



北京第四範式智能技術股份有限公司

Beijing Fourth Paradigm Technology Co., Ltd.

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

Stock Code : 6682

INTERIM REPORT 2025

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Dr. Dai Wenyuan (戴文淵) (*Chairman, Chief Executive Officer and General Manager*)  
Mr. Chen Yuqiang (陳雨強) (*Chief Research Scientist*)  
Mr. Yu Zhonghao (于中灝) (*Vice Chairman and Senior Vice President*)

#### Non-executive Directors

Dr. Yang Qiang (楊強)  
Mr. Dou Shuai (竇帥)  
Mr. Zhang Jing (張晶)

#### Independent Non-executive Directors

Mr. Li Jianbin (李建濱)  
Mr. Liu Chijin (劉持金)  
Ms. Ke Yele (柯燁樂)  
Mr. Liu Zhuzhan (劉助展)<sup>(1)</sup>

#### Employee Representative Director

Mr. Chai Yifei (柴亦飛)<sup>(2)</sup>

### AUDIT COMMITTEE

Mr. Li Jianbin (李建濱) (*Chairman*)  
Mr. Liu Chijin (劉持金)  
Dr. Yang Qiang (楊強)

### REMUNERATION COMMITTEE

Ms. Ke Yele (柯燁樂) (*Chairlady*)  
Dr. Yang Qiang (楊強)  
Mr. Li Jianbin (李建濱)

### NOMINATION COMMITTEE

Dr. Dai Wenyuan (戴文淵) (*Chairman*)  
Mr. Liu Chijin (劉持金)  
Ms. Ke Yele (柯燁樂)

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Block A, Hongyuan New Era  
Shangdi West Road  
Haidian District, Beijing  
the PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1910, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay, Hong Kong

### H SHARE REGISTRAR

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

### AUDITOR

Rongcheng (Hong Kong) CPA Limited  
(formerly known as CL Partners CPA Limited)  
*Registered Public Interest Entity Auditor*  
Unit 3203A-05, Tower 2, Lippo Centre  
Admiralty  
Hong Kong

### HONG KONG LEGAL ADVISER

Jingtian & Gongcheng LLP  
Suites 3203-3207, 32/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Central  
Hong Kong

### AUTHORIZED REPRESENTATIVES

Mr. Yu Zhonghao (于中灝)  
Ms. Yeung Siu Wai Kitty (楊小慧)

### JOINT COMPANY SECRETARIES

Mr. Peng Jun (彭駿)  
Ms. Yeung Siu Wai Kitty (楊小慧)



## PRINCIPAL BANKERS

China Merchants Bank, Haidian Branch  
No. 56, North 4th Ring Road West  
Beijing, the PRC

Industrial and Commercial Bank of China, Haidian West  
District Branch  
No. 65, North 4th Ring Road West  
Beijing, the PRC

## STOCK CODE

6682

## COMPANY'S WEBSITE

[www.4paradigm.com](http://www.4paradigm.com)

Notes:

- (1) With effect from June 26, 2025, Mr. Liu Zhuzhan was appointed as an independent non-executive Director.
- (2) With effect from June 26, 2025, Mr. Chai Yifei was appointed as an employee representative Director.

## FINANCIAL HIGHLIGHTS

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	2,626,497	1,866,600
Gross profit	990,407	789,946
Operating loss	(84,882)	(189,120)
Loss before income tax	(75,349)	(163,613)
Loss for the period	(73,894)	(168,532)

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>As at</b>	<b>As at</b>
	<b>June 30,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Assets</b>		
Non-current assets	1,866,422	1,897,380
Current assets	5,892,856	5,690,265
<b>Total assets</b>	<b>7,759,278</b>	<b>7,587,645</b>
<b>Liabilities</b>		
Non-current liabilities	13,982	19,252
Current liabilities	1,482,635	2,497,505
<b>Total liabilities</b>	<b>1,496,617</b>	<b>2,516,757</b>
<b>Total equity and liabilities</b>	<b>7,759,278</b>	<b>7,587,645</b>

### BUSINESS REVIEW

In the first half of 2025, the Group recorded revenue of RMB2,626 million, representing a year-on-year growth of approximately 40.7%. During the Period, the Group deepened the implementation and application of its “AI agent + World Model” strategy, effectively capturing the AI transformation demands of enterprise clients in high-value scenarios. This drove an approximate 71.9% year-on-year revenue growth in the Group’s core business, the “4ParadigmSage AI Platform”, reaching RMB2,149 million, which accounted for approximately 81.8% of the Group’s total revenue.

Benefiting from the significant revenue growth during the Period and the further realization of operating leverage effects, the Group recorded an adjusted net loss attributable to the shareholders of the Company (a non-IFRS measure) of RMB43.70 million for the Reporting Period, which narrowed by approximately 71.2% from RMB151.6 million for the same period last year.

We firmly believe that through continuous investment in technological innovation, the Company will remain at the forefront of the exploration and commercial implementation of AI technology. Over the past six months, the Company has centered on the core technological path of “AI agent + World Model”, conducting extensive and comprehensive capability iterations for the 4ParadigmSage AI Platform in areas such as agent development toolchains, intelligent agent frameworks, AI application matrix and computing power and model resource scheduling. The goal is to develop this platform into a foundational infrastructure capable of empowering enterprises to fully capitalize on AI, thereby creating a new AI productivity system. During the Period, our R&D expenditure amounted to RMB893 million, representing a year-on-year increase of approximately 5.1%. Meanwhile, the scale effect of R&D investment became fully evident, with the R&D expense ratio at 34.0%, representing a year-on-year decrease of 11.5%.

During the Period, we were excited to observe that the value proposition of “AI agent + World Model” achieved comprehensive adoption among enterprise clients. The number of lighthouse users during the Period reached 90, an increase of four compared to the same period last year, and the average revenue per lighthouse user was RMB17.98 million, representing a year-on-year increase of approximately 56.6%. This growth trajectory in average revenue per user indicates that the 4ParadigmSage AI Platform is rapidly becoming the AI productivity infrastructure for enterprises.

## Core Business Progress

### “4Paradigm” Spearheading Enterprise-side AI Implementation, Shaping AI-Native Productivity

“AI agent + World Model” has been our key focus since artificial intelligence entered the era of large models. On the one hand, an AI agent is capable of comprehending user instructions and intent, decomposing and prioritizing complex task objectives, and assisting users in task execution, thereby enhancing individual productivity. On the other hand, a vertical world model trained on data from high-value scenarios enables precise understanding of domain-specific knowledge and generates optimal strategies for subsequent actions. The organic integration of these two powerful capabilities, allowing each to play its proper role in the appropriate context, is what we define as true AI implementation. Therefore, we maintain that for AI to generate real value, it is not about deploying a large language model (LLM), but about building systemic comprehension anchored by vertical world models. LLMs alone represent fragmented intelligence, whereas vertical world models, trained on vast amounts of high-value scenario data, embody genuine logical understanding. Without the support of underlying decision-making models, LLMs cannot operate effectively in the real world. The combination of “AI agent + World Model” represents the new quality productive force solution that 4Paradigm offers to a wide range of users in the current era driven by AI-native capabilities.

During the Period, we launched intelligent agent solutions of “AI agent + industry-specific large models” across multiple sectors, driving a leap in productivity for our enterprise users. For example, in the port operations sector, an intelligent agent can inform business personnel about inefficient berth utilization in the previous month due to suboptimal cargo unloading sequences, while also identifying a 20% higher container turnover rate in the southern yard area, provided with real-time optimization suggestions for storage strategies based on cargo status. As an AI-powered daily assistant for real estate agents, the intelligent agent leverages property knowledge databases and regulatory policy models to address brokers’ immediate learning needs across client consultations, contract interpretation and policy compliance. It delivers 24/7 professional Q&A support and scenario-based training. In addition, through customer behavior analysis and recommendation models, it interprets clients’ browsing, inquiries and historical transaction data to understand their housing preferences and demands, intelligently matching property listings and delivering personalized recommendations. In the legal industry, an intelligent agent serves as “contract scanner + risk detector”, completing manual contract reviews, which traditionally take hours, in just minutes. This not only eliminates human oversight, ensuring comprehensive coverage of all critical risk points, but also enforces uniform review standards, avoiding inconsistencies that arise from different reviewers’ interpretations. In the manufacturing sector, an intelligent agent helped an aircraft manufacturing group reduce component lifecycle costs by hundreds of millions of yuan, while a semiconductor and integrated power company increased its production capacity by 13% through intelligent production scheduling and dispatching in semiconductor manufacturing. Our intelligent agents can also help medical institutions achieve a comprehensive intelligent upgrade from diagnosis and treatment to operational management. By understanding the needs of doctors and patients and connecting to a rich array of specialized vertical models in the healthcare industry, they have achieved a 60% increase in medical resource utilization, a 14.5% annual increase in the number of surgical operations and an average time saving of 0.25 hours per surgery, thereby helping medical institutions practically enhance their patient admission capacity and efficiency.



## **“Phancy” Launches a Series of New Products, Accelerating Brand Ecosystem Expansion and Ushering in a New Paradigm of Consumer Electronics**

In March of this year, the Group launched its “Phancy” consumer electronics business, positioned to provide the market with integrated software and hardware solutions based on AI agents. By embedding intelligent agent modules into edge devices, “Phancy” empowers users with AI agent capabilities. Based on an open technology cooperation mindset, we are committed to helping a wide range of brands to easily create AI consumer electronics products, so that consumer electronics can truly become consumer products. In the first quarter following the business launch, “Phancy” joined hands with brands such as Bruce Lee, Lamborghini and Lenovo to launch a variety of smartwatches equipped with “Phancy” AI chipset, and worked with partners upstream and downstream in the industry chain to launch a variety of consumer electronic products and solutions such as smart glasses, smart earphones and smartphone back attachments. These products are now available online and offline across all channels. Through these smart terminal devices, users can activate the intelligent agent via various methods such as voice and button presses, easily accessing a wealth of AI functions like data queries, simultaneous interpretation, meeting transcription, AI-powered photo recognition, high-definition image capture, smart navigation and health advice.

Beyond product launches, the Company is also collaborating with numerous software and hardware partners to build an ecosystem of intelligent connectivity for all things, continuously enhancing the influence of the “Phancy” ecosystem. In May 2025, “Phancy” appeared at the OpenHarmony Developer Conference and entered into a strategic partnership with OpenHarmony. Leveraging the powerful edge-side AI capabilities of OpenHarmony OS and “Phancy”, the collaboration aims to lower the barrier for developers, enrich OpenHarmony’s application ecosystem, and drive the widespread adoption and commercialization of AI technology, creating a smarter connectivity experience for users worldwide. In the same month, “Phancy” has reached strategic cooperation with Bluetrum, Jieli Technology and Beken Corporation, combining ultra-low-power, high-performance AI chips with stable connectivity to provide robust support for edge AI devices, forming a full-stack closed loop from chips to algorithms. All parties will engage in close cooperation on future research and development of product categories such as smart glasses and smart toys.

## **Continuous Exploration of “AI+X” to Empower Industries with Artificial Intelligence**

### **AI + Energy Storage**

As an industry-leading productivity infrastructure, the 4ParadigmSage AI Platform is committed to empowering various sectors to truly shift from “Business + AI” to “AI + Business.” In emerging areas such as Virtual Power Plant, we are committed to aggregating distributed power supplies (e.g., photovoltaic, wind power), controllable loads (e.g., air-conditioning, electric vehicle charging piles), energy storage systems and other resources scattered in the power grid, and carrying out unified coordination, optimization, and control, so that AI can become a pair of “invisible hands” and help Virtual Power Plant participate in the operation of the power market in all aspects, and provide a variety of services for the power grid, such as peak shaving and frequency shifting.



Recently, 4Paradigm has partnered with HyperStrong to establish a joint venture to deploy in the “AI + Energy Storage” field actively. This collaboration aims to deeply integrate AI technology with energy storage system R&D, production, and full lifecycle management technology. Based on 4Paradigm’s many years of business experience in the energy sector and its vast reserve of world models for the energy domain, by utilizing AI to forecast real-time fluctuations in grid supply and demand, combined with the technical characteristics of energy storage systems, the joint venture dynamically optimizes charging and discharging strategies for energy storage facilities. This enhances the efficiency and returns of energy storage participation in the power market transactions. Through continuous AI-driven analysis of operational data, the joint venture enables intelligent maintenance and management of energy storage stations, improving their safety, efficiency and reliability. This is crucial for the stable operation of long-duration energy storage power stations and for addressing the management challenges posed by large-capacity cells and systems, effectively reducing operational costs and extending the service life of the stations.

### **AI + Stablecoin**

Amid the rapid development of global fintech, stablecoins, as a special type of digital currency, are gradually emerging as a key link connecting traditional finance and the digital asset ecosystem. The recent implementation of the Hong Kong Stablecoins Ordinance marks a significant milestone in the compliance journey of stablecoins, reflecting the growing maturity of regulatory frameworks worldwide. This has ushered in a new era of compliant and institutionalized development for stablecoins. The core value of stablecoins lies in their relative value stability, typically pegged to fiat currencies (such as the USD and HKD). This requires issuers to professionally and effectively manage real-world asset reserves. Issuers must not only rationally allocate investment portfolios but also conduct round-the-clock risk monitoring of reserves to maintain currency value stability. Against this backdrop, the industry faces increasing demand for robust asset management solutions, enhanced regulatory transparency and greater investor confidence.

As a leading enterprise in the field of artificial intelligence, 4Paradigm, with its profound AI technological expertise and a decade of practical experience serving top financial institutions across the nation, has keenly identified the development needs of the stablecoin ecosystem and is committed to providing one-stop AI capability for the future secure flow of stablecoins, and to be the core infrastructure of the future stablecoin trading market.

During the Period, 4Paradigm entered into a strategic cooperation agreement with a leading brokerage firm, jointly developing and exploring the “AI + Stablecoin Risk Control & Compliance Solution”. This solution relies on the Company’s distinctive AI anti-money laundering system and transaction anti-fraud solutions. It uses AI algorithms to automatically parse global regulatory documents, dynamically adjust compliance parameters, and generate tailored strategies by leveraging big data to monitor cross-border fund flows and on-chain data. It provides timely warnings for risks such as “stablecoin depegging”. In anti-fraud, it integrates various advanced analytical techniques to precisely identify money laundering rings and dynamically optimizes the anti-money laundering rule base through AI to effectively counter new types of fraud, thereby building a security barrier for the entire lifecycle of stablecoin issuance, circulation and redemption. For underlying asset returns for stablecoins, 4Paradigm has entered into a strategic partnership and established a joint venture with 9M Technologies Limited (“**9M Technologies**”), a fixed-income FinTech platform, to jointly launch the “Stablecoin Underlying Asset Management Solution”. The solution includes a management platform for stablecoin underlying asset portfolios for the dynamic management of asset pools pegged to USD/RMB/HKD; a stablecoin portfolio risk monitoring engine that connects off-chain asset allocation with on-chain risk dynamics; a one-stop solution integrating compliance, custody and a portfolio engine; and a “Stablecoin Participation Strategy Component” for traditional asset management institutions, ensuring the security and return stability of stablecoin assets from multiple dimensions. In the short term, the two parties will soon launch a “Compliance + Portfolio Management” SaaS solution, enabling institutions to meet regulatory requirements. In the medium term, they will jointly build a rating system and API services to promote industry standardization. In the long term, they will build a national-level technology foundation to support strategic projects such as the digital RMB.

## PERFORMANCE BY BUSINESS SEGMENTS

### 4ParadigmSage AI Platform (4ParadigmSage)

During the Period, the 4ParadigmSage AI Platform business (the “**4ParadigmSage AI Platform**”) generated revenue of RMB2,149 million, representing a year-on-year increase of 71.9%. Revenue from the 4ParadigmSage AI Platform business accounted for 81.8% of the Group’s total revenue.

We are committed to making our core AI platform products the core productivity infrastructure for the enterprise AI era. This position means that our platform is no longer just a tool, but like water, electricity and network, it is deeply integrated into the bloodstream of enterprise operation and becomes an indispensable underlying driving force for business growth. Our platform is deeply penetrating into various business aspects and high-value scenarios of enterprises, from R&D, manufacturing, and the supply chain to marketing, sales, and customer service, being ubiquitous everywhere. We focus on key areas that have a decisive impact on cost, efficiency and innovation, and through precise AI empowerment, we turn data into insights, insights into action, and ultimately action into tangible business value.

