk clue determination method and device, equipment and medium (金融風險線 索確定方法、裝置、 設備和介質)	2022104701448	Invention patent	2024-06-11
Issuer	Real-time question and answer virtual human video generation method, electronic equipment and storage medium (實時問答虛擬人視 頻生成方法、電子設 備及存儲介質)	2023109640089	Invention patent	2024-07-12
Issuer, Xinhua Integrated Media Technology Development (Beijing) Co., Ltd (新 華融合媒體科技發展 (北京)有限公司)	Topic generation method based on pre-training model (一種基於預訓練模 型的話題生成方法)	202310347857X	Invention patent	2024-07-19
Issuer	Virtual character rendering method, electronic equipment and storage medium (一種虛擬角色的渲 染方法、電子設備及 存儲介質)	2023109672840	Invention patent	2024-08-13

Owner	Patent Name	Patent No.	Type of Patents	Authorization Announcement Date
Issuer	Label data processing method and device, electronic equipment and computer storage medium (標注數據處理方法和裝置、電子設備、計算機存儲介質)	2024109078359	Invention patent	2024-09-17
Issuer	Public health safety event detection and event set construction method and system (公共衛生安全事件檢測及事件集合構建方法及系統)	2020102266876	Invention patent	2024-10-22
Issuer	Frame-containing video copy detection method and device (針對包含邊框的視頻拷貝檢測方法及裝置)	2020106489498	Invention patent	2024-10-29
Issuer, Xinhua Integrated Media Technology Development (Beijing) Co., Ltd (新華融合媒體科技發展(北京)有限公司)	Event knowledge graph construction method and device and electronic equipment (一種事件知識圖譜構建方法、裝置和電子設備)	2024114345913	Invention patent	2024-12-20
Shenzhen Wenge	fog computing architecture based on a data lake and an implementation method thereof (一種基於數據湖的霧計算架構及其實現方法)	2018112601854	Invention patent	2021-09-21

(d) Domain Name

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material to our business:

Domain names	Owner	Place of Registration	Effective Period
wenge.com	Company	PRC	June 22, 1999 to June 22, 2028
wengetech.com	Company	PRC	March 2, 2017 to March 2, 2028
wengegroup.com	Company	PRC	January 20, 2017 to January 20, 2028
xinhuamm.net	Xinhua Mobile	PRC	July 24, 2012 to July 24, 2026

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Directors

(a) Disclosure of Interest

Immediately following the completion of the Global Offering (and assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised), the interest and/or short position of the Directors or the chief executive of our Company in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or is deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange are as follows:

(i) Interest in our Company

Name	Nature of interests	Numbers and class of Shares/Underlying Shares held or interested	Approximate percentage of Shareholding following the completion of the Global Offering	
			Assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised	Assuming the Pre-IPO Share Option and the Over-allotment Option are fully exercised
Dr. Wang.	Beneficial owner	2,816,151 (L)	1.63%	1.61%
	Other ⁽³⁾	11,177,306 (L)	6.46%	6.38%
	Interest in controlled Corporation ⁽⁴⁾	26,231,007 (L)	15.15%	14.96%

Name	Nature of interests	Numbers and class of Shares/Underlying Shares held or interested	Approximate percentage of Shareholding following the completion of the Global Offering	
			Assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised	Assuming the Pre-IPO Share Option and the Over-allotment Option are fully exercised
	Interest in controlled Corporation ⁽⁵⁾	6,268,709 (L)	3.62%	3.58%
	Interest in controlled Corporation ⁽⁵⁾	1,055,893 (L)	0.61%	0.60%
	Interest in controlled Corporation ⁽⁵⁾	974,524 (L)	0.56%	0.55%
Dr. Luo	Beneficial owner	7,339,783 (L)	4.24%	4.19%
	Other ⁽³⁾	6,653,674 (L)	3.84%	3.79%
Mr. Qu	Beneficial owner ⁽⁶⁾	10,000 (L)	0.01%	0.01%