To achieve this goal, we are expanding and deepening the boundaries of our AI capabilities across the board. During the Period, the 4ParadigmSage AI Platform underwent a comprehensive upgrade. From the underlying computing power platform and the AIOS operating system with enterprise-grade features to the top-level SageSuite software suite, it provides a full-spectrum, high-efficiency and cost-effective AI digital transformation infrastructure and an end-to-end toolchain for model and software development, building a new AI productivity system for enterprise clients. 4Paradigm's deep integration in software-defined computing power signifies a new phase for enterprise AI infrastructure – one defined by hardware-software co-design and scenario-centric optimization. We will further advance the integrated innovation of the 4ParadigmSage AI Platform's software with industry-specific scenarios and hardware computing power, enabling enterprises to achieve exponential gains in AI value realization.

***Computing Power Platform Layer: Refined and Efficient Computing Power Pooling Management and Heterogeneous Computing Power Virtualization Compatibility***

During the Period, the Company achieved multiple capability breakthroughs. In terms of underlying computing power management, the Company's proprietary vGPU resource pooling technology has seen continuous innovation. Through dynamic resource partitioning, intelligent task scheduling, and enhanced elastic expansion capabilities, it has achieved over 30% improvement in GPU utilization and a threefold increase in single-machine multi-task processing efficiency. Based on its self-developed large model inference framework SLXLLM and inference accelerator card SLX, and leveraging multi-task sharing and processing optimization technologies, the inference performance has been improved by 5-10 times. In addition, the enterprise-grade AIOS provides support for computing power virtualization technology. The 4ParadigmSage AI Platform currently supports thousand-card level cluster management and seamless expansion of enterprise computing power, as well as compatibility with domestically produced general-purpose GPUs from various brands. These advancements reduce customers' switching costs and selection risks while ensuring computing stability. The Company has established partnerships with leading domestic chip manufacturers. To address the surge in large model traffic load resulting from the deployment of various agent applications by enterprise clients, the 4ParadigmSage AI Platform recently introduced "model autoscaling" technology to cope with traffic fluctuations. Based on the load conditions, the system automatically and flexibly switches models of different parameter sizes in the same series to provide model services, eliminating the need for additional expansion of computing nodes, saving computing costs, enhancing the efficiency of resource utilization and significantly reducing operation and maintenance workloads.

***AIOS Operating System Layer: Achieving Technological Leaps and Implementation in Data Value Mining and Software Development Paradigms***

Amid the rapid advancement of AI technology, the pace of software application iteration continues to accelerate. Addressing the strong demand from enterprises for AI-native software and the significant technological gap in transforming such software into enterprise-grade productivity tools, 4Paradigm's enterprise-level AIOS provides a foundational platform with enterprise characteristics. It offers a range of functions such as unified access to structured data and unstructured files, data source management, tenant permission management, security auditing and process orchestration and scheduling, thereby laying out enterprise-grade universal capabilities.

Building upon its original robust toolkit for AI model development, 4Paradigm has further launched an end-to-end AI agent development platform. Enterprise customers can now seamlessly integrate 150+ mainstream large models through Model Hub, a built-in large model application platform within the 4ParadigmSage AI Platform. In addition, through the integrated Dev+Serve form, it supports a complete closed loop of models from data management, training optimization and performance evaluation to deployment and launch, and service monitoring. It realizes functions such as building custom evaluation sets based on business scenarios, visualizing model horizontal and vertical evaluation results, and automatic comparison.

***Software Application Layer: Providing Enterprises with an Out-of-the-Box AI Agent Application Matrix***

At the top software application layer, 4Paradigm provides enterprise clients with an out-of-the-box AI application matrix and customized software to meet both general and personalized needs. Through pre-installed intelligent application suites, we cover core enterprise scenarios, including AIGC, smart office, digital workforce, smart Q&A and AI local search. Against the backdrop of strong demand for enterprise AI transformation, agent implementation and the out-of-the-box application matrix significantly lower the technical barriers for enterprise software development and application, enabling enterprises to achieve a higher return on investment in AI implementation.

During the Period, the Group also released multiple industry-specific agent application solutions, covering business scenarios in banking, real estate brokerage, healthcare, water conservancy, industry, and law. These provide enterprise clients with more industry-specific functional modules, facilitating their AI transformation and upgrading.

Through the development of our ecosystem partner system, leveraging the end-to-end capabilities, industry insights and client resources of our ecosystem partners, we are able to extend our reach into more segments more efficiently, and further promote product boundary expansion and industry resource integration. In the future, the Company will work with more enterprise application partners to create various types of enterprise process and business software driven by AI agents, so as to enhance the business operation efficiency of enterprise clients.

**SHIFT Intelligent Solutions (4Paradigm SHIFT)**

During the Period, revenue from the SHIFT Intelligent Solutions business reached RMB371 million, accounting for 14.1% of the Group's total revenue. This business is an extension of the "4ParadigmSage AI Platform" business on the solution. Its exploration and development are fundamentally aimed at supporting the growth of the core "4ParadigmSage AI Platform" business. As the standardization of 4ParadigmSage AI Platform's delivery continues to improve, the Company has adjusted the business positioning of its SHIFT solutions. In the future, it will focus more on implementing cutting-edge application scenarios for key industries and strategic clients.



For example, in the construction industry, our intelligent 3D scanning and modeling terminal product provides capabilities including data acquisition, intelligent recognition, automatic modeling and other capabilities, enabling construction enterprises to achieve efficient, convenient and accurate data processing and modeling across various application scenarios. This lays the foundation for construction enterprises' digital management and development. In the manufacturing sector, our AI products integrate industrial AI, optics and large-scale modes to enable rapid, lightweight and flexible deployment, delivering a standardized yet lightweight quality inspection system that ensures high efficiency and strong adaptive capability for manufacturers. In the energy sector, we provide enterprises with comprehensive AI strategy consulting services. We delve into clients' core business scenarios and real business data to help them achieve intelligent transformation and a significant improvement in human efficiency ratio.

### 4ParadigmSageGPT AIGS Services (4Paradigm AIGS)

During the Period, revenue from the 4ParadigmSageGPT AIGS Services business reached RMB106 million, accounting for approximately 4.1% of the Group's total revenue. This business provides efficient development tools and services for the core "4ParadigmSage AI Platform" business. Revenue from the SageGPT AIGS Services as a standalone offering declined amidst the Company's expansion pace for its core "4ParadigmSage AI Platform" business.

We will continue to iterate and optimize our AIGS Code X product, a generative AI-based auxiliary programming tool. The product covers the entire enterprise R&D process, providing one-stop services including code autocompletion, comment generation, code error correction, code refactoring and unit test generation. It essentially provides each developer with a business-savvy "senior coding assistant", lowering the programming barrier and boosting R&D efficiency, while establishing a standardized "application production line", and thus comprehensively improves organizational efficiency.

## BUSINESS OUTLOOK

Looking ahead, the Group is poised to achieve significant breakthroughs and development in several key areas. On the enterprise services side, we will continue to drive the replication and expansion of AI agent applications, extending successful experiences to more industries and business scenarios. By continuously exploring new industry application cases, we will create AI agent solutions that are more closely aligned with business needs. At the same time, 4Paradigm will adhere to its R&D investment, continuously enhancing the ability of AI Agents to handle deep and complex problems. We will break down barriers between business processes and departments to achieve efficient cross-functional and cross-departmental collaboration. This will elevate operational efficiency and decision-making capabilities, reinforcing our leadership in the enterprise AI market. Additionally, we will empower businesses to train more vertical world models through the 4ParadigmSage AI Platform, unlocking deeper industry data value and increasing AI adoption in high-value scenarios. These efforts will inject robust AI-driven productivity across sectors while expanding the Group's market opportunities and product sales growth.

Starting from the second half of the year, the “Phancy” consumer electronics business will accelerate its pace of innovation and continue to iterate on AI solutions to lower the threshold for consumer electronics products to carry AI capabilities. At the same time, the “Phancy” will also actively pursue partnerships, so that more internationally renowned consumer brands will become the target of our empowerment, and join hands with the leading chip and module manufacturers in the industry chain to build a richer ecosystem of consumer electronic products based on the “Phancy” AI smart module. By sharing technology, resources and channels, we will continuously expand the reach of AI capabilities for “Phancy”, allowing more consumers to experience the convenience and intelligence brought by AI-empowered consumer electronics, and shaping a leading brand image in the consumer electronics AI field.

In terms of exploring emerging markets, 4Paradigm has already made solid strides in areas such as AI + Stablecoin and AI + Energy Storage. At the same time, we are committed to combining AI technology with wider social needs and industrial upgrading, and have launched initial exploration and attempts in areas such as “AI + Utilities”, “AI + Environmental Protection”, and “AI + Embodied Intelligence”. In the future, we will continue to keenly capture cutting-edge trends, explore more “AI+” possibilities, and uncover new commercial value and application scenarios. This will open up new business models and growth curves for the Company, leading the trend of AI transformation.

### Corporate Social Responsibility

The Board places great importance on corporate sustainable development capabilities. It firmly believes that a robust ESG management system serves as the internal foundation for effectively fulfilling environmental and social responsibilities. The Group has integrated sustainable development principles into its corporate strategy. It regularly reviews ESG progress and assesses its effectiveness to strengthen risk management in response to evolving business demands driven by climate change, technological advancements, and rising operational costs. The Group also continuously enhances its employees’ awareness of the importance of practicing ESG in strategy and operations through various means. To manage our performance and identify potential risks in ESG, and to assist the Board with its ESG-related work, we have established an Environmental, Social, and Governance Working Group (the “ESG Working Group”).

While ensuring its own development, 4Paradigm actively undertakes social responsibilities through practical actions, investing significant funds, manpower and materials in areas such as rural revitalization, cultural education and environmental protection to serve society and public welfare. Focusing on its core business, the Company will support community development, solve social problems and protect endangered animals with its technological expertise, giving back to society with tangible actions.

During the summer flood season, 4Paradigm collaborated with water conservancy agencies to develop a “Smart Flood Control Large Model”. By using AI to predict the evolution paths of flood disasters, it enables precise dispatching of flood control resources. This project not only promotes the digital upgrading of public safety governance but also ensures regional socio-economic stability and ecological security, highlighting the inclusive value of technology. As part of its commitment to AI corporate social responsibility, 4Paradigm continues to explore ESG-driven opportunities, integrating sustainability considerations into its R&D and technology deployment.

Recently, extreme severe convective weather in parts of Beijing caused heavy rainfall, triggering floods and landslides that affected multiple villages. In response, the Group promptly donated RMB2 million to the disaster-stricken areas. The funds are designated to support urgent needs such as emergency rescue, provision of living supplies for the affected residents, and post-disaster infrastructure restoration, helping the impacted communities overcome the difficulties and rebuild their homes.

4Paradigm also received the “ESG Sustainable Development Excellence Enterprise Award” at the 2025 Jinge Award for its innovative AI applications in ecological protection and disaster prevention. The award aims to recognize benchmark enterprises that lead sustainable industry development and contribute to the “dual carbon” goals through the deep integration of environmental responsibility, social governance and corporate governance. In the future, the Company will continue to explore the infinite possibilities of AI for the benefit of society in more fields, using AI to solve social critical challenges to truly achieve “AI for everyone”.

## FINANCIAL REVIEW

As a leading AI company, 4Paradigm focuses on developing and formulating innovative AI solutions to solve complex industry problems, drive efficiency and technology advancement, and empower customers to create greater business value. In the first half of 2025, despite the uncertainties in the global economy, our industry position and brand influence in the AI field continued to grow and our business scale maintained steady expansion. Our total revenue increased by 40.7% year-on-year to RMB2,626.5 million as compared with the first half of 2024.

While achieving stable growth in revenue, we focused on cost control and resource optimization, striving to promote the continuous improvement of the Group's operational efficiency. In first half of 2025, our loss for the period continued to narrow year-on-year, that decreased by 56.2% or to RMB73.9 million as compared with the first half of 2024. Adjusted loss for the period excluding non-operating factors also maintained a narrowing trend, with adjusted loss for the period decreasing by 70.0% year-on-year to RMB50.6 million as compared with the first half of 2024, and therefore, we are confident to the Group's profitability.

### Revenue

In the first half of 2025, our core business, the 4ParadigmSage AI Platform, continued to maintain a strong and rapid growth. It realized revenue of RMB2,149.2 million, accounting for 81.8% of the Group's total revenue and representing a year-on-year growth of 71.9%, and was the core driver of the Group's stable revenue growth. Our SHIFT Intelligent Solutions and SageGPT AIGS Services each serves as an organic extension of 4ParadigmSage AI Platform. In the first half of 2025, SHIFT Intelligent Solutions realized revenue of RMB370.9 million, representing a decrease of 18.1% year-on-year; and SageGPT AIGS Services realized revenue of RMB106.3 million, representing a decrease of 34.8% year-on-year. SHIFT Intelligent Solutions and SageGPT AIGS Services play an important role in complementing and supporting the 4ParadigmSage AI Platform's accumulation of experience in application scenarios and promotion of iterative upgrades, which contributes sustained momentum for the long-term growth of our core business, the 4ParadigmSage AI Platform. The following table sets forth a breakdown of our revenue by business for the periods indicated.

	Six months ended June 30,		
	2025 RMB'Million (Unaudited)	2024 RMB'Million (Unaudited)	Change
4ParadigmSage AI Platform	2,149.2	1,250.5	71.9%
SHIFT Intelligent Solutions	370.9	452.9	-18.1%
SageGPT AIGS Services	106.3	163.1	-34.8%
<b>Total</b>	<b>2,626.5</b>	<b>1,866.6</b>	<b>40.7%</b>

### 4ParadigmSage AI Platform

During the Reporting Period, our revenue from the 4ParadigmSage AI Platform amounted to RMB2,149.2 million (same period in 2024: RMB1,250.5 million), representing a year-on-year increase of 71.9%. Revenue from the 4ParadigmSage AI Platform as a percentage of total revenue increased from 67.0% in the first half of 2024 to 81.8% in the first half of 2025, primarily due to our continued iterative upgrades to the 4ParadigmSage AI Platform, the integration of stronger AI capabilities, and the wider recognition of our superior product performance by users, thereby driving revenue growth.



### **SHIFT Intelligent Solutions**

During the Reporting Period, our revenue from SHIFT Intelligent Solutions amounted to RMB370.9 million (same period in 2024: RMB452.9 million), representing a year-on-year decrease of 18.1%, mainly due to the fact that SHIFT Intelligent Solutions served as a supplement to the 4ParadigmSage AI Platform, and with the continuous iteration and enhancement of the capabilities of the 4ParadigmSage AI Platform, user demand for the digital transformation in the context of our traditionally dominant application scenarios was realized via the 4ParadigmSage AI Platform. In the future, as we continue to penetrate into more new industry application scenarios, user demand for SHIFT Intelligent Solutions will be further unlocked.

### **SageGPT AIGS Services**

During the Reporting Period, revenue from SageGPT AIGS Services amounted to RMB106.3 million (same period in 2024: RMB163.1 million), representing a year-on-year decrease of 34.8%, mainly due to our strategic expansion pace for the core “4ParadigmSage AI Platform” business.

## **Cost of Sales**

Our cost of sales consists primarily of (1) cost of finished goods sold, primarily representing procurement cost of hardware components from third-party vendors, (2) technology service fees, primarily representing technology implementation costs paid to third-party service providers for delivery, deployment and installation of customized AI applications that we develop at users' request, (3) employee benefit expenses, representing wages and benefits of our implementation and maintenance personnel for our enterprise AI solutions, and (4) others.

During the Reporting Period, our cost of sales amounted to RMB1,636.1 million (same period in 2024: RMB1,076.7 million), representing a year-on-year increase of 52.0%. Our operating costs increased in line with the growth in our total revenue, mainly driven by our hardware procurement costs.

## **Gross Profit and Gross Profit Margin**

In the first half of 2025, in alignment with the growth in our total revenue, gross profit increased to RMB990.4 million from RMB789.9 million in the same period of last year, representing a year-on-year increase of 25.4%. Our gross profit margin decreased to 37.7% from 42.3% in the same period of last year, mainly due to the increase in the percentage of hardware-related costs in revenue in the first half of 2025, driven by customer demand.

## **Selling and Marketing Expenses**

During the Reporting Period, our selling and marketing expenses amounted to RMB189.1 million (same period in 2024: RMB135.4 million), representing a year-on-year increase of 39.7%, mainly due to the fact that we continued to optimize the Company's branding strategy by appropriately expanding our investment in advertisements.