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) The calculation is based on the total number of 173,101,207 H Shares in issue immediately after completion of the Global Offering since 158,266,607 Domestic Unlisted Shares will be converted into 158,266,607 H Shares and 14,834,600 H Shares will be issued pursuant to the Global Offering, assuming that the Pre-IPO Share Option and the Over-allotment Option are not exercised.
- (3) In June 2020, Dr. Wang, Dr. Luo and Prof. Zeng entered into an acting in concert agreement, pursuant to which, Dr. Wang, Dr. Luo and Prof. Zeng agreed to act in concert in the Company’s decision-making and in exercising their voting rights and management rights at the shareholders’ meeting and board of directors’ meeting of the Company respectively. If they could not reach a consensus, Dr. Wang’s opinion would be used as the opinion for unanimous action. (“**Acting-in-Concert Arrangement**”). The Acting-in-Concert Arrangement shall continue to be effective following completion of the Global Offering. By virtue of the SFO, Dr. Wang, Dr. Luo and Prof. Zeng are therefore beneficial interested and deemed to be interested in the total of 13,993,457 Shares held by each other pursuant to the Acting-in-Concert Arrangement. For details, see “Relationship with the Single Largest Group of Shareholders” in this prospectus.
- (4) Dr. Wang is interested in 75.87% share capital of Zhongke Sanshi. By virtue of the SFO, Dr. Wang is deemed to be interested in the Shares held by Zhongke Sanshi.
- (5) As of the Latest Practicable Date, Dr Wang acted as the general partner of Wenge Zhicai, Hainan Xinyi and Wenge Jiangcai. By virtue of the SFO, Dr. Wang is deemed to be interested in the entire Shares held by each of Wenge Zhicai, Hainan Xinyi and Wenge Jiangcai. See “Share Capital – Conversion of Domestic Unlisted Shares into H Shares” for the respective numbers of Domestic Shares and H Shares held by the relevant controlled corporations immediately before and after the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.
- (6) Mr. Qu is interested in 10,000 share options granted to her under the Pre-IPO Share Option Scheme. See the subsection headed “4. Pre-IPO Incentive Plans” of this Appendix for details.

(ii) Interest in associated corporation

Save as disclosed above, immediately following completion of the Global Offering and assuming the Pre-IPO Share Option and the Over-allotment Option are not exercised, none of our Directors and chief executive of our Company has any interest and/or short position in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or is deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange.

(b) Particulars of Service Contracts

Each of the Directors will enter into a contract pursuant to Rule 19A.54 and Rule 19A.55 of the Listing Rules with our Company which provides for, among others, compliance of relevant laws and regulations, observations of the Articles of Association and provision on arbitration with our Company.

Save as disclosed above, none of the Directors of our Company has or is proposed to have a service contract with us (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than statutory compensation).

(c) Directors' Remuneration

For the years ended December 31, 2023, 2024 and 2025, the aggregate amount of fees, salaries, allowances, discretionary bonus, pension-defined contribution plans and other benefits in kind (if applicable) paid by our Company to our Directors were approximately RMB26.87 million, RMB21.74 million, and RMB18.85 million, respectively. Save as disclosed under Note 8 to the Accountants' Report set out in Appendix I to this prospectus, no Director received other remuneration or benefits in kind from our Company in respect of the years ended December 31, 2023, 2024 and 2025.

Pursuant to the existing arrangements that are currently in force as of the date of this prospectus, the amount of remuneration (excluding discretionary bonuses but including share-based payment) payable to our Directors by our Company for the year ending December 31, 2026 is estimated to be approximately RMB6.42 million in aggregate.

B. Substantial Shareholders**(a) Interest in the Shares of our Company**

For information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in the Shares or underlying Shares of our Company which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company, see “Substantial Shareholders” in this prospectus.

(b) Interest in our Company’s Subsidiaries

To the best knowledge of our Company, the following persons (other than our Directors) will, immediately upon completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of any subsidiaries of the Company:

<u>Name of subsidiary of the Company</u>	<u>Name of shareholder</u>	<u>Approximate percentage of the interest</u>
Zhejiang Xinhua Mobile Media Co., Ltd. (浙江新華移動傳媒股份有限公司)	Yan Guangsheng (顏廣生)	14.69%

C. Personal Guarantees

Our Directors have not provided personal guarantees in favor of lenders in connection with banking facilities granted to us.

D. Agency Fees or Commissions Paid or Payable

Save as disclosed in “Underwriting” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries within the two years preceding the date of this prospectus.

E. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executive of our Company has any interests and short positions in our Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or is

deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Companies to be notified to us and the Stock Exchange, in each case once the H Shares of our Company are listed;

- (b) none of our Directors nor any of the parties listed in “4. Other Information — G. Qualification of Experts” of this Appendix is interested in our Company’s promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to our Company, or are proposed to be acquired or disposed of by or leased to our Company;
- (c) none of our Directors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed on the Stock Exchange; save as disclosed in this prospectus, none of the Directors of our Company nor any of the parties listed in “4. Other Information — G. Qualification of Experts” of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (d) none of the parties listed in the “4. Other Information — G. Qualification of Experts” of this Appendix: (i) is interested legally or beneficially in any of the Shares of our Company or any shares in any of its subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the securities of our Company; and
- (e) none of our Directors or the respective close associates or any Shareholders (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

4. PRE-IPO INCENTIVE PLANS

A. Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was adopted and approved on June 9, 2025. The purpose of the Pre-IPO Share Option Scheme is among others, to establish a long-term incentive and restraint mechanism and to motivate and stabilize the participants in order to support the realization of the Company’s strategy and long-term sustainable development. All Shares to be issued under the Pre-IPO Share Option Scheme are H Shares. The Pre-IPO Share Option Scheme is not subject to the provision of Chapter 17 of the Listing Rules as it does not involve the grant of options or share awards by our Company to subscribe for the H Shares after the Listing. As of the Latest Practicable Date, all options under the Pre-IPO Share Option Scheme were granted to and subscribed for by the eligible participants.

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme:

Duration

The validity of the Pre-IPO Share Option Scheme is 10 years.

Management

The management authority of the Pre-IPO Share Option Scheme is our Board. Meanwhile, our Board specially authorizes the equity incentive management committee of our Company as the manager of the Pre-IPO Share Option Scheme to exercise the powers and responsibilities of our Board and manage the execution, implementation and all related work of the Pre-IPO Share Option Scheme.

Eligible Participants

Eligible participants under the Pre-IPO Share Option Scheme include: (i) employees who have entered into labor contracts with our Company or its affiliates during the validity period of the Pre-IPO Share Option Scheme; (ii) consultants who have entered into consulting service agreements with our Company or its affiliates during the validity period of the Pre-IPO Share Option Scheme; and (iii) personnel recognized by our Company as having a significant role or major influence on the operation, management, product research and development, operating performance, or future development of our Company or its affiliates during the validity period of the Pre-IPO Share Option Scheme.

Grant of Options

Before granting any options under the Pre-IPO Share Option Scheme, our Board shall evaluate whether conditions for the grant of options have been satisfied by the relevant Eligible participant, the relevant Eligible participant shall enter into a share option grant agreement with our Company, which sets out the respective rights and obligations of the relevant Eligible participant and our Company.

Maximum Number of Shares Underlying Options

The maximum aggregate number of underlying Shares which may be issued upon exercise of all options granted under the Pre-IPO Share Option Scheme shall not exceed 1,927,290 H Shares.

Exercise Price

The exercise price in respect of each option granted shall be RMB17.9.

Adjustment of the number of Incentive Interests

The number of options granted to the Eligible participants and the final vested number of such options will be adjusted according to factors such as the performance evaluation results and the performance of our Company, and the specific adjustment conditions will be separately agreed upon in the share option grant agreement.

Non-transferability of Options

All options are non-transferable and shall not be used as a form of guarantee or as a repayment of debt, without the consent of our Board or the equity incentive management committee.

Outstanding Options

As of the Latest Practicable Date, outstanding options to subscribe for an aggregate of 1,927,290 H Shares have been granted to a total of 53 Eligible participants. The table below sets out the details of options granted to the Directors, senior management members of our Company and grantees who are not a connected person of our Company and has been granted options to subscribe for 1,927,290 H Shares under the Pre-IPO Share Option Scheme, which are outstanding as of the Latest Practicable Date.

							Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
<i>Director</i>							
Qu Baoyu (曲寶玉)	402, 4th Floor Door 2, Building 4 No. 5 Qinghe Xiaoying East Road Haidian District Beijing, China	Executive Director and vice-president	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	10,000	0.006%
<i>Senior management (other than Directors)</i>							
Ma Li (馬力)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Board Secretary and Joint Company Secretary	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	200,000	0.116%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Zheng Chaomin (鄭超敏)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Chief Financial Officer	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	100,000	0.058%
<i>Core R&D team members (other than Directors)</i>							
Xu Nan(徐楠)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Head of AI research institute of our Company	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	25,000	0.014%
Wang Yigang (王一剛)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Head of the media AI Division of our Company.	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	120,000	0.069%
<i>Connected Persons (other than persons above)</i>							
Yan Guangsheng (顏廣生)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director and substantial shareholder of Xinhua Mobile	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	247,277	0.143%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Dai Ping (戴平)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director of Xinhua Mobile	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	151,000	0.087%
Yang Haixia (楊海霞)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director and General Manager of Xinhua Mobile	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	49,781	0.029%
Li Shuwei (李術偉)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director and deputy general manager of Xinhua Mobile	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	149,781	0.087%
<i>Other Grantees</i>							
Chen Honghong (陳虹宏)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Vice President of General Manager's Office	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	200,000	0.116%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Pang Yijun (龐義軍)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Deputy General Manager of Business Development Center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Hou Jiawei (侯嘉偉)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Chief technology officer of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	8,000	0.005%
Chen Bo (陳博)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	25,000	0.014%
Hua Shusen (滑樹森)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Chief Front-end Engineer of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Sun Weibiao (孫衛標)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Senior WEB Front-end Development Engineer of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Wan Min (萬敏)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Product Manager of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Zhang Lu (張璐)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Senior JAVA Development Engineer of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Zhang Peijing (張培婧)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Manager of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Zhang Fuhuan (張富桓)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Intermediate JAVA Development Engineer of Media AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Wang Yuqi (王宇琪)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director of Social Computing Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	20,000	0.012%
Guo Yingying (郭瑩瑩)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Sales Director of Social Computing Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Liu Yang (劉洋)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Chief Front-end Engineer of Social Computing Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%

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							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Fu Baicheng (富伯成)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Intermediate JAVA Development Engineer of Social Computing Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	6,000	0.003%
Liu Hongyu (劉宏宇)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Intermediate NLP Algorithm Engineer of Social Computing Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	10,000	0.006%
Wu Meng (吳萌)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Product Operation of General AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	3,000	0.002%
Gao Tingting (高婷婷)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Sales Director of General AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	2,000	0.001%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Tian Guanlong (田冠龍)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Senior JAVA Development Engineer of General AI Division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Dong Lifeng (董立峰)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	General Manager of Medical AI Division, General Manager of Tianjin Wen Ge	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	62,600	0.036%
Ge Ren (戈刃)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Project manager of AI division	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Li Junfeng (李軍鋒)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Li Qingxiao (李慶曉)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Manager of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	7,500	0.004%
Sun Lei (孫雷)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Manager of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	10,000	0.006%
Wang Jingyi (王靖宜)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Manager of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	20,000	0.012%
Hao Yanni (郝艷妮)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Manager of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	10,000	0.006%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Li Dong (李東)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Senior JAVA development engineer of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Dong Liwei (董力維)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	NLP algorithm engineer of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	20,000	0.012%
Dong Yao (董堯)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	NLP algorithm engineer of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	20,000	0.012%
Xiao Xinglin (肖星琳)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	NLP algorithm engineer of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	20,000	0.012%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Zhao Jiahao (趙嘉豪)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Intermediate algorithm engineer of AI R&D center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	42,467	0.025%
Liu Daojing (劉道京)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Manager of cloud computing technology department	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Wu Xuemin (武學敏)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Deputy general manager of AI general application division	April 14, 2026	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	10,000	0.006%
Lin Liangdong (林梁棟)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Financial reporting manager of finance center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	10,000	0.006%