## **Administrative Expenses**

During the Reporting Period, our administrative expenses amounted to RMB86.4 million (same period in 2024: RMB100.3 million), representing a year-on-year decrease of 13.9%, which was mainly due to the decrease of employee benefit expenses and rental expenses.

### Research and Development Expenses

As always, we have continued to invest in our core technology R&D to maintain our leading position in the industry and our technological advancement. In the first half of 2025, our R&D focused on key and cutting-edge technology areas such as enhancement of industry scenario application capability, product performance, AI generative software development technology and open source machine learning. Our R&D expenses amounted to RMB893.4 million (same period in 2024: RMB850.0 million), representing a year-on-year increase of 5.1%, as a result of more expenses on cloud service and other technical service.

### Reversals of/(Provision for) Credit Loss Allowance, Net

Our reversals of/(provision for) credit loss allowance, net mainly includes the credit loss allowance on trade receivables, contract assets and other receivables.

During the Reporting Period, our reversal of credit loss allowance amounted to RMB14.4 million, while the provision for credit loss allowance recognised for the same period of last year was RMB24.5 million, which was due to the decrease of trade receivable balance and the enhancement of our collection management. In accordance with our accounting policy and relevant internal management system, we have made prudent provision for bad debts and will continue to closely monitor the recovery of receivables.

### Other Income

Our other income consists primarily of (1) government grants; and (2) value-added tax and other tax refunds.

During the Reporting Period, our other income amounted to RMB41.6 million, compared to RMB77.0 million for the same period of last year. The decrease was mainly due to the decrease in value-added tax refunds received.

### Other Gains, Net

Our other gains, net consists primarily of (1) fair value changes on financial assets at fair value through profit or loss, (2) net foreign exchange gains, (3) net gain on partial disposal of an investment accounted for using the equity method, and (4) net gain on partial disposal of a subsidiary with loss of control.

During the Reporting Period, our other gains, net amounted to RMB37.6 million, representing a year-on-year decrease of 30.6%, mainly due to the investment gain on the partial disposal of equity interest in Zhongneng Shibe Technology in the first half of last year.

### Operating Loss

As a result of the foregoing, during the Reporting Period, our operating loss amounted to RMB84.9 million (same period in 2024: RMB189.1 million), representing a year-on-year decrease of 55.1%.

### Finance Income

During the Reporting Period, our finance income amounted to RMB30.6 million as compared to RMB28.6 million for the same period of last year, representing a year-on-year increase of 7.0%, mainly due to the increase in interest income received on bank deposits.

### Finance Costs

During the Reporting Period, our finance costs amounted to RMB1.4 million as compared to RMB4.7 million for the same period of last year. The year-on-year decrease of 70.2% was mainly due to the decrease of interest expense on payable for acquisition of subsidiaries recognized in the first half of last year.

### Loss for the Period

As a result of the foregoing, during the Reporting Period, our loss for the period amounted to RMB73.9 million (same period in 2024: RMB168.5 million), representing a year-on-year decrease of 56.2%.

### Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRS, we use adjusted net loss (a non-IFRS measure) as additional financial measure, which are not required by, or presented in accordance with, IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that these measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, presentation of adjusted net loss (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS.

### Adjusted Loss for the Period

We define adjusted loss for the period as loss for the period adding back interest expense on share-based compensation expenses.

The following table reconciles our non-IFRS financial measures in each year presented to the financial measures prepared in accordance with IFRS.

	Six months ended June 30,		
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	Change
<b>Loss for the period</b>	<b>(73,894)</b>	(168,532)	-56.2%
Share-based compensation expenses	23,274	–	100.0%
<b>Adjusted net loss</b>	<b>(50,620)</b>	(168,532)	-70.0%
<b>Loss for the period attributable to the owners of the Company</b>	<b>(66,973)</b>	(151,598)	-55.8%
Share-based compensation expenses	23,274	–	100.0%
<b>Adjusted net loss attributable to the owners of the Company</b>	<b>(43,699)</b>	(151,598)	-71.2%

We have historically funded our cash requirements principally from capital contributions from shareholders. After the Global Offering, we intend to finance our future capital requirements through equity financing activities and debt financing activities in a balanced manner. We do not anticipate any changes to the availability of financing to fund our operation in the future.

As at June 30, 2025, all the Group's borrowings were denominated in RMB. The Group's borrowings bear fixed interest rate at 4%, all of which are due for maturity within one year.

### Cash and Bank Balances

As at June 30, 2025, cash and cash equivalents, term bank deposits and restricted cash of the Group totalled approximately RMB2,698.4 million (December 31, 2024: RMB1,825.8 million). Most of the cash and cash equivalents of the Group were denominated in United States Dollar and RMB. The term bank deposits and restricted cash of the Group were denominated in RMB.

### Liquid Cash Resources

The Group's liquid cash resources comprise cash and cash equivalents, short-term and long-term bank deposits, short-term investments measured at fair value through profit or loss, and restricted cash. As at June 30, 2025, the Group had liquid cash resources of approximately RMB3,264.8 million (December 31, 2024: RMB2,301.0 million).

### Net Current Assets

Our net current assets increased from RMB3,192.8 million as at December 31, 2024 to RMB4,410.2 million as at June 30, 2025, mainly due to the decrease of current liabilities.

### Current Ratio

As at June 30, 2025, our current ratio (current assets divided by current liabilities) was approximately 4.0, up from 2.3 as at December 31, 2024, reflecting our strong ability to withstand financial risks.

### Capital Management and Gearing Ratio

As at June 30, 2025, our gearing ratio (total borrowings divided by total equity attributable to equity holders of the Company) was approximately 0.03% (December 31, 2024: 0.1%). We have a relatively healthy capital structure. After taking into account the Group's future business plans and the macroeconomic environment, we may seek debt or equity financing as necessary to continuously optimize our capital structure.

### Capital Commitments

As at June 30, 2025, we had capital commitments with respect to equity investments amounting to RMB50.0 million (December 31, 2024: RMB4.0 million).

### Contingent Liabilities

As at June 30, 2025, we did not have any material contingent liabilities.

### Pledge of Assets

As at June 30, 2025, save for restricted cash of RMB0.5 million as security deposits mainly for bidding, issuance of letter of guarantee or bank acceptance bills, the Group had no material pledge of assets.

### Foreign Exchange Risk Management

The functional currency of the Company and its major subsidiaries is RMB. The majority of the revenues of the Group are derived from operations in the PRC. Foreign exchange risk primarily arises from recognized assets and liabilities denominated in a currency other than the functional currency of entities comprising the Group. Fluctuations in exchange rates between RMB and other currencies will affect the Group's financial position and results of operations in the course of business. The foreign exchange risk facing the Group mainly comes from the US dollars/RMB and Hong Kong dollars/RMB exchange rates. As at June 30, 2025, the Group did not hold any financial instruments for hedging purposes; neither did it hold any foreign currency investment hedged by currency borrowings nor other hedging instruments.



### Credit Risk

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

To manage risk arising from cash and cash equivalents, restricted cash, term bank deposits and investments in debt instruments measured at fair value through profit or loss, we only transact with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

To manage risk arising from trade receivables and contract assets, we have policies in place to ensure that sales with credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. We usually grant a credit term of no more than 90 days and the credit quality of these customers is assessed by taking into account their financial position, past experience and other factors.

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

### Fund and Working Capital Management

Our funds and liquidity management are centrally carried out by our finance department. Our finance department is generally responsible for overall management and implementation of funds, including formulating the capital management policy for our Group, guiding, coordinating and standardizing the fund management of regional companies, making annual funding plans, reviewing and summarizing annual capital budget, overseeing and assessing fund management of each regional company. We have also adopted sophisticated fund management policies and implemented a set of rules and guidelines on fund management to enhance the effectiveness and efficiency of fund management, thereby ensuring our financial security and reducing cost of capital.

To manage our idle cash on hand, we primarily purchase and redeem wealth management products using them as our "cash pool" from which we could readily access cash as needed and generate higher yield than bank deposits. The underlying financial assets of the wealth management products in which we invested primarily consist of the low-risk wealth management products issued by state-owned banks or other high-quality reputable banks in China. The amount of the purchase will be determined based on our surplus funds. We consistently comply with our treasury policy during the procedures of purchasing the wealth management products and managing the relevant departments, as well as in conducting business, accounting and filing.

We are committed to safeguarding overall financial security and maintaining strong cash position and a healthy debt profile with strong repayment ability. By adopting a full, reasonable and professional assessment mechanism, preparing annual and monthly funding plans, we have established prudent fund management principle, which allows us to efficiently manage market risks.

## Material Acquisitions and Disposals

We did not make any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

## Material Investments

On September 26, 2023 (prior to the Listing), the Group invested RMB390,000,000 in GaoTeng Overseas Equity No. 3 Private Securities Investment Fund (Private Equity) (高騰海外權益3號私募證券投資基金(私募基金)) (the **"Investment"**). GaoTeng Overseas Private Fund Management (Hainan) Ltd. (高騰海外私募基金管理(海南)有限公司) and Agricultural Bank of China Limited Hainan Branch (中國農業銀行股份有限公司海南省分行) are the fund manager and the fund trustee, respectively. The Group has no significant influence over the fund and the fund manager, and the Group can redeem its fund shares after a lock-up period of one year. As at June 30, 2025, the Investment was classified as a current asset. As at June 30, 2025, the carrying amount of the Investment was approximately RMB410 million, representing approximately 5.3% of the Group's total assets.

(1) Basic information relating to the Investment:

Name of fund	Name of fund manager	Registered place	Principal place of business	Business nature	Fund holdings	Investment cost (RMB'000)	Fair value as at June 30, 2025 (RMB'000)	Percentage of the Group's total assets
GaoTeng Overseas Equity No. 3 Private Securities Investment Fund (Private Equity) (the <b>"Fund"</b> )	GaoTeng Overseas Private Fund Management (Hainan) Ltd.	Sanya City, Hainan Province	Sanya City, Hainan Province	Private securities investment fund management	390,000,000	390,000	409,968	5.3

As of June 30, 2025, the Fund primarily invested in a segregated portfolio issued by a segregated portfolio company, which focused on investments in debt and money market products in Asia Pacific markets.

(2) The performance of the Fund during the Reporting Period is set out below:

Name of fund	Gain for the six months ended June 30, 2025 (RMB'000)	Dividend received for the six months ended June 30, 2025 (RMB'000)
GaoTeng Overseas Equity No. 3 Private Securities Investment Fund (Private Equity)	6,889	—

(3) The Company's investment strategy in respect of the Investment

The Fund focuses on U.S. dollar-denominated asset portfolio allocation with a robust investment strategy. As at June 30, 2025, the Company holds 390,000,000 units in the Fund. The Company invests in the Fund with the primary goal of obtaining expected investment returns through the Fund's investments.

The Company is optimistic about the future operation and returns of the Fund, expecting to achieve better investment returns upon exit from the Fund at maturity.

### Future Plans for Material Investments and Capital Assets

Save as disclosed herein and in the Prospectus, as at the date of this report, we did not have plans for significant investments and capital assets.

### EMPLOYEES AND REMUNERATION POLICY

As at June 30, 2025, we had 924 employees in total. Our success depends on our ability to attract, retain and motivate qualified personnel. During the Reporting Period, the total staff costs of the Group amounted to approximately RMB156.3 million, including wages, salaries, bonuses, share-based compensation expenses, pension costs, other social security costs, housing benefits and other employee benefits. We provide various incentives and benefits to our employees. We offer competitive salaries, bonuses and share-based compensation to our employees, especially key employees.

As required under PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

To maintain the quality, knowledge and skill levels of our workforce, we provide continuing education and training programs, including internal and external training, for our employees to improve their technical, professional or management skills. We also provide training programs to our employees from time to time to ensure their awareness and compliance with our policies and procedures in various aspects.

Prior to the Listing, the Board of Directors of the Company approved the adoption of the Employee Incentive Scheme on April 25, 2021. After the Listing, the Company adopted an equity incentive scheme (the **"Equity Incentive Scheme"**) on September 19, 2024. The Equity Incentive Scheme consists of the H-Share RSU Scheme and the Partnership Employee Stock Ownership Plan of the Company. In addition, the Company adopted the Share Option Scheme on September 19, 2024. We have granted and may grant options or share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

## SUBSEQUENT EVENTS

Saved as disclosed herein, the Group had no significant events after the Reporting Period and up to the date of the approval of the unaudited interim condensed consolidated financial information.

On July 17, 2025 (before trading hours of the Stock Exchange), the Company entered into a subscription agreement (the **"Subscription Agreement"**) with Infini Global Master Fund (the **"Subscriber"**), pursuant to which the Subscriber has conditionally agreed to subscribe for (the **"Subscription"**), and the Company has conditionally agreed to allot and issue, a total of 25,900,000 new H Shares (the **"Subscription Share(s)"**) at the subscription price of HK\$50.50 per Subscription Share for an aggregate consideration of approximately HK\$1,307,950,000. On July 17, 2025 (before trading hours of the Stock Exchange), the Company entered into a placing agreement with Guotai Junan Securities (Hong Kong) Limited (the **"Guotai Junan"**) in respect of the Subscription, pursuant to which Guotai Junan has agreed to, among other things, assist in completing the transactions contemplated under the Subscription Agreement. The net proceeds from the Subscription were approximately HK\$1,306.18 million. The Subscription has been completed on August 14, 2025. For details, please refer to the announcements of the Company dated July 17, 2025 and August 14, 2025.

On July 27, 2025, the Company, through Fourth Paradigm International Limited (**"4Paradigm International"**), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with 9M Technologies, in relation to, among other things, the formation of an entity, Para-tech Limited (the **"Entity"**). The Entity will be principally engaged in financial technology services. Upon its formation, the Entity will be owned as to 51% and 49% by 4Paradigm International and 9M Technologies, respectively. For details, please refer to the announcement of the Company dated July 28, 2025.

On August 4, 2025, the Company entered into a joint venture agreement (the **"Joint Venture Agreement"**) with Beijing HyperStrong Technology Co., Ltd. (**"HyperStrong"**), in relation to, among other things, the formation of a joint venture (the **"Joint Venture"**). The proposed name of the Joint Venture is Energy Crystal (Beijing) Technology Co., Ltd. (a tentative name subject to the final approval by the Market Supervision Administration). The Joint Venture will principally engage in artificial intelligence (AI) technology services for electricity trading. Upon its formation, the Joint Venture will be owned as to 19% by the Company. For details, please refer to the announcement of the Company dated August 4, 2025.



## OTHER INFORMATION

### CORPORATE GOVERNANCE

The Board is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate our business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions under Part II of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules as the basis of the Company’s corporate governance practices.

In the opinion of the Directors, during the Reporting Period, the Company has complied with all code provisions set out in the CG Code save as the code provision C.2.1 of the CG Code as set out below:

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between Chairman and Chief Executive Officer should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive officer and Dr. Dai currently performs these two roles. Dr. Dai has assumed the role of Chief Executive Officer of our Company since 2015. He has extensive experience in the business operations and management of our Group and in the AI industry. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Dai is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our Chief Executive Officer. The Board also believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman of the Board and Chief Executive Officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Company will continue to review and monitor its corporate governance practices on a regular basis to ensure compliance with the CG Code and to maintain its high standards of corporate governance practices.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. After the Company made specific enquiries with the Directors, all of the Directors confirmed that they had complied with the required standards as set out in the Model Code throughout the Reporting Period.

The Company’s employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance with the Model Code by the employees was noted by the Company during the Reporting Period and up to the date of this report.

## CHANGES TO DIRECTORS' INFORMATION

- (1) With effect from March 25, 2025, Dr. Dai served as a director of Shishuo Pilot Engineering Technology Research (Beijing) Co., Ltd. (式說領航工程技術研究(北京)有限公司), a wholly-owned subsidiary of the Company.
- (2) With effect from June 26, 2025, Mr. Liu Zhuzhan was appointed as an independent non-executive Director.
- (3) With effect from June 26, 2025, Mr. Chai Yifei ceased to be a Supervisor and was appointed as an employee representative Director.
- (4) Mr. Liu Chijin, an independent non-executive Director, ceased to be a director of Sanying Precision Instruments Co., Ltd. (天津三英精密儀器股份有限公司) (NEEQ: 839222).
- (5) Dr. Yang Qiang has retired as the Chair Professor of Computer Science and Engineering at the Hong Kong University of Science and Technology. In addition, Dr. Yang Qiang was re-designated from Management Adviser to Adviser of WeBank Co., Ltd. (深圳前海微眾銀行股份有限公司), with effect from April 2025.