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							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Li Weili (李維麗)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Deputy Manager and Head of Financial center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	5,000	0.003%
Zeng Duan (曾端)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	General manager of human resources center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	112,356	0.065%
Li Shuyuan (李書源)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director of human resources center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	24,828	0.014%
Zheng Hongliang (鄭洪亮)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Recruitment director of human resources center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	50,000	0.029%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Zhang Yafei (張姪飛)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Employee relations supervisor of human resources center	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	10,000	0.006%
Li Dina (李迪娜)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	General manager of legal department	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	30,000	0.017%
Li Peng (李鵬)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Director of internal audit department, head of operation management	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	40,000	0.023%
Yang Nana (楊娜娜)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Administrative supervisor of general manager's office	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	8,000	0.005%

Name	Address	Position(s) held within our Group	Date of grant	Vesting period	Exercise price (RMB)	Number of Shares underlying the outstanding and unexercised Options as of the Latest Practicable Date	Shares underlying the outstanding and unexercised Options as an approximate percentage of enlarged issued share capital of our Company
							immediately after completion of the Global Offering (Assuming that the Over-allotment Option are not exercised)
Liu Chang (劉暢)	Room 717, 7th Floor, Building 9, North 4th Ring Road West, Haidian District Beijing, China	Manager of general manager's office	June 10, 2025	25% of the total granted share options shall vest one year from the date of grant and the remaining 75% shall vest on each year thereafter over the next three years in equal portion	17.9	4,000	0.002%
						1,913,590	1.1054%

B. Pre-IPO Employee Share Schemes

In recognition of the contributions of our key employees and to incentivize them to further promote our development, the Pre-IPO Employee Share Schemes were adopted and approved on December 14, 2020 and February 24, 2023 respectively, to award the partnership interest in our employee share platforms to the scheme participants. The Pre-IPO Employee Share Schemes is not subject to the provision of Chapter 17 of the Listing Rules as it does not involve the grant of share awards by our Company to subscribe for the H Shares after the Listing. As of the Latest Practicable Date, all shares under the Pre-IPO Employee Share Schemes were granted to and subscribed for by the eligible participants through the relevant employee share platforms, namely Wenge Zhicai, Wenge Jiangcai, Zhongke Youcai, Zhongke Quncai, Zhongke Yingcai, Zhongke Huicai and Zhongke Cuicai. All Shares issued under the Pre-IPO Employee Share Schemes are Domestic Unlisted Share(s) and to be converted into H Shares on a one-for-one basis upon completion of the “full circulation” and Global Offering. No new awards will be further granted after the Listing pursuant to Pre-IPO Employee Share Schemes.

The following is a summary of the principal terms of the Pre-IPO Employee Share Schemes:

Purpose

The main purpose of the Pre-IPO Employee Share Schemes is to establish and improve the Company's incentive mechanism to maximize employee initiative, motivation and creativity of Participants, facilitating shared participation in corporate value appreciation and personal wealth accumulation, and to foster employees' belonging and achieve shared growth between Participants and the Company.

Administration

The general meeting of the Company, as the supreme authority, shall review and approve the Pre-IPO Employee Share Schemes and/or all amendments thereto. The Board and its duly authorized Equity Incentive Task Force shall serve as the "Administration" for the Pre-IPO Employee Share Schemes, who is responsible for formulating, interpreting, and amending the schemes, and administering relevant matters within the authorized purview of general meeting.

The Administration shall hold authority over all necessary or appropriate matters concerning the Pre-IPO Employee Share Schemes.

Eligible Participants

Participants under the Pre-IPO Employee Share Schemes includes the Directors, senior management, core technical personnel or key business staff, plus other individuals designated by the Company for materially influencing business performance or future development.

Form of Awards under the Pre-IPO Employee Share Schemes

The participants shall subscribe for partnership interests of the relevant employee share platforms, which are limited partnerships, as limited partners according to the number of awards granted under the Pre-IPO Employee Share Schemes, thereby indirectly holding the Shares of our Company by virtue of their capacity as limited partners of the relevant Pre-IPO Employee Share Schemes.

Lock-up Period and Transfer Restrictions

Certain awards shall be subject to a vesting period with (i) 10% of incentive Shares vested immediately on the date being granted and 30%, 20%, 20% and 20% respectively on the first, second, third and fourth year commences upon the date of grant; (ii) commencing from the vesting commencement date, 25%, 25%, 25%, and 25% of the number of Incentive Shares granted under the Incentive Share will be vested respectively after each full year; and (iii) one third maturing each year for a total of 3 years (calculated from date of grant).