Save as disclosed herein, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51B of the Listing Rules as of the date of this report.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' MEETINGS AND THE RULES OF PROCEDURES FOR THE BOARD MEETINGS, AND ABOLISHMENT OF THE SUPERVISORY COMMITTEE

To further improve the corporate governance structure, in accordance with the Company Law of the People's Republic of China, the Guidelines on Articles of Association of Listed Companies (2025 Revision), the Listing Rules and other relevant laws and regulations, the Board resolved on May 27, 2025 to propose amendments to the Articles of Association of the Company to, among other things, abolish the supervisory committee, change the registered address of the Company and increase the number of Directors. On May 27, 2025, the Board also proposed to amend the Rules of Procedures for the Shareholders' Meetings and the Rules of Procedures for the Board Meetings, so as to, among other things, align with the proposed amendments to the Articles of Association. On June 26, 2025, the Shareholders considered and approved the resolutions on the abolishment of the supervisory committee and the amendments to the Articles of Association, the Rules of Procedures for the Shareholders' Meetings and the Rules of Procedures for the Board Meetings at the annual general meeting of the Company ("AGM"). For details, please refer to the announcements of the Company dated May 27, 2025 and June 26, 2025, and the circular dated May 27, 2025.

## CHANGE OF AUDITOR

On June 26, 2025, the Shareholders considered and approved the resolution on the appointment of CL Partners CPA Limited as the auditor of the Company for the year 2025 at the AGM. PricewaterhouseCoopers ceased to serve as the auditor of the Company upon conclusion of the AGM. For details, please refer to the announcements of the Company dated May 27, 2025 and June 26, 2025.

The name of CL Partners CPA Limited has been changed to Rongcheng (Hong Kong) CPA Limited.

## SHARE SCHEMES

On September 19, 2024, the Company adopted the Equity Incentive Scheme and the Share Option Scheme. The Equity Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules involving the existing Shares of the Company, and the Share Option Scheme constitutes a share scheme under Chapter 17 of the Listing Rules involving the issuance of new Shares of the Company. For details of the Equity Incentive Scheme and Share Option Scheme, please refer to the 2024 annual report of the Company.

## Share Option Scheme

Details of the options granted to the participants of the Share Option Scheme and the movements during the Reporting Period are set out below:

Grantee	Grant date	Number of options granted	Vesting period	Exercise period	Exercise price	Outstanding as at January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at June 30, 2025
Employees of the Group	November 19, 2024	5,124,445	Subject to the fulfillment of the performance target, 25% of the options granted shall be vested on November 19, 2025; 25% of the options granted shall be vested on November 19, 2026; 25% of the options granted shall be vested on November 19, 2027; and the remaining 25% of the options granted will be vested on November 19, 2028. <sup>Note 1</sup>	Valid for 4 years from the date of vesting and lapse at the expiry of such period.	HK\$41.19 per H Share	5,124,445	-	-	-	-	-	5,124,445
Total	-	5,124,445	-	-	-	5,124,445	-	-	-	-	-	5,124,445

Notes:

1. The Share Options shall be subject to the individual performance target as set out in our employee incentive vesting assessment measures.
2. The closing price of the H Shares immediately before the date of grant on November 19, 2024 was HK\$37.45 per share.
3. As disclosed in the 2024 annual report, the weighted-average fair value as at the date of grant of the share options granted on November 19, 2024 was RMB13.89 per share.

The Company did not grant any options under the Share Option Scheme during the Reporting Period. As at the beginning and end of the Reporting Period, the number of Shares available for future grant under the scheme mandate limit of the Share Option Scheme was 18,149,521 Shares. The participants of the Share Option Scheme only include employees, so there is no sub-limit for service providers.

## INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: Nil).

## AUDIT COMMITTEE

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

The unaudited interim financial information of the Group for the six months ended June 30, 2025 has been reviewed by the Audit Committee. The Audit Committee has also considered and reviewed the accounting principles and practices adopted by the Group and discussed with the management and the Company's external auditors, among other things, the Group's risk management, internal controls and financial reporting.

## REVIEW OF INTERIM FINANCIAL INFORMATION

The independent auditor of the Company, namely Rongcheng (Hong Kong) CPA Limited, has carried out a review of the interim financial information for the six months ended June 30, 2025 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as of December 31, 2024.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 308,900 H Shares (the "Repurchased Shares") on the Stock Exchange for a total consideration (before expenses) of HK\$11,711,150. Details of the Repurchased Shares are as follows:

Month	Number of Repurchased Shares	Price paid per Share		Total consideration (before expenses) (HK\$)
		Highest	Lowest	
		(HK\$)	(HK\$)	
April 2025	308,900	40.20	35.95	11,711,150
<b>Total</b>	<b>308,900</b>			<b>11,711,150</b>

During the Reporting Period, the trustee of the Equity Incentive Scheme purchased a total of 188,200 H Shares on the Stock Exchange for an aggregate consideration (before expenses) of HK\$8,245,730 in accordance with the rules of the Equity Incentive Scheme and the terms of the trust deed.

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

As at the end of the Reporting Period, the Company held a total of 186,100 H Shares that have been repurchased but not yet cancelled, and 502,200 H Shares that have been repurchased and retained as treasury shares. The treasury shares are intended to be used for employee incentives, sale or transfer to obtain liquidity and other purposes, subject to the actual decision of the Board.



## SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of our Directors, our Directors confirmed that the Company had maintained a sufficient amount of public float for its Shares as required under Rule 8.08 of the Listing Rules as of the date of this report.

## USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The H Shares of the Company were listed on the Main Board of the Stock Exchange on September 28, 2023. The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Global Offering (including the over-allotment option granted in connection with the Global Offering partially exercised) of approximately HK\$925.6 million and utilized net proceeds of approximately HK\$760.8 million as at June 30, 2025. The remaining net proceeds amounted to approximately HK\$164.8 million.

During the Reporting Period, details of the use of net proceeds from the Global Offering are set out below:

Item	Approximate % of total net proceeds	Net proceeds from the Global Offering (HK\$ million)	Amount unutilized as at January 1, 2025 (HK\$ million)	Net proceeds from the Global Offering utilized during the six months ended June 30, 2025 (HK\$ million)	Amount unutilized as at June 30, 2025 (HK\$ million)	Expected timeline of full utilization of the unutilized proceeds
Enhancing our fundamental research, technological capabilities and solution development	60.0%	555.4	481.7	406.3	75.4	Within three years commencing from the Listing Date
Expanding our offerings, building our brand and entering new sectors	20.0%	185.1	168.0	78.6	89.4	Within three to five years commencing from the Listing Date
Seeking strategic investment and acquisition opportunities	10.0%	92.6	–	–	–	N/A
General corporate purposes	10.0%	92.6	29.7	29.7	–	Before the end of three years from the Listing Date
<b>Total</b>	<b>100.0%</b>	<b>925.6</b>	<b>679.4</b>	<b>514.6</b>	<b>164.8</b>	

The net proceeds utilized have been converted from Renminbi to Hong Kong dollars at the rate of RMB1 to HK\$1.0862, being the reference exchange rate adopted in the Prospectus. No representation is made that any amounts in Hong Kong dollars or Renminbi have been or could be converted at the above rate.

The Company has used and will continue to use the remaining proceeds for the purpose as disclosed in the Prospectus and follow the expected implementation timetable as disclosed in the report.

## USE OF NET PROCEEDS FROM THE PLACING

On February 7, 2025, the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Placing Agents have agreed (as Placing Agents of the Company) to procure not less than six Placees (any individual, professional, corporate, institutional or other investors procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement) on a best effort basis to subscribe for 27,920,000 Placing Shares (with a total nominal value of RMB27,920,000) at a Placing Price of HK\$50.20 per H Share. The closing price of the H Shares of the Company on February 6, 2025 was HK\$56.80 per Share. The Placing aims to support the Company's continuous and stable business development, further consolidate its core competitiveness and ensure sustainable growth. The Placing was completed on February 13, 2025. The net proceeds from the Placing (after deducting the placing commission and other related costs and expenses of the Placing) were approximately HK\$1,394 million, and the net placing price of the Placing Shares was approximately HK\$49.93 per Share. For details, please refer to the announcements of the Company dated February 7, 2025 and February 13, 2025.

During the Reporting Period, details of the use of net proceeds from the Placing are set out below:

Item	Approximate % of total net proceeds	Net proceeds from the Placing (HK\$ million)	Amount unutilized as at February 13, 2025 (HK\$ million)	Net proceeds from the Placing utilized		Expected timeline of full utilization of the unutilized proceeds
				during the six months ended June 30, 2025 (HK\$ million)	Amount unutilized as at June 30, 2025 (HK\$ million)	
Core product R&D	30%	418	418	–	418	Before the end of year 2027
Business expansion	20%	279	279	–	279	Before the end of year 2027
M&A opportunities	40%	558	558	–	558	Before the end of year 2027
General corporate purposes	10%	139	139	–	139	Before the end of year 2027
<b>Total</b>	100.0%	1,394	1,394	–	1,394	

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As far as the Company is aware, as at June 30, 2025, the interests and/or short positions (if applicable) of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Interests in the Shares of the Company

Name	Title	Capacity/ Nature of Interest	Number of Shares interested	Approximate percentage of shareholding in Domestic Shares of the Company <sup>(2)</sup>	Approximate percentage of shareholding in H Shares of the Company <sup>(3)</sup>	Approximate percentage of shareholding in the total share capital of the Company <sup>(4)</sup>
Dr. Dai <sup>(5)(6)</sup>	Chairman of the Board, Executive Director, Chief Executive Officer and General Manager	Beneficial owner	106,164,523 Domestic Shares (L)	53.38%	–	21.50%
		Interest in controlled corporation	37,034,191 Domestic Shares (L)	18.62%	–	7.50%
		Interest in controlled corporation	29,470,892 H Shares (L) <sup>(7)</sup>	–	9.99%	5.97%

Notes:

(1) (L) – Long position

(2) The calculation is based on the total number of 198,869,237 issued Domestic Shares as at June 30, 2025.

(3) The calculation is based on the total number of 294,909,496 issued H Shares as at June 30, 2025.

(4) The calculation is based on the total number of 493,778,733 issued Shares as at June 30, 2025, comprising 198,869,237 issued Domestic Shares and 294,909,496 issued H Shares.

(5) As at June 30, 2025, Dr. Dai beneficially owned 106,164,523 Domestic Shares of the Company. In addition to his direct shareholding, Dr. Dai is also deemed to be interested in 37,034,191 Domestic Shares of the Company through the intermediaries he controlled under the SFO. Paradigm Investment and Paradigm Yinyuan own 31,981,367 Domestic Shares and 5,052,824 Domestic Shares of our Company, respectively. Dr. Dai, through Beijing New Wisdom, being the sole general partner of Paradigm Investment and Paradigm Yinyuan. The spouse of Dr. Dai is also deemed to be interested in the Shares in which Dr. Dai is interested under the SFO.

(6) Paradigm Investment and Paradigm Yinyuan are indirectly controlled by Beijing New Wisdom, being the sole general partner of Paradigm Investment and Paradigm Yinyuan. Paradigm Investment and Paradigm Yinyuan hold 25,443,667 H Shares and 3,525,025 H Shares, respectively. By virtue of SFO, each of Dr. Dai and Beijing New Wisdom (through his/its interest in a controlled corporation or controlled corporations, as the case may be) are deemed to be interested in the H Shares held by each of Paradigm Investment and Paradigm Yinyuan.

(7) This includes 502,200 treasury shares held by the Company.

Save as disclosed above and to the best knowledge of our Directors, as at June 30, 2025, we were not aware of any Director or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As far as the Company is aware, as at June 30 2025, the persons, other than our Directors or the chief executive of our Company, who had interests or short positions in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO are as follows:

### Interests in the Shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of Shares interested	Approximate percentage of shareholding in Domestic Shares/H Shares of the Company <sup>(2)</sup>	Approximate percentage of shareholding in the total share capital of the Company <sup>(2)</sup>
Beijing New Wisdom <sup>(3)(4)</sup>	Interest in controlled corporation	37,034,191 Domestic Shares (L)	18.62%	7.50%
	Interest in controlled corporation	28,968,692 H Shares (L)	9.82%	5.87%
Paradigm Investment <sup>(4)</sup>	Beneficial owner	31,981,367 Domestic Shares (L)	16.08%	6.48%
	Beneficial owner	25,443,667 H Shares (L)	8.63%	5.15%
Paradigm Chuqi <sup>(4)</sup>	Interest in controlled corporation	31,981,367 Domestic Shares (L)	16.08%	6.48%
	Interest in controlled corporation	25,443,667 H Shares (L)	8.63%	5.15%
Xinhe No. 1 <sup>(5)</sup>	Beneficial owner	12,077,978 Domestic Shares (L)	6.07%	2.45%
Xinhe No. 1 Shareholders <sup>(5)</sup>	Interest in controlled corporation	12,077,978 Domestic Shares (L)	6.07%	2.45%
Hu Yuanman <sup>(5)</sup>	Interest in controlled corporation	14,126,295 Domestic Shares (L)	7.10%	2.86%
Zhou Kui <sup>(6)</sup>	Interest in controlled corporation	18,941,724 Domestic Shares (L)	9.52%	3.84%



## OTHER INFORMATION

### Notes:

- (1) (L) – Long position
- (2) The calculation is based on the total number of 198,869,237 issued Domestic Shares and 294,909,496 issued H Shares as at June 30, 2025.
- (3) Paradigm Investment and Paradigm Yinyuan are indirectly controlled by Beijing New Wisdom, being the sole general partner of Paradigm Investment and Paradigm Yinyuan. Paradigm Investment and Paradigm Yinyuan hold (i) 31,981,367 Domestic Shares and 25,443,667 H Shares; and (ii) 5,052,824 Domestic Shares and 3,525,025 H Shares, respectively. By virtue of SFO, each of Dr. Dai and Beijing New Wisdom (through his/its interest in a controlled corporation or controlled corporations, as the case may be) are deemed to be interested in the Shares held by each of Paradigm Investment and Paradigm Yinyuan.
- (4) Paradigm Chuqi (whose general partner is Beijing New Wisdom) is interested in more than one third of the limited partnership interest in Paradigm Investment. By virtue of SFO, Paradigm Chuqi is deemed to be interested in the Shares held by Paradigm Investment.
- (5) Xinhe No.1 (Tianjin) Science and Technology Center (Limited Partnership) ("**Xinhe No. 1**") directly holds 12,077,978 Domestic Shares. The general partner of Xinhe No.1 is Chunhua Mingde (Tianjin) Equity Investment Management Partnership Enterprise (Limited Partnership) ("**Chunhua Mingde**") and the limited partner holding more than one-third of the partnership interest in Xinhe No. 1 is Chunhua Xinhe (Tianjin) Equity Investment Partnership Enterprise (Limited Partnership) ("**Chunhua Xinhe**"). The general partner of Chunhua Xinhe is Chunhua Mingde and the limited partner holding more than one-third of the partnership interest in Chunhua Xinhe is Primavera Capital Fund III LP ("**Primavera**"), which is owned as to 66.70% by Hu Fred Zulu.

The general partner of Chunhua Mingde is Chunhua (Tianjin) Equity Investment Management Co., Ltd. ("**Chunhua Investment**"), which is wholly-owned by Hu Yuanman. By virtue of the SFO, each of Chunhua Xinhe, Primavera, Hu Fred Zulu, Chunhua Mingde, Chunhua Investment (collectively, the "**Xinhe No. 1 Shareholders**") and Hu Yuanman is deemed to be interested in the Domestic Shares held by Xinhe No. 1.

Qiushi Xingde (Tianjin) Investment Center (Limited Partnership) ("**Qiushi Xingde**") is indirectly controlled by Hu Yuanman, who directly holds 2,048,317 Domestic Shares.

By virtue of the SFO, Hu Yuanman is deemed to be interested in the Domestic Shares held by Qiushi Xingde.

- (6) To the best knowledge of the Company, the general partner of Shenzhen HongShan Hanchen Equity Investment Partnership (L.P.) ("**HongShan Hanchen**") is Shenzhen HongShan Antai Equity Investment Partnership (L.P.) ("**HongShan Antai**") and the limited partner which holds more than one-third of the partnership interest in HongShan Hanchen is Shenzhen HongShan Yuechen Investment Partnership (L.P.) ("**HongShan Yuechen**"). The general partner of HongShan Yuechen is HongShan Antai and the limited partner holding more than one-third of the partnership interest in HongShan Yuechen is Shenzhen HongShan Yuchen Equity Investment Partnership (L.P.) ("**HongShan Yuchen**"). The general partner of HongShan Yuchen is HongShan Antai. The general partner of HongShan Antai is Shenzhen HongShan Huanyu Investment Consulting Co., Ltd. ("**HongShan Huanyu**"), which is owned as to 70% by Zhou Kui.

Beijing HongShan Mingde Equity Investment Center (Limited Partnership) ("**HongShan Mingde**") directly owns 6,352,978 Domestic Shares of the Company, its general partner is Beijing HongShan Kunde Investment Management Center (Limited Partnership) ("**HongShan Kunde**"), and its limited partners holding more than one-third of the partnership interest in HongShan Mingde are Beijing HongShan Shengde Equity Investment Center (Limited Partnership) ("**HongShan Shengde**") and Beijing HongShan Kangde Equity Investment Center (Limited Partnership) ("**HongShan Kangde**"). The general partner of HongShan Kunde is Shanghai Huanyuan Investment Management Co., Ltd. ("**Shanghai Huanyuan**") and Ningbo Meishan Free Trade Port HongShan Huide Investment Management Partnership (Limited Partnership) ("**HongShan Huide**") is the general partner of HongShan Shengde and HongShan Kangde respectively. The general partner of HongShan Huide is Shanghai Huanyuan, which is owned as to 70% by Zhou Kui.

Ningbo Meishan Free Trade Zone HongShan Zhisheng Equity Investment Partnership (Limited Partnership) ("**HongShan Zhisheng**") directly owns 4,112,972 Domestic Shares of the Company, its general partner is Jiaxing HongShan Kunsheng Investment Management Partnership (Limited Partnership) ("**HongShan Kunsheng**"), and the limited partners who hold more than one-third of the partnership interest in HongShan Zhisheng are Ningbo Meishan Free Trade Port HongShan Mingsheng Equity Investment Partnership (Limited Partnership) ("**HongShan Mingsheng**") and Ningbo Meishan Bonded Port Area HongShan Jiasheng Equity Investment Partnership (Limited Partnership) ("**HongShan Jiasheng**"). HongShan Kunsheng is the general partner of HongShan Mingsheng and HongShan Jiasheng respectively, and the general partner of HongShan Kunsheng is Ningbo Meishan Bonded Port Area HongShan Huanjia Investment Management Co., Ltd. ("**HongShan Huanjia**"). Hongshan Huanjia is owned as to 70% by Zhou Kui.

By virtue of the SFO, Zhou Kui is deemed to be interested in HongShan Hanchen, HongShan Mingde and the Shares held by them.

Save as disclosed above and to the best knowledge of our Directors, as at June 30, 2025, we were not aware of any other person (other than the Directors or the chief executive of our Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred therein.

## COMPETING INTERESTS

Our Directors are not aware of any business or interest of our Directors or the controlling shareholders (as defined in the Listing Rules) of the Company nor any of their respective associates (as defined in the Listing Rules) that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person had or might have with the Group during the six months ended June 30, 2025.

## CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

The Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

By order of the Board  
**Beijing Fourth Paradigm Technology Co., Ltd.**  
**DAI Wenyuan**  
*Chairman*

Beijing, the PRC

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



**To the Board of Directors of Beijing Fourth Paradigm Technology Co., Ltd.**

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

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Beijing Fourth Paradigm Technology Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 34 to 79, which comprise the condensed consolidated statement of financial position as of June 30, 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”* (“ISRE 2410”) issued by the International Auditing and Assurance Standards Board (“IAASB”). A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

## OTHER MATTER

The comparative condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended June 30, 2024 and relevant notes to the condensed consolidated financial statements were extracted from the interim financial information of the Group for the six-month period ended June 30, 2024 reviewed by another auditor who expressed an unmodified conclusion on the interim financial information on August 15, 2024. The comparative condensed consolidated statement of financial position as at December 31, 2024 were extracted from the consolidated financial statements of the Group for the year ended December 31, 2024 audited by the same auditor who expressed an unmodified opinion on those statements on March 31, 2025.

**Rongcheng (Hong Kong) CPA Limited**  
**(formerly known as CL Partners CPA Limited)**

Certified Public Accountants  
Registered Public Interest Entity Auditors  
Hong Kong  
August 21, 2025



# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue</b>	6	<b>2,626,497</b>	1,866,600
Cost of sales	9	(1,636,090)	(1,076,654)
<b>Gross profit</b>		<b>990,407</b>	789,946
Selling and marketing expenses	9	(189,054)	(135,355)
Administrative expenses	9	(86,437)	(100,334)
Research and development expenses	9	(893,431)	(850,045)
Reversals of/(provision for) credit loss allowance, net	9	14,383	(24,472)
Other income	7	41,633	76,976
Other gains, net	8	37,617	54,164
<b>Operating loss</b>		<b>(84,882)</b>	(189,120)
Share of results of investments accounted for using the equity method	16	(19,673)	1,624
Finance income	10	30,625	28,595
Finance costs	10	(1,419)	(4,712)
<b>Loss before income tax</b>		<b>(75,349)</b>	(163,613)
Income tax credit/(expenses)	11	1,455	(4,919)
<b>Loss for the period</b>		<b>(73,894)</b>	(168,532)
<b>Other comprehensive loss:</b>			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences		(12,458)	1,330
<i>Item that will not be reclassified to profit or loss</i>			
Share of other comprehensive loss of investments accounted for using the equity method	16	—	(6,306)
<b>Other comprehensive loss for the period, net of tax</b>		<b>(12,458)</b>	(4,976)
<b>Total comprehensive loss for the period</b>		<b>(86,352)</b>	(173,508)
<b>Loss attributable to:</b>			
Owners of the Company		(66,973)	(151,598)
Non-controlling interests		(6,921)	(16,934)
		<b>(73,894)</b>	(168,532)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Notes	Six months ended June 30,	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(79,431)	(156,574)
Non-controlling interests		(6,921)	(16,934)
		(86,352)	(173,508)
<b>Loss per share for loss attributable to owners of the Company (expressed in RMB per share)</b>	12		
Basic		(0.14)	(0.33)
Diluted		(0.14)	(0.33)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2025

	Notes	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets	13(a)	19,326	24,299
Property and equipment	14	42,917	34,685
Intangible assets	15	486	189,747
Investments accounted for using the equity method	16	711,000	554,509
Financial assets at fair value through profit or loss	17	382,975	459,968
Contract assets	6(a)	219	1,236
Term bank deposits	22(c)	531,911	405,009
Other non-current assets	18	177,588	227,927
		<b>1,866,422</b>	<b>1,897,380</b>
<b>Current assets</b>			
Inventories	19	380,384	171,617
Contract assets	6(a)	1,664	1,026
Trade receivables	20	1,966,745	3,085,640
Prepayments and other receivables	21	811,195	535,966
Financial assets at fair value through profit or loss	17	566,379	475,234
Term bank deposits	22(c)	141,497	559,653
Restricted cash	22(b)	476	2,511
Cash and cash equivalents	22(a)	2,024,516	858,618
		<b>5,892,856</b>	<b>5,690,265</b>
<b>Total assets</b>		<b>7,759,278</b>	<b>7,587,645</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	23	493,779	465,859
Treasury stock	24	(28,947)	(18,107)
Shares held for share award schemes	24	(678)	–
Reserves	24	11,237,905	9,969,530
Accumulated losses		(5,422,136)	(5,355,163)
		<b>6,279,923</b>	<b>5,062,119</b>
<b>Non-controlling interests</b>		<b>(17,262)</b>	<b>8,769</b>
<b>Total equity</b>		<b>6,262,661</b>	<b>5,070,888</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2025

	Notes	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	13(b)	7,109	11,470
Deferred tax liabilities		6,873	7,782
		<b>13,982</b>	<b>19,252</b>
<b>Current liabilities</b>			
Trade payables	25	1,244,015	2,183,263
Other payables and accruals	26	39,427	94,789
Contract liabilities	6(b)	125,223	173,055
Lease liabilities	13(b)	9,569	11,009
Income tax payables		—	1,336
Borrowings	27	1,883	5,883
Other liabilities	28	62,518	28,170
		<b>1,482,635</b>	<b>2,497,505</b>
<b>Total liabilities</b>		<b>1,496,617</b>	<b>2,516,757</b>
<b>Total equity and liabilities</b>		<b>7,759,278</b>	<b>7,587,645</b>

On behalf of the Board

**Dai Wenyuan**  
Director

**Yu Zhonghao**  
Director



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Attributable to owners of the Company							
		Share capital RMB'000	Treasury stock RMB'000	Shares held for share award schemes RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Notes									
(Unaudited)									
Balance at January 1, 2025		465,859	(18,107)	–	9,969,530	(5,355,163)	5,062,119	8,769	5,070,888
Comprehensive loss									
Loss for the period		–	–	–	–	(66,973)	(66,973)	(6,921)	(73,894)
Currency translation differences		–	–	–	(12,458)	–	(12,458)	–	(12,458)
Total comprehensive loss for the period		–	–	–	(12,458)	(66,973)	(79,431)	(6,921)	(86,352)
Transactions with owners in their capacity as owners									
Shares repurchase	24	–	(10,840)	–	–	–	(10,840)	–	(10,840)
Recognition of equity-settled share-based payments		–	–	–	23,274	–	23,274	–	23,274
Placing of shares	23	27,920	–	–	1,258,349	–	1,286,269	–	1,286,269
Transaction costs attributable to issue of shares	24	–	–	–	(905)	–	(905)	–	(905)
Shares purchased and withheld for Share Scheme Trust	24	–	–	(7,585)	–	–	(7,585)	–	(7,585)
Vesting of awarded shares from Share Scheme Trust	24	–	–	6,907	(6,907)	–	–	–	–
Partial disposal of an associate	16(b)	–	–	–	(1,434)	–	(1,434)	–	(1,434)
Partial disposal of a subsidiary with loss of control	31(a)	–	–	–	8,456	–	8,456	(19,110)	(10,654)
Total transactions with owners in their capacity as owners		27,920	(10,840)	(678)	1,280,833	–	1,297,235	(19,110)	1,278,125
Balance at June 30, 2025		493,779	(28,947)	(678)	11,237,905	(5,422,136)	6,279,923	(17,262)	6,262,661

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Attributable to owners of the Company						
	Notes	Share capital RMB'000	Treasury stock RMB'000	Reserves RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>(Unaudited)</b>								
<b>Balance at January 1, 2024</b>		465,859	–	9,969,638	(5,086,375)	5,349,122	103,392	5,452,514
<b>Comprehensive loss</b>								
Loss for the period		–	–	–	(151,598)	(151,598)	(16,934)	(168,532)
Currency translation differences		–	–	1,330	–	1,330	–	1,330
Share of other comprehensive loss of investments accounted for using the equity method		16	–	(6,306)	–	(6,306)	–	(6,306)
<b>Total comprehensive loss for the period</b>		–	–	(4,976)	(151,598)	(156,574)	(16,934)	(173,508)
<b>Transactions with owners in their capacity as owners</b>								
Shares repurchase		24	–	(12,495)	–	(12,495)	–	(12,495)
Partial disposal of a subsidiary with loss of control		31	–	–	–	–	(62,884)	(62,884)
<b>Total transactions with owners in their capacity as owners</b>		–	(12,495)	–	–	(12,495)	(62,884)	(75,379)
<b>Balance at June 30, 2024</b>		465,859	(12,495)	9,964,662	(5,237,973)	5,180,053	23,574	5,203,627

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Net cash used in operations		(444,719)	(415,102)
Interest received		6,041	16,388
Income tax paid		–	(3,479)
<b>Net cash used in operating activities</b>		<b>(438,678)</b>	<b>(402,193)</b>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment		(3,313)	(11,088)
Purchases of intangible assets		–	(1,000)
Proceeds from disposal of property and equipment		1,040	123
Placement of term bank deposits		(3,643,106)	(700,000)
Withdrawal of term bank deposits		3,933,808	301,000
Interest income received from term bank deposits		20,964	36,150
Purchases of short-term investments measured at fair value through profit or loss	5.2	(855,969)	(675,000)
Proceeds from disposal of short-term investments measured at fair value through profit or loss	5.2	775,707	733,170
Proceeds from disposal of long-term investments measured at fair value through profit or loss	5.2	72,155	–
Purchase of long-term investments measured at fair value through profit or loss	5.2	(500)	(40,842)
Acquisition of an investment accounted for using the equity method	16	(30,000)	–
Proceeds from partial disposal of investments accounted for using the equity method	16	43,600	–
Settlement of consideration payable for business combination completed in prior years		–	(30,465)
Partial disposal of subsidiaries with loss of control	31	51,839	2,455
<b>Net cash from/(used in) investing activities</b>		<b>366,225</b>	<b>(385,497)</b>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		Six months ended June 30,	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Cash flows from financing activities</b>			
Payments for shares repurchased	24	(18,425)	(12,495)
Proceeds from placing of shares		1,286,269	–
Proceeds from borrowings		–	42,300
Repayment of borrowings		(4,000)	(33,950)
Interest expenses paid		(43)	(1,270)
Payment of lease liabilities		(7,218)	(15,099)
Advance from a related party		8,800	8,500
Payment of listing expenses capitalised or to be capitalised		(1,810)	–
<b>Net cash from/(used in) financing activities</b>		<b>1,263,573</b>	<b>(12,014)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,191,120</b>	<b>(799,704)</b>
Cash and cash equivalents at beginning of the period		858,618	1,977,891
Effects of exchange rate changes on cash and cash equivalents		(25,222)	3,549
<b>Cash and cash equivalents at end of the period</b>		<b>2,024,516</b>	<b>1,181,736</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

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

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

Mr. Dai Wenyuan is the ultimate controlling shareholder of the Group as at the date of approval of this condensed consolidated financial statements.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

## 2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”). These condensed consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, it should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2024 (the “2024 Financial Statements”) as set out in the 2024 annual report of the Company dated March 31, 2025, which have been prepared in accordance with IFRS Accounting Standards.

## 3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the 2024 Financial Statements, except for the adoption of amended IFRS Accounting Standards as set out below.

### Application of amendments to IFRS Accounting Standards

The following amendments to standards are mandatory for the first time for the Group’s financial year beginning on January 1, 2025:

Amendments to IAS 21	Lack of exchangeability
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The adoption of these amended IFRS Accounting standards does not have significant impact on the Group’s results for the Interim Report Period and the Group’s financial position as of June 30, 2025.

## 4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of principal accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated financial statements, the significant judgments made by management in applying the Group's principal accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2024 Financial Statements.

## 5 FINANCIAL RISK MANAGEMENT

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's policies on financial risk management were set out in the 2024 Financial Statements and there have been no significant changes in the financial risk management policies during the six months ended June 30, 2025.

### 5.2 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at each balance sheet dates, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at June 30, 2025:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>(Unaudited)</b>				
<b>Assets</b>				
Long-term investments measured at fair value through profit or loss (Note 17)	–	–	382,975	382,975
Short-term investments measured at fair value through profit or loss (Note 17)	10,174	30,029	526,176	566,379
	10,174	30,029	909,151	949,354

## 5 FINANCIAL RISK MANAGEMENT (continued)

### 5.2 Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at December 31, 2024:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>(Audited)</b>				
<b>Assets</b>				
Long-term investments measured				
at fair value through profit or loss (Note 17)	–	–	459,968	459,968
Short-term investments measured				
at fair value through profit or loss (Note 17)	–	–	475,234	475,234
	–	–	935,202	935,202

The fair value of short-term investments measured at fair value through profit or loss categorised as level 1 were determined by quoted prices in active markets.

The fair value of short-term investments measured at fair value through profit or loss categorised as level 2 were determined by quoted market values provided by financial institutions which represented the fair value of the underlying investments.

The following table presents the changes in level 3 instruments of long-term investments measured at fair value through profit or loss for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>At beginning of the period</b>	<b>459,968</b>	456,824
Additions	500	40,842
Disposals	(72,155)	–
Changes in fair value	(5,338)	2,970
<b>At end of the period</b>	<b>382,975</b>	500,636
Net unrealised (losses)/gains for the period	(5,338)	2,970

## 5 FINANCIAL RISK MANAGEMENT (continued)

### 5.2 Fair value estimation (continued)

The following table presents the changes in level 3 instruments of short-term investments measured at fair value through profit or loss for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>At beginning of the period</b>	<b>475,234</b>	562,335
Additions	115,968	675,000
Disposals	(72,155)	(733,170)
Changes in fair value	7,129	18,198
<b>At end of the period</b>	<b>526,176</b>	522,363
Net unrealised gains for the period	7,129	16,867

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts were involved when necessary.