Unless attaining agreement by the Administration, participants shall not, among others, transfer the awarded Shares prior to the Company's listing. Upon subsequent public listing, all awarded Shares held by participants shall be subject to mandatory Lock-up Period as required by securities regulatory commission or stock exchange, during which transfers are strictly prohibited.

Rights Attached to Awards

The general partner(s) of the relevant employee share platforms shall exercise voting rights on behalf of the eligible participants under the Pre-IPO Employee Share Schemes in respect of the Shares underlying the awards. The eligible participants under the Pre-IPO Employee Share Schemes have the rights to any dividends or distributions from any Shares underlying the awards.

Details of shares held by the relevant employee share platforms and interests granted under the Pre-IPO Employee Share Schemes

As of the date of this prospectus, all partnership interests in the relevant employee share platforms have been granted to and subscribed by the participants as limited partners, and the relevant registration had been completed. The relevant employee share platforms held a total of 16,424,415 Shares in our Company representing approximately 10.38% of the total issued shares of our Company as of the Latest Practicable Date, all of which have been utilized for granting awards to participants of the Pre-IPO Employee Share Schemes in the form of limited partnership interests in the relevant employee share platforms.

Details of the grants made to Directors, senior management and connected persons under the Pre-IPO Employee Share Schemes are set out below:

Name	Percentage of capital contribution in relevant employee share platform							Approximate number of Shares corresponding to partnership interests held in the employee share platforms ⁽¹⁾	Approximate shareholding percentage of total issued Shares immediately prior to the Listing ⁽²⁾
	Wenge Zhicai ⁽³⁾	Wenge Jiangcai ⁽³⁾	Zhongke Youcai ⁽⁴⁾	Zhongke Quncai ⁽⁵⁾	Zhongke Yingcai ⁽⁵⁾	Zhongke Huicai ⁽⁵⁾	Zhongke Cuicai ⁽⁵⁾		
<i>Director</i>									
Mr. Qu Baoyu	19.29%	–	–	7.81%	32.43%	–	–	2,399,454	1.52%
Mr. Cao Jia	2.21%	–	–	16.45%	–	33.33%	–	1,599,600	1.01%
Ms. Zhang Xina	9.90%	–	–	7.81%	–	18.52%	–	1,399,671	0.88%
<i>Core R&D team members</i>									
(other than Directors) .	8.46%	–	–	13.98%	3.82%	14.81%	29.34%	1,599,513	1.01%
<i>Connected persons (other than the persons above)⁽⁶⁾</i>									
Other grantees	58.40%	100%	100% ⁽⁴⁾	51.83%	62.78%	33.33%	58.24%	9,178,448	5.80%

Notes:

- (1) To illustrate the indirect interests of grantees in the Shares, the number of Shares are presented and calculated by multiplying the relevant percentage of their partnership interests in the relevant employee share platforms by the total number of Shares held by such relevant employee share platforms.
- (2) For details of the conversion of Domestic Unlisted Shares to H Shares held by the relevant employee share platforms, see “History, Reorganization and Corporate Structure — Capitalization of Our Company”.
- (3) Excluding general partnership interests held by Dr. Wang.
- (4) Excluding general partnership interests held by Ms. Zeng Duan. Zhongke Youcai’s limited partners are Zhongke Quncai, Zhongke Yingchai, Zhongke Huicai and Zhongke Cuicai who is interested in approximately 26.4923%, 33.6214%, 34.6819% and 5.2044% respectively.
- (5) Excluding general partnership interests held by Mr. Wang Yigang.
- (6) Including 3 supervisors of our subsidiaries.

5. OTHER INFORMATION**A. Estate Duty**

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

B. Litigation

As of the Latest Practicable Date, save as disclosed in this prospectus, our Group is not involved in any material litigation, arbitration or administrative proceedings. So far as we are aware, no material litigation, arbitration or administrative proceedings are pending or threatened.