The valuation of the level 3 instruments mainly included long-term investments in unlisted equity securities, preferred shares and funds measured at fair value through profit or loss and short-term investments in funds measured at fair value through profit or loss (Note 17). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flows and market approach etc.



## 5 FINANCIAL RISK MANAGEMENT (continued)

### 5.2 Fair value estimation (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

Description	Fair values		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)		As at June 30, 2025	As at December 31, 2024	
Long-term investments measured at fair value through profit or loss:						
- Unlisted equity securities and preferred shares investments	113,529	117,329	Expected volatility	49.79%-60.44%	47.56%-61.79%	The higher the expected volatility, the lower the fair value
			Discount for lack of marketability ("DLOM")	18.00%-25.00%	18.00%-26.00%	The higher the DLOM, the lower the fair value
- Fund investments (Note)	269,446	342,639	N/A	N/A	N/A	N/A
	382,975	459,968				
Short-term investments measured at fair value through profit or loss:						
- Fund investments (Note)	526,176	475,234	N/A	N/A	N/A	N/A
	526,176	475,234				

Note: The Group determines the fair values of its fund investments as at the reporting date based on the reported net asset values of the respective funds as provided and evaluated by fund managers.

## 5 FINANCIAL RISK MANAGEMENT (continued)

### 5.2 Fair value estimation (continued)

If the fair values of the above long-term investments and short-term investments measured at fair value through profit or loss held by the Group had been 0.5% higher/lower, the loss before income tax for the six months ended June 30, 2025 and 2024 would have been approximately RMB4,546,000 and RMB4,676,000 lower/higher, respectively.

The Group believes that any reasonably possible change in assumptions used for the significant unobservable inputs would not significantly affect the profit or loss for the respective periods.

There were no transfers between levels 1, 2 and 3 of fair value hierarchy classifications during the six months ended June 30, 2025, and 2024.

The carrying amounts of the Group's financial assets that are not measured at fair value including cash and cash equivalents, restricted cash, term bank deposits, trade receivables and other receivables, and the Group's financial liabilities that are not measured at fair value, including borrowings, lease liabilities, trade payables, other payables and payable for acquisition of subsidiaries, approximate their fair values due to their short maturities or the financial assets/liabilities bear interests at interest rates that are close to the market interest rates.

## 6 SEGMENT INFORMATION AND REVENUE

The Group's business activities are sales of 4ParadigmSage AI Platform, other ready-to-use applications and related equipment and provision of application development and other services mainly in the PRC. The Group does not distinguish revenue, costs and expenses between segments in its internal reporting, and reports costs and expenses by nature as a whole.

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

For the six months ended June 30, 2025, revenue from contracts with customers of approximately RMB2,149,246,000 (for the six months ended June 30, 2024: RMB1,252,055,000) was from sales of 4ParadigmSage AI Platform, applications and related equipment, and revenue from contracts with customers of approximately RMB477,251,000 (for the six months ended June 30, 2024: RMB614,545,000) was from provision of application development and other services.

**6 SEGMENT INFORMATION AND REVENUE** (continued)

The Group's revenues derived from the transfer of goods and services at a point in time and over time are analysed as follows:

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Point in time	<b>2,621,780</b>	1,841,888
Over time	<b>4,717</b>	24,712
	<b>2,626,497</b>	1,866,600

**(a) Contract assets**

The Group has recognised the following assets related to contracts with customers:

	<b>As at</b>	<b>As at</b>
	<b>June 30,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Contract assets		
– Current portion	<b>1,703</b>	1,055
– Non-current portion	<b>225</b>	1,271
	<b>1,928</b>	2,326
Less: credit loss allowance	<b>(45)</b>	(64)
	<b>1,883</b>	2,262

Contract assets are generally the final payments of revenue contracts which are due at the end of the quality assurance period (1–3 years). Contract assets are recorded as the Group has no right on these amounts of consideration when the revenue is recognised.

**6 SEGMENT INFORMATION AND REVENUE** (continued)**(b) Contract liabilities**

The Group has recognised the following liabilities related to contracts with customers:

	<b>As at June 30, 2025 RMB'000 (Unaudited)</b>	<b>As at December 31, 2024 RMB'000 (Audited)</b>
Contract liabilities	<b>125,223</b>	173,055

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Due to generally the short-term duration of the relevant contracts, a majority of the contract liabilities are recognised in the following year.

**7 OTHER INCOME**

	<b>Six months ended June 30, 2025 RMB'000 (Unaudited)</b>	<b>2024 RMB'000 (Unaudited)</b>
Government grants (Note)	<b>2,105</b>	2,339
Value-added tax and other tax refunds	<b>39,488</b>	74,516
Others	<b>40</b>	121
	<b>41,633</b>	76,976

Note: Government grants primarily relate to grants in connection with the Group's contributions to technology development and investments in local business districts. Those grants are not stipulated with any unfulfilled conditions or contingencies.



## 8 OTHER GAINS, NET

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fair value changes on financial assets at fair value through profit or loss	5,546	21,168
– Listed equity securities	174	–
– Unlisted equity securities	(666)	(2,694)
– Preferred shares investments	(3,634)	(6,988)
– Fund investments	6,091	29,519
– Wealth management products	3,581	1,331
Foreign exchange gains, net	11,233	1,890
Gain on partial disposal of an investment accounted for using the equity method (Note 16(b))	12,582	–
Gain on partial disposal of a subsidiary with loss of control (Note 31)	6,375	31,545
Gain on disposals of property and equipment	33	–
Others	1,848	(439)
	37,617	54,164

## 9 EXPENSES BY NATURE

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Employee benefit expenses	132,976	254,007
Share-based compensation expenses	23,274	–
Cloud, technology and other technical service fees	1,085,791	1,065,572
Cost of finished goods sold	1,361,677	694,740
Advertising and marketing expenses	155,143	59,839
Depreciation and amortisation		
– Property and equipment (Note 14)	6,370	9,489
– Right-of-use assets (Note 13(a))	5,073	13,944
– Intangible assets (Note 15)	4,182	11,341
Other professional fees	13,030	13,903
Business travel expenses	4,212	9,340
Reversals of/(provision for) credit loss allowance, net (Note)	(14,383)	24,472
Impairment provision for inventories	309	3,218
Others	12,975	26,995
	2,790,629	2,186,860

Note: Mainly include the reversals of/(provision for) credit loss allowance on contract assets, trade receivables, and other receivables (refer to Notes 6(a), 20 and 21 respectively).

## 10 FINANCE INCOME AND FINANCE COSTS

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Finance income:</b>		
Interest income from bank deposits	28,982	26,913
Interest income from loan to a related party (Note 32(b))	101	51
Amortised amounts on receivable from the partial disposal of a subsidiary with loss of control	1,542	1,631
	<b>30,625</b>	<b>28,595</b>
<b>Finance costs:</b>		
Interest expense on lease liabilities (Note 13(b))	(401)	(952)
Interest expense on borrowings	(43)	(1,270)
Amortised amounts on payable for acquisition of subsidiaries	–	(2,346)
Others	(975)	(144)
	<b>(1,419)</b>	<b>(4,712)</b>

## 11 INCOME TAX CREDIT/(EXPENSES)

The income tax credit/(expenses) of the Group for the six months ended June 30, 2025 and 2024 are analysed as follows:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax	–	(6,176)
Deferred income tax	1,455	1,257
<b>Income tax credit/(expenses)</b>	<b>1,455</b>	<b>(4,919)</b>

Income tax credit/(expenses) are recognised based on management's best knowledge of the income tax rates that would be applicable to the full financial year.

## 11 INCOME TAX CREDIT/(EXPENSES) (continued)

Notes:

(a) Enterprise income tax in the PRC ("EIT")

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

A subsidiary of the Company in the PRC was approved as High and New Technology Enterprise in December 2016 and renewed the qualification in December 2019 and November 2022, hence it enjoys a preferential income tax rate of 15% from December 2016 to November 2025. The subsidiary is in the progress of renewing the High and New Technology Enterprise qualification in 2025.

(b) Hong Kong Profits Tax

The entity incorporated in Hong Kong is subject to Hong Kong Profits Tax of which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollar ("HKD") 2 million and 16.5% for any assessable profits in excess of HK\$2 million.

No provision for Hong Kong Profits Tax was made as the Group had no estimated assessable profit that was subject to Hong Kong Profits Tax during the periods presented.

(c) Singapore income tax

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

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

(d) Super Deduction for research and development expenses

As announced by the State Taxation Administration of the PRC in March 2023, all enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Super Deduction from January 1, 2023. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits.

## 12 LOSS PER SHARE

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods. In determining the weighted average number of ordinary shares in issue, treasury stock and shares held for share award schemes are excluded from the calculation.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potential ordinary shares issued during the six months ended June 30, 2025 and 2024. Hence, diluted loss per share for both periods are same as basic loss per share for the respective periods.

	Six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to owners of the Company (RMB'000)	(66,973)	(151,598)
Weighted average number of ordinary shares in issue excluding treasury stock and shares held for share award schemes (thousand shares)	486,584	465,817
Basic and diluted loss per share for loss attributable to owners of the Company (expressed in RMB per share)	(0.14)	(0.33)

## 13 LEASES

The Group leases certain of its offices under operating lease arrangements, which are negotiated for terms ranging from 6 months to 3 years.

The condensed consolidated statement of financial position include the following amounts relating to leases:

### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the six months ended June 30, 2025 and 2024 are as follows, respectively:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>At beginning of the period</b>	<b>24,299</b>	44,363
Additions	291	8,180
Depreciation charge	(5,073)	(13,944)
Partial disposal of a subsidiary with loss of control (Note 31)	(191)	(2,475)
<b>At end of the period</b>	<b>19,326</b>	36,124



**13 LEASES** (continued)**(b) Lease liabilities**

The carrying amounts of the Group's lease liabilities as at June 30, 2025 and December 31, 2024 are as follows, respectively:

	<b>As at June 30, 2025 RMB'000 (Unaudited)</b>	<b>As at December 31, 2024 RMB'000 (Audited)</b>
Current	9,569	11,009
Non-current	7,109	11,470
	<b>16,678</b>	<b>22,479</b>

The condensed consolidated statement of comprehensive income show the following amounts relating to leases:

	<b>Six months ended June 30, 2025 RMB'000 (Unaudited)</b>	<b>2024 RMB'000 (Unaudited)</b>
Depreciation charge of right-of-use assets (Note 9)	5,073	13,944
Interest expense (Note 10)	401	952
Expense relating to short-term leases	67	58

## 14 PROPERTY AND EQUIPMENT

The movement of property and equipment for the six months ended June 30, 2025 and 2024 is as below:

	Server and electronic equipment RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
<b>(Unaudited)</b>				
<b>Six months ended June 30, 2025</b>				
Opening net book amount	16,810	15,458	2,417	34,685
Additions	13,034	–	3,413	16,447
Disposals	–	(1,007)	–	(1,007)
Partial disposal of a subsidiary with loss of control (Note 31)	(663)	(99)	(76)	(838)
Depreciation charge (Note 9)	(2,536)	(3,166)	(668)	(6,370)
<b>Closing net book amount</b>	<b>26,645</b>	<b>11,186</b>	<b>5,086</b>	<b>42,917</b>
<b>At June 30, 2025</b>				
Cost	54,876	44,888	10,689	110,453
Accumulated depreciation	(28,231)	(33,702)	(5,603)	(67,536)
<b>Net book amount</b>	<b>26,645</b>	<b>11,186</b>	<b>5,086</b>	<b>42,917</b>
<b>(Unaudited)</b>				
<b>Six months ended June 30, 2024</b>				
Opening net book amount	15,332	20,496	11,219	47,047
Additions	371	10,469	248	11,088
Disposals	(95)	(28)	–	(123)
Partial disposal of a subsidiary with loss of control	(1,624)	(425)	(1,711)	(3,760)
Depreciation charge (Note 9)	(2,895)	(3,735)	(2,859)	(9,489)
<b>Closing net book amount</b>	<b>11,089</b>	<b>26,777</b>	<b>6,897</b>	<b>44,763</b>
<b>At June 30, 2024</b>				
Cost	35,187	56,958	29,259	121,404
Accumulated depreciation	(24,098)	(30,181)	(22,362)	(76,641)
<b>Net book amount</b>	<b>11,089</b>	<b>26,777</b>	<b>6,897</b>	<b>44,763</b>

**14 PROPERTY AND EQUIPMENT** (continued)

Depreciation charges were expensed off in the following categories in the condensed consolidated statement of comprehensive income:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Research and development expenses	4,075	5,135
Administrative expenses	2,176	3,616
Selling and marketing expenses	119	738
	6,370	9,489

## 15 INTANGIBLE ASSETS

	Goodwill (Note) RMB'000	Software and copyright RMB'000	Technology RMB'000	Customer relationship RMB'000	Brand name RMB'000	Total RMB'000
<b>(Unaudited)</b>						
<b>Six months ended June 30, 2025</b>						
Opening net book amount	165,639	1,023	3,330	15,400	4,355	189,747
Partial disposal of a subsidiary with loss of control (Note 31)	(165,639)	–	(2,220)	(13,200)	(4,020)	(185,079)
Amortisation charge (Note 9)	–	(537)	(1,110)	(2,200)	(335)	(4,182)
<b>Closing net book amount</b>	<b>–</b>	<b>486</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>486</b>
<b>At June 30, 2025</b>						
Cost	–	34,765	–	–	–	34,765
Accumulated amortisation	–	(34,279)	–	–	–	(34,279)
<b>Net book amount</b>	<b>–</b>	<b>486</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>486</b>
<b>(Unaudited)</b>						
<b>Six months ended June 30, 2024</b>						
Opening net book amount	335,801	7,632	23,615	53,605	5,025	425,678
Additions	–	1,000	–	–	–	1,000
Partial disposal of a subsidiary with loss of control	(94,088)	(4,242)	(12,760)	(20,279)	–	(131,369)
Amortisation charge (Note 9)	–	(1,465)	(3,235)	(6,306)	(335)	(11,341)
<b>Closing net book amount</b>	<b>241,713</b>	<b>2,925</b>	<b>7,620</b>	<b>27,020</b>	<b>4,690</b>	<b>283,968</b>
<b>At June 30, 2024</b>						
Cost	241,713	35,003	16,400	46,500	6,700	346,316
Accumulated amortisation	–	(32,078)	(8,780)	(19,480)	(2,010)	(62,348)
<b>Net book amount</b>	<b>241,713</b>	<b>2,925</b>	<b>7,620</b>	<b>27,020</b>	<b>4,690</b>	<b>283,968</b>

The directors of the Company concluded that there were no impairment indicators identified during the six months ended June 30, 2025 and 2024. No impairment loss of goodwill and intangible assets is required to be recognised as of June 30, 2025 and 2024.



**15 INTANGIBLE ASSETS** (continued)

Amortisation charges were expensed off in the following categories in the condensed consolidated statement of comprehensive income:

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Administrative expenses	765	1,167
Research and development expenses	1,217	3,343
Selling and marketing expenses	2,200	6,831
	<b>4,182</b>	<b>11,341</b>

**16 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Investments accounted for using the equity method		
– Associates	413,118	250,920
– Joint ventures	297,882	303,589
	<b>711,000</b>	<b>554,509</b>

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>At beginning of the period</b>	<b>554,509</b>	<b>53,436</b>
Addition (Note (a))	30,000	–
Transfer from partial disposal of a subsidiary with loss of control (Note 31)	168,627	167,200
Disposals (Note (b))	(22,452)	–
Share of results	(19,673)	1,624
Share of other comprehensive loss	–	(6,306)
Others	(11)	39
<b>At end of the period</b>	<b>711,000</b>	<b>215,993</b>

Notes:

- (a) During the six months ended June 30, 2025, the Group acquired 15.87% equity interest of Shenzhen New Potential Energy Phase II Angel Venture Capital Enterprise (Limited Partnership) at a consideration of RMB30,000,000.
- (b) During the six months ended June 30, 2025, the Group partially disposed of 12% equity interest of EpicHust Technology (Wuhan) Co., Ltd. to an independent third party at the consideration of approximately RMB33,600,000. A gain on disposal of an investment accounted for using the equity method amounted to approximately RMB12,582,000 was recognised in profit or loss during the six months ended June 30, 2025.