C. Sponsor

The Sponsor has made an application on behalf of the Company to the Listing Committee for listing of, and permission to deal in, the H Shares of the Company, including any additional Offer Shares which may be issued pursuant to the exercise of the Pre-IPO Share Option and the Over-allotment Option. All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

The Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

Our Company has entered into an engagement agreement with the Sponsor, pursuant to which our Company agreed to pay a total amount of US\$800,000 to the Sponsor to act as the sponsor to our Company in the Global Offering.

D. Compliance Adviser

Our Company have appointed Fosun International Capital Limited as its compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

Our Company has not incurred any material preliminary expenses.

F. Promoter(s)

The promoters of the Company are all of the then six Shareholders as of March 20, 2017 immediately before the establishment of our Company. For details of the promoters of the Company, see “History and Corporate Structure” in this prospectus.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connections with the Global Offering or related transactions in this prospectus.

G. Qualification of Experts

The qualifications of the experts are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited.	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Ernst & Young.	Certified public accountants and public interest entity auditors
King & Wood	PRC Legal Advisor
Hogan Lovells International LLP.	Legal advisor as to U.S. regulatory laws and International Sanctions laws in connection with the Listing
China Insights Industry Consultancy Limited	Independent industry consultant

H. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of the Company, including in circumstances where such transaction is effected on the Stock Exchange. For further information in relation to taxation, see “Appendix III — Taxation and Foreign Exchange” in this prospectus.

I. No Material Adverse Change

The Directors confirm that there has been no material adverse change in our financial or trading position since December 31, 2025 (being the date on which our latest audited financial statements were made up) to the date of this prospectus.

J. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

K. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

L. Miscellaneous

Save as disclosed in this prospectus,

- (a) within the two years preceding the date of this prospectus, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;

- (e) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of any member of our Group;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the Foreign Investment Law of the PRC;
- (h) there has been no interruption in our business which may have or have had a significant effect on our financial position in the last 12 months; and
- (i) none of the equity and debt securities of our Company, if any, is listed or dealt within any other stock exchange nor is any listing or permission to deal in other stock exchanges being or proposed to be sought.

M. Consents

Each of the experts as referred to in “— 5. Other Information — G. Qualification of Experts” in this Appendix has given, and has not withdrawn their written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or the references to their names included herein in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in any member of our Group or the right (other than the penal provisions) of section 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (1) copies of the material contract referred to in “2. Further Information about Our Business — A. Summary of Material Contract” in Appendix VI; and
- (2) the written consents referred to in “5. Other information — M. Consents of Experts” in Appendix VI.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the websites of our Company at www.wenge.com (with respect to Chinese version) and www.wenge.com (with respect to English version) and on the website of the Stock Exchange at www.hkexnews.hk up to and including the date which is 14 days from the date of this prospectus:

- (1) the Articles of Association in Chinese;
- (2) the Accountants’ Report from Ernst & Young, the text of which is set out in Appendix I;
- (3) the audited consolidated financial statements of our Group for the three years ended December 31, 2025;
- (4) the report from Ernst & Young relating to the unaudited pro forma financial information and the text of which is set out in Appendix II;
- (5) the material contract referred to in “2. Further Information about Our Business — A. Summary of Material Contract” in Appendix VI;
- (6) the written consents referred to in “5. Other information — M. Consents of Experts” in Appendix VI;
- (7) the contracts referred to in “3. Further Information about Our Directors and Substantial Shareholders — A. Directors — (b) Particulars of Directors’ Contracts” in Appendix VI;
- (8) the legal opinions issued by King & Wood, our PRC Legal Advisor, in respect of certain general corporate matters and our Group’s business operations in the PRC;

- (9) the memoranda of advice issued by Hogan Lovells International LLP, our legal advisor as to U.S. regulatory laws and International Sanctions laws;
- (10) the PRC Company Law and the Trial Administrative Measures together with their unofficial English translations;
- (11) the industry report issued by China Insights Industry Consultancy Limited;
- (12) the terms of the Pre-IPO Share Award Scheme; and
- (13) the rules of our Pre-IPO Share Option Scheme.



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北京中科闻歌科技股份有限公司

Beijing Zhongke WengeAI Science and Technology Co., Ltd.*