## 17 INVESTMENTS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<b>Non-current assets</b>		
Long-term investments measured at fair value through profit or loss		
– Unlisted equity securities (Note (i))	113,529	113,695
– Preferred shares investments (Note (ii))	–	3,634
– Fund investments (Note (iii))	269,446	342,639
	<b>382,975</b>	<b>459,968</b>
<b>Current assets</b>		
Short-term investments measured at fair value through profit or loss		
– Listed equity securities	10,174	–
– Wealth management products (Note (iv))	30,029	–
– Fund investments (Note (iii))	526,176	475,234
	<b>566,379</b>	<b>475,234</b>

Notes:

**(i) Unlisted equity securities**

The fair values of unlisted securities are measured using a valuation technique with unobservable inputs and hence classified as level 3 of the fair value hierarchy. The major assumptions used in the valuation for investment in private companies have been set out in Note 5.2.

**(ii) Preferred shares investments**

The preferred shares investments in the investee were ordinary shares with preferential rights. The Group had the right to require and demand the investees to redeem all of the shares held by the Group at guaranteed predetermined fixed amount upon redemption events which were out of control of issuers. Hence, these investments were accounted for as debt instruments and were measured at fair value through profit or loss. These investments were within level 3 of the fair value hierarchy (Note 5.2).

**(iii) Fund investments**

The Group invested in funds which focus on equity investment in unlisted companies and debt securities investments. The returns of the funds are not guaranteed and their contractual cash flows do not qualify for solely payments of principal and interest, hence they are measured at fair value through profit or loss. The Group determines the fair values of the fund investments as at the reporting date based on the reported net asset values of the funds. These investments are within level 3 of the fair value hierarchy (Note 5.2).

On September 17, 2021, Beijing Paradigm Artificial Intelligence Equity Investment Fund (Limited Partnership) ("Paradigm Fund") was incorporated in Beijing, PRC. Paradigm Pilot Technology (Shenzhen) Co., Ltd. (formerly known as "Fourth Paradigm (Shenzhen) Data & Technology Co., Ltd."), the Company's wholly-owned subsidiary, as a limited partner, paid RMB200,000,000 and RMB40,842,000 (total investment of RMB240,842,000, 45.7% of the total capital contribution) on December 13, 2021 and April 11, 2024, respectively. The Group has elected to measure the investment in Paradigm Fund at fair value through profit or loss in accordance with IFRS 9 Financial Instruments. The carrying amount of this fund investment was approximately RMB251,089,000 as at June 30, 2025 (December 31, 2024: RMB255,131,000).

**17 INVESTMENTS** (continued)

Notes: (continued)

**(iii) Fund investments (continued)**

On September 26, 2023, the Group invested RMB390,000,000 in a private fund, GaoTeng Overseas Equity No.3 Private Equity Investment Fund. GaoTeng Overseas Private Fund Management (Hainan) Ltd. and Agricultural Bank of China Limited Hainan Branch are the fund manager and the fund trustee, respectively. The Group has no significant influence over the fund and the fund manager and the Group can redeem its fund shares after a lockup period of 360 days. As at June 30, 2025, this fund investment was classified as current assets. The carrying amount of this fund investment was approximately RMB409,968,000 as at June 30, 2025 (December 31, 2024: RMB403,079,000).

On September 19, 2023, the Group invested RMB155,000,000 in a private fund, Jinyi Equity A-9 Private Equity Investment Fund. Beijing Jinyi Asset Management Co., Ltd. and Citic Securities Company Limited are the fund manager and the fund trustee, respectively. The Group has no significant influence over the fund and the fund manager and the Group can redeem its fund shares after a lockup period of 730 days. As at June 30, 2025, this fund investment has been wholly redeemed (carrying amount of this fund investment as at December 31, 2024 was approximately RMB144,309,000).

During the six months ended June 30, 2025, the Group invested USD16,143,000 (equivalent to approximately RMB115,969,000) in a fund linked note issued by a financial institution. The Group has no significant influence over the fund and the fund manager and the Group can redeem the investment by the end of year 2025. As at June 30, 2025, the investment was classified as a current asset. The carrying amount of the investment was approximately RMB116,208,000 as at June 30, 2025 (December 31, 2024: nil).

**(iv) Wealth management products**

The wealth management products are mainly denominated in RMB. The returns on all these wealth management products are not guaranteed and their contractual cash flows do not qualify for solely payments of principal and interest, hence they are measured at fair value through profit or loss. None of these investments are past due. The Group determines the fair value of the wealth management products based on the statement provided by the financial institutions. These investments are within level 2 of the fair value hierarchy (Note 5.2).

## 18 OTHER NON-CURRENT ASSETS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Prepayment for cloud computing services (Note)	135,613	175,210
Prepayment for plant and equipment	672	12,956
Consideration receivables from the partial disposal of subsidiaries with loss of control (Note 31)	41,303	39,761
	<b>177,588</b>	<b>227,927</b>

Note: During the year ended December 31, 2023, the Group entered into a contract and a series of service orders with a third-party supplier to purchase cloud computing services for a term of 5 years. As at June 30, 2025, the non-current portion of the prepayment for cloud computing services amounted to RMB135,613,000 (December 31, 2024: RMB175,210,000), and the current portion amounting to RMB68,237,000 (December 31, 2024: RMB62,760,000) which was recorded in "Prepayments and other receivables". The supplier has gradually provided the related cloud computing services to the Group starting from October 2023.

## 19 INVENTORIES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Finished goods	242,735	10,162
Contract fulfilment cost	141,750	165,247
	<b>384,485</b>	<b>175,409</b>
Less: provision for impairment	(4,101)	(3,792)
	<b>380,384</b>	<b>171,617</b>

Finished goods are mainly server and other related hardware products to be delivered to customers with a quick turnover. Contract fulfilment cost are recognised from the costs incurred to fulfil contracts of customised AI applications development services, which will be recognised to cost of sales mainly within 3-6 months when the Group's related performance obligations are satisfied and hence the related service contract revenue is recognised.

Provision for impairment was recognised for the amount by which the carrying amount of the inventories exceeds its net realisable value and was recorded in "cost of sales" in the condensed consolidated statement of comprehensive income.



## 20 TRADE RECEIVABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Third parties	2,232,699	3,366,568
Less: credit loss allowance	(265,954)	(280,928)
	<b>1,966,745</b>	3,085,640

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

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

	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>At beginning of the period</b>	(280,928)	(116,729)
Reversals of/(provision for) credit loss allowance, net	14,372	(34,046)
Partial disposal of a subsidiary with loss of control	602	19,914
<b>At end of the period</b>	<b>(265,954)</b>	(130,861)

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

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<b>Trade receivables</b>		
Up to 3 months	507,760	1,708,710
3 to 6 months	559,779	875,386
6 months to 1 year	552,239	346,588
Over 1 year	612,921	435,884
	<b>2,232,699</b>	3,366,568

## 21. PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Prepayments to suppliers	462,792	261,291
Deductible value-added input tax	209,526	78,122
Other receivables from third party customers (Note (a))	247	31,000
Rental, bidding and other deposits	17,594	13,628
Consideration receivables from the partial disposal of subsidiaries with loss of control (Note 31 and Note (c))	51,376	68,837
Consideration receivables from the partial disposal of investments accounted for using the equity method	30,000	40,000
Prepayments and receivables from related parties (Note 32(c))	47,654	45,563
Others	618	6,163
	819,807	544,604
Less: credit loss allowance (Note (b))	(8,612)	(8,638)
	811,195	535,966

## Notes:

- (a) In certain transactions with customers, the Group only acted as an agent for purchasing certain hardware (the "hardware component") on behalf of the customer while acted as a principal in delivering the software to the customer. Therefore, the amounts recoverable from the Group's customer and the amounts payable to the Group's hardware supplier in connection with the hardware component have been recognised as other receivables and other payables (Note 26), respectively in the condensed consolidated statement of financial position as at June 30, 2025 and December 31, 2024.
- (b) The expected credit losses of other receivables that are measured at amortised cost including deposits and other receivables from third party customers were measured as either 12 months or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition.
- (c) There is a contingent put option granted to the buyer from the partial disposal of a subsidiary with loss of control in 2024, according to which, if the buyer does not pay the remaining consideration to the Group in certain situation, the buyer could put the corresponding shares to the Group. The Group recognised such consideration receivable with the embedded put option as financial assets measured at fair value through profit and loss and evaluates the fair value of the consideration receivable at every balance sheet date. The balance of the fair value measured consideration receivables from the partial disposal of subsidiaries with loss of control as of was RMB41,303,000 (December 31, 2024: RMB39,761,000), recorded in other non-current assets; and 22,837,000 (December 31, 2024: RMB32,837,000), recorded in prepayments and other receivables.

**22. CASH AND BANK BALANCES****(a) Cash and cash equivalents**

	<b>As at June 30, 2025 RMB'000 (Unaudited)</b>	<b>As at December 31, 2024 RMB'000 (Audited)</b>
Cash at bank and in hand	<b>1,236,852</b>	858,618
Short-term bank deposits with initial terms less than three months	<b>787,664</b>	–
	<b>2,024,516</b>	858,618

Cash and cash equivalents are denominated in the following currencies:

	<b>As at June 30, 2025 RMB'000 (Unaudited)</b>	<b>As at December 31, 2024 RMB'000 (Audited)</b>
RMB	<b>588,936</b>	593,127
USD	<b>1,432,709</b>	254,907
HKD	<b>1,907</b>	8,939
SGD	<b>958</b>	1,636
Euro	<b>6</b>	9
	<b>2,024,516</b>	858,618

**(b) Restricted cash**

Restricted cash are all denominated in Renminbi. As at June 30, 2025 and December 31, 2024, the restricted cash was held at bank as issuance of letter of guarantee or bank acceptance bills.

**22. CASH AND BANK BALANCES** (continued)**(c) Term bank deposits**

Term bank deposits are all denominated in RMB.

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<b>Included in current assets</b>		
Short-term bank deposits	141,497	454,636
Long-term bank deposits maturing within one year	–	105,017
	<b>141,497</b>	<b>559,653</b>
<b>Included in non-current assets</b>		
Long-term bank deposits	<b>531,911</b>	405,009

Short-term bank deposits are bank deposits with original maturities over three months but within twelve months and redeemable on maturity. Long-term bank deposits are bank deposits with original maturities over twelve months and redeemable on maturity ranging from 3 to 5 years. The effective interest rate for the short-term bank deposits was from 1.95% to 2.05% per annum for the six months ended June 30, 2025 (2024: 1.85%-4.70%). The effective interest rates for the long-term bank deposits were 2.15%-3.90% per annum for the six months ended June 30, 2025 (2024: 2.60%-3.90%).

**23 SHARE CAPITAL**

	Number of ordinary shares	Nominal value of ordinary shares RMB'000
<b>Authorised and issued:</b>		
<b>As of December 31, 2024 (audited)</b>	<b>465,858,733</b>	<b>465,859</b>
Placing of shares (Note)	27,920,000	27,920
<b>As of June 30, 2025 (unaudited)</b>	<b>493,778,733</b>	<b>493,779</b>

Note: On February 13, 2025, a total of 27,920,000 Placing Shares have been successfully placed by the Placing Agents at the Placing Price of HK\$50.20 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The total placing price is therefore amounted to HK\$1,401,584,000 (approximately to RMB1,286,269,000), comprising of RMB27,920,000 share capital and RMB1,258,349,000 of share premium (Note 24). Following the Placing Completion and as at the date of this report, the number of the total issued Shares of the Company is 493,778,733 Shares, comprising 294,909,496 H Shares and 198,869,237 Unlisted Shares.



## 24 TREASURY STOCK, SHARES HELD FOR SHARE AWARD SCHEMES AND RESERVES

	Treasury stock RMB'000	Shares held for share award schemes RMB'000	Capital reserve RMB'000	Share- based payment reserve RMB'000	Currency translation reserve RMB'000	Other reserve RMB'000	Total RMB'000
<b>(Unaudited)</b>							
<b>Balance at January 1, 2025</b>	(18,107)	-	8,370,096	1,597,720	(4,014)	5,728	9,969,530
Currency translation differences	-	-	-	-	(12,458)	-	(12,458)
Shares repurchase (Note (a))	(10,840)	-	-	-	-	-	-
Placing of shares (Note 23)	-	-	1,258,349	-	-	-	1,258,349
Transaction costs attributable to issue of shares	-	-	(905)	-	-	-	(905)
Shares purchased and withheld for Share Scheme Trust (Note (b))	-	(7,585)	-	-	-	-	-
Vesting of awarded shares from Share Scheme Trust (Note (b))	-	6,907	-	(6,907)	-	-	(6,907)
Recognition of equity-settled share-based payments (Notes (b) and (c))	-	-	-	23,274	-	-	23,274
Partial disposal of an associate	-	-	(1,434)	-	-	-	(1,434)
Partial disposal of a subsidiary with loss of control	-	-	8,456	-	-	-	8,456
<b>Balance at June 30, 2025</b>	(28,947)	(678)	9,634,562	1,614,087	(16,472)	5,728	11,237,905
<b>(Unaudited)</b>							
<b>Balance at January 1, 2024</b>	-	-	8,370,096	1,590,125	(7,272)	16,689	9,969,638
Currency translation differences	-	-	-	-	1,330	-	1,330
Shares repurchase	(12,495)	-	-	-	-	-	-
Share of other comprehensive loss of investments accounted for using the equity method	-	-	-	-	-	(6,306)	(6,306)
<b>Balance at June 30, 2024</b>	(12,495)	-	8,370,096	1,590,125	(5,942)	10,383	9,964,662

## 24 TREASURY STOCK, SHARES HELD FOR SHARE AWARD SCHEMES AND RESERVES (continued)

Notes:

- (a) In May 2024, June 2024 and July 2024, the Company has repurchased 379,400 ordinary shares on the Hong Kong Stock Exchange with an aggregate consideration of approximately RMB18,107,000. Out of the shares repurchased, 186,100 ordinary shares were repurchased for cancellation.

In April 2025, the Company has further repurchased 308,900 ordinary shares on the Hong Kong Stock Exchange with an aggregate consideration of approximately RMB10,840,000.

As of December 31, 2024 and June 30, 2025, the repurchased shares have not been cancelled. The Company accounts for the repurchased ordinary shares under the cost method and includes such treasury stock as a component of the shareholders' equity.

- (b) On April 8, 2025, the Company set up a Share Scheme Trust ("the Trust"), in which was administrated by a third party trustee. H shares of the Company will be purchased by the Trust from the open market from time to time in satisfaction of the share awards. The consideration, including any directly attributable incremental cost, is presented as "Shares held for share award schemes" and the amount is deducted from total equity. When the Trust transfers the Company's shares to the awardees upon vesting, the related costs of the awarded shares vested are credited to "Shares held for share award schemes", with a corresponding adjustment made to "Share-based payment reserve". During the six months ended June 30, 2025, the trustee of the Share Scheme Trust purchased and withheld 188,200 ordinary shares (2024: nil) of the Company for an amount of approximately HK\$8,246,000 (equivalent to approximately RMB7,585,000) (2024: nil), which had been deducted from equity.

On June 2, 2025, the Company granted 178,444 RSUs (the "RSUs") to the awardees in accordance with the H-Share RSU Scheme of the Company adopted on September 19, 2024. The RSUs were granted without service conditions and performance condition, and vested and matured immediately upon grant. During the six months ended June 30, 2025, the Share Scheme Trust transferred 178,444 ordinary shares of the Company to the share awardees upon vesting of the RSUs.

The total expenses recognised in profit or loss for the aforementioned share-based payments are RMB6,907,000 for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

- (c) On September 19, 2024, the Shareholders of the Company approved and adopted the establishment of the 2024 share option scheme ("2024 Share Option Scheme") with the purpose of attracting, motivating, retaining and rewarding certain employees. The share options granted to employees were subject to a service condition and a performance condition and will be vested in equal installments from the grant date to 4 years. An evaluation is made each year as to likelihood of performance condition being met.

Movement in the number of share options granted is set out as below:

	Number of Share options
As at December 31, 2024 and June 30, 2025	5,124,445

The total expenses recognised in profit or loss for the aforementioned share-based payments are RMB16,367,000 for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

## 25 TRADE PAYABLES

Trade payables primarily include payables for inventories and outsourcing service fees. As at June 30, 2025 and December 31, 2024, the carrying amounts of trade payables were primarily denominated in RMB.

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

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Up to 3 months	339,326	1,463,293
3 to 6 months	562,417	328,772
Over 6 months	342,272	391,198
	<b>1,244,015</b>	<b>2,183,263</b>

## 26 OTHER PAYABLES AND ACCRUALS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Payroll payables	13,226	25,936
Listing expenses payables	6,304	7,079
Other taxes payables	4,619	4,488
Expense reimbursement payable to employees	–	2,319
Payable to third party hardware suppliers (Note 21(a))	1,300	32,300
Payable to a related party	84	8,500
Payables to other suppliers	10,701	10,701
Accrued expenses and others	3,193	3,466
	<b>39,427</b>	<b>94,789</b>

The carrying amounts of other payables approximated their fair values as at June 30, 2025 and December 31, 2024. Other payables were primarily denominated in RMB.

## 27 BORROWINGS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<b>Included in current liabilities</b>		
Guaranteed borrowing (Note (a))	–	4,000
Unsecured borrowings (Note (b))	1,883	1,883
	<b>1,883</b>	<b>5,883</b>

Notes:

- (a) As at December 31, 2024, borrowings of RMB4,000,000 (June 30, 2025: nil), with effective rate 3.73% per annum, was guaranteed by the director of a subsidiary.
- (b) As at June 30, 2025, unsecured borrowings comprise of short-term unsecured borrowings of RMB1,883,000 (As at December 31, 2024: RMB1,883,000) which bear fixed interest rate at 4% (As at December 31, 2024: 4.0%) per annum.

## 28 OTHER LIABILITIES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
<b>Included in current liabilities</b>		
Payable for acquisition of subsidiaries	18,840	18,840
Receipt in advance	2,178	950
Deferred income (Note)	41,500	8,380
	<b>62,518</b>	<b>28,170</b>

Note: Deferred income represented government grants provided for in connection with the Group's contributions to technology development and investments in local business districts. Such amounts are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions. During the six months ended June 30, 2025, the Group recognised income of RMB2,105,000 (2024: RMB24,485,000).



## 29 COMMITMENTS

Capital commitments contracted for at the balance sheet date but not yet incurred are as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Investments	50,000	4,000

## 30 DIVIDENDS

No dividends have been paid or declared by the Company during each of the six months ended June 30, 2025 and 2024.

## 31 PARTIAL DISPOSAL OF SUBSIDIARIES WITH LOSS OF CONTROL

### (a) Partial disposal of equity interest in Beijing Ideal Information Technology Co., Ltd. ("Beijing Ideal") with loss of control

On June 30, 2025, the Group entered into an equity transfer agreement with Shenzhen Zhongzheng Guangzhi Information Co., Ltd for the transfer of the Group's 10% (out of the total of 56.84%) equity interest in Beijing Ideal, a subsidiary of the Company, and its consolidated subsidiaries with a consideration of RMB36,000,000. The transaction was completed on June 30, 2025 with an aggregate net gain of approximately RMB6,375,000. Upon completion of the partial disposal, Beijing Ideal ceased to be a subsidiary of the Company and the Group continues to have significant influence on Beijing Ideal through the Group's representative in the board of directors of Beijing Ideal. Accordingly, the Group's remaining 46.84% equity interest in Beijing Ideal with a fair value of approximately RMB168,627,000 was transferred as an investment accounted for using the equity method.

The consideration of the transaction will be paid by instalments prior to December 31, 2026. As of June 30, 2025, consideration in cash of RMB20,000,000 had been received by the Group in accordance with the agreed payment schedule. As at June 30, 2025, the current portion of remaining receivables arising from the equity transfer amounted to RMB16,000,000 (Note 21).

**31 PARTIAL DISPOSAL OF SUBSIDIARIES WITH LOSS OF CONTROL** (continued)**(a) Partial disposal of equity interest in Beijing Ideal Information Technology Co., Ltd. (“Beijing Ideal”) with loss of control** (continued)

The assets and liabilities derecognised as a result of the partial disposal of Beijing Ideal with loss of control are as follows:

	As at June 30, 2025 RMB'000 (Unaudited)
<b>Non-current assets</b>	
Right-of-use assets	191
Property and equipment	838
Intangible assets	19,440
Contract assets	451
Deferred tax assets	546
	21,466
<b>Current assets</b>	
Inventories	19,376
Trade receivables	28,466
Contract assets	446
Prepayments and other receivables	3,016
Restricted cash	1,839
Cash and cash equivalents	1,622
	54,765
<b>Total assets</b>	76,231
<b>Current liabilities</b>	
Trade payables	3,360
Other payables and accruals	6,262
Borrowings	17,300
Contract liabilities	6,042
	32,964
<b>Total liabilities</b>	32,964
<b>Net assets</b>	43,267

**31 PARTIAL DISPOSAL OF SUBSIDIARIES WITH LOSS OF CONTROL** (continued)**(a) Partial disposal of equity interest in Beijing Ideal Information Technology Co., Ltd. (“Beijing Ideal”) with loss of control** (continued)

Details of partial disposal of Beijing Ideal with loss of control:

	Period from January 1, 2025 to June 30, 2025 RMB'000 (Unaudited)
Consideration received or receivable:	
Cash received	20,000
Consideration receivable	16,000
Total cash consideration	36,000
Fair value of the Group's remaining equity interest	168,627
Total disposal consideration	204,627
Carrying amount of net assets disposed excluding goodwill	(43,267)
Release of capital reserve	(8,456)
Non-controlling interests	19,110
Goodwill disposed	(165,639)
<b>Gain on partial disposal of Beijing Ideal with loss of control</b>	<b>6,375</b>

Reconciliation of the cash flows from partial disposal of Beijing Ideal with loss of control:

	As at June 30, 2025 RMB'000 (Unaudited)
Cash received	20,000
Cash disposed	(1,622)
Cash flows from partial disposal of Beijing Ideal with loss of control, net of cash disposed at date of disposal	18,378

**31 PARTIAL DISPOSAL OF SUBSIDIARIES WITH LOSS OF CONTROL** (continued)**(b) Partial disposal of equity interest in Zhongneng Shibei (Guangzhou) Technology Co., Ltd. (“Zhongneng Shibei Technology”) with loss of control**

On February 9, 2024, the Group entered into an equity transfer agreement with Ningbo Herong Shengjing Investment Management Partnership (Limited Partnership) for the transfer of the Group’s 22% (out of the total of 66%) equity interest in Zhongneng Shibei Technology, a subsidiary of the Company, and its consolidated subsidiaries with a total cash consideration of RMB88,000,000. The transaction was completed on April 1, 2024 with an aggregate net gain of approximately RMB31,545,000. Upon completion of the partial disposal, Zhongneng Shibei Technology ceased to be a subsidiary of the Company and the Group continues to have significant influence on Zhongneng Shibei Technology through the Group’s representative in the board of directors of Zhongneng Shibei Technology. Accordingly, the Group’s remaining 44% equity interest in Zhongneng Shibei Technology with a fair value of approximately RMB167,200,000 was transferred as an investment accounted for using the equity method.

The consideration of the transaction will be paid by instalments prior to December 31, 2026. As of June 30, 2025, consideration of RMB20,000,000 (December 31, 2024: RMB10,000,000) had been received by the Group. The current and non-current portion of remaining receivables arising from the equity transfer amounted to RMB22,837,000 (as at December 31, 2024: RMB32,837,000) (Note 21) and RMB41,303,000 (as at December 31, 2024: RMB39,761,000) (Note 18).

**(c) Partial disposal of equity interest in EpicHust Technology (Wuhan) Co., Ltd. (“EpicHust Technology”) with loss of control**

In the third quarter of 2024, the Group entered into an equity transfer agreement with several entities controlled by the management team for the transfer of 44.69% (out of the total of 79.66%) equity interest in EpicHust Technology, a subsidiary of the Company, and its consolidated subsidiaries with a total cash consideration of RMB72,000,000. The transaction was completed on August 31, 2024 with an aggregate net gain of approximately RMB35,606,000. Upon completion of the partial disposal, EpicHust Technology ceased to be a subsidiary of the Company and the Group continues to have significant influence on EpicHust Technology through the Group’s representative in the board of directors of EpicHust Technology. Accordingly, the Group’s remaining 34.97% equity interest in EpicHust Technology with a fair value of approximately RMB56,342,000 was transferred as an investment accounted for using the equity method during the year ended December 31, 2024.

The consideration of the transaction was scheduled to be paid by instalments prior to April 30, 2025 and was further extended to February 28, 2026 during the six months ended June 30, 2025. As of June 30, 2025, consideration of RMB59,461,000 (December 31, 2024: RMB36,000,000) had been received by the Group in accordance with the agreed payment schedule. The current portion of remaining receivables arising from the equity transfer amounted to RMB12,539,000 (as at December 31, 2024: RMB36,000,000) (Note 21).



## 32 RELATED PARTY BALANCES/TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

### (a) Names and relationships with related parties

The following companies are related parties of the Group that had transactions and/or balances with the Group during the for the six months ended June 30, 2025 and 2024.

Names of the major related parties	Relationship
Yijing Zhilian (Suzhou) Technology Co., Ltd. ("Yijing Zhilian")	Associate of the Group
Beijing Data Element Intelligent Technology Co., Ltd. ("Data Element")	Associate of the Group
Zhongneng Shibei Technology and its consolidated subsidiaries ("Zhongneng Shibei Technology")	Associate of the Group (a subsidiary of the Group prior to April 2024)
EpicHust Technology and its consolidated subsidiaries. ("EpicHust Technology")	Associate of the Group (a subsidiary of the Group prior to August 2024)
Beijing Ideal Information Technology Co., Ltd. ("Beijing Ideal")	Associate of the Group (a subsidiary of the Group prior to June 2025)
Shenzhen Wake UP Technology Co., Ltd. ("Wake Up")	Joint venture of the Group (invested in 2024)
Lianxu Qi	Non-controlling shareholder and management of the Group

**32 RELATED PARTY BALANCES/TRANSACTIONS** (continued)**(b) Major transactions with related parties**

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>(i) Sales of goods and services</b>		
Zhongneng Shibei Technology	–	762
EpicHust Technology	12	–
	12	762
<b>(ii) Purchases of goods and services</b>		
Data Element	–	698
Wake Up	3,105	–
	3,105	698
<b>(iii) Loan to related parties</b>		
<b>Loan to Zhongneng Shibei Technology:</b>		
At beginning of the period	35,326	–
Additions	–	35,000
Interest income (Note 10)	101	51
At end of the period	35,427	35,051
<b>Loan to EpicHust Technology:</b>		
At beginning of the period and at the end of the period	10,000	–
<b>(iv) Advance from a non-controlling shareholder:</b>		
<b>Lianxu Qi:</b>		
At beginning of the period	8,500	–
Additions	8,800	8,500
Partial disposal of a subsidiary with loss of control	(17,300)	–
At end of the period	–	8,500

**32 RELATED PARTY BALANCES/TRANSACTIONS** (continued)**(c) Major balances with related parties**

	<b>As at June 30, 2025 RMB'000 (Unaudited)</b>	<b>As at December 31, 2024 RMB'000 (Audited)</b>
<b>(i) Trade receivables from related parties</b>		
Zhongneng Shibe Technology	696	1,107
<b>(ii) Prepayments and other receivables from related parties</b>		
Zhongneng Shibe Technology	35,427	35,326
EpicHust Technology	10,000	10,000
Wake Up	1,438	237
Data Element	789	–
	47,654	45,563
<b>(iii) Trade payables to related parties</b>		
Yijing Zhilian	836	890
Data Element	45	523
Zhongneng Shibe Technology	142	142
	1,023	1,555
<b>(iv) Contract liabilities from related parties</b>		
Zhongneng Shibe Technology	348	–
EpicHust Technology	80	92
Beijing Ideal	45	–
	473	92

**32 RELATED PARTY BALANCES/TRANSACTIONS** (continued)**(d) Key management personnel compensation**

The remuneration of directors, supervisors and other key management personnel is as follows:

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Wages, salaries and bonuses	<b>6,266</b>	7,904
Contributions to pension plans	<b>259</b>	309
Other social security costs, housing benefits and other employee benefits	<b>381</b>	437
	<b>6,906</b>	8,650

**33 EVENTS AFTER THE END OF THE REPORTING PERIOD**

- (a) On July 17, 2025 (before trading hours of the Stock Exchange), the Company entered into the subscription agreement (the "Subscription Agreement") with Infini Global Master Fund (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for (the "Subscription"), and the Company has conditionally agreed to allot and issue, a total of 25,900,000 new H Shares (the "Subscription Shares") at the subscription price of HK\$50.50 per Subscription Share for an aggregate consideration of approximately HK\$1,307,950,000. On July 17, 2025 (before trading hours of the Stock Exchange), the Company entered into the placing agreement with the placing agent in respect of the Subscription, pursuant to which the placing agent has agreed to, among other things, assist in completing the transactions contemplated under the Subscription Agreement. The net proceeds from the Subscription will be approximately HK\$1,306.18 million. The Subscription has been completed on August 14, 2025. For details, please refer to the announcements of the Company dated July 17, 2025 and August 14, 2025.
- (b) On July 27, 2025, the Company, through Fourth Paradigm International Limited ("4Paradigm International"), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with 9M Technologies Limited ("9M Technologies"), in relation to, among other things, the formation of an entity, Para-tech Limited (the "Entity"). The Entity will be principally engaged in financial technology services. Upon its formation, the Entity will be owned by 51% and 49% by 4Paradigm International and 9M Technologies, respectively. For details, please refer to the announcement of the Company dated July 28, 2025.
- (c) On August 4, 2025, the Company entered into a joint venture agreement (the "Joint Venture Agreement") with Beijing HyperStrong Technology Co., Ltd. ("HyperStrong"), in relation to, among other things, the formation of a joint venture (the "Joint Venture"). The proposed name of the Joint Venture is Energy Crystal (Beijing) Technology Co., Ltd. The Joint Venture will principally engage in artificial intelligence (AI) technology services for electricity trading. Upon its formation, the Joint Venture will be owned as to 19% by the Company. For details, please refer to the announcement of the Company dated August 4, 2025.



## DEFINITIONS

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

<b>“associate(s)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Audit Committee”</b>	the audit committee of the Board
<b>“Beijing New Wisdom”</b>	Beijing New Wisdom Pilot Management Consulting Co., Ltd. (北京新智领航管理諮詢有限公司), a limited liability company established in the PRC on April 9, 2020, owned as to 99.0% by Dr. Dai and 1.0% by his spouse, respectively, and one of our Controlling Shareholders
<b>“Board” or “Board of Directors”</b>	the board of Directors
<b>“China” or “PRC”</b>	the People’s Republic of China, for the purpose of this report and for geographical reference only, excluding Hong Kong and Macao Special Administrative Regions and Taiwan
<b>“Company”, “the Company” or “our Company”</b>	Beijing Fourth Paradigm Technology Co., Ltd. (北京第四範式智能技術股份有限公司), a company incorporated in the PRC limited liability on September 17, 2014 and converted into a joint stock limited liability company incorporated in the PRC on July 9, 2021, whose predecessor was 北京第四範式智能技術有限公司
<b>“Director(s)” or “our Director(s)”</b>	the director(s) of the Company
<b>“Domestic Share(s)”</b>	domestic unlisted shares with a nominal value of RMB1.00 each in the ordinary share capital of the Company
<b>“Dr. Dai”</b>	Dr. Dai Wen yuan (戴文淵), the chairman of the Board, an executive Director, chief executive officer and one of our Controlling Shareholders
<b>“Employee Incentive Scheme”</b>	the employee incentive scheme of our Company approved and adopted by our Board on April 25, 2021, a summary of the principal terms of which is set forth in “Statutory and General Information – Further information about our Directors, Supervisors, Senior Management and Substantial Shareholders – 5. Employee Incentive Scheme” in Appendix VI to the Prospectus. The Employee Incentive Scheme does not constitute a share scheme under Chapter 17 of the Listing Rules, and was carried out through the Employee Incentive Platforms, which did not involve the Company directly issuing new Shares of the Company or granting existing Shares to the participants. The Employee Incentive Platforms includes Paradigm Investment and Nanjing Paradigm, the beneficial interests of which are offered to certain key employees of our Company pursuant to the Employee Incentive Scheme
<b>“Equity Incentive Scheme”</b>	the equity incentive scheme of the Company approved at the shareholders’ general meeting on September 19, 2024

<b>“Global Offering”</b>	the global offering of the H Shares in Hong Kong as described in the Prospectus
<b>“Group,” “our Group,” “we” or “us”</b>	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
<b>“H Share(s)”</b>	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong” or “HK”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Hong Kong Stock Exchange” or “Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“HongShan”</b>	a reference to the HongShan funds and entities that are engaged in activities related to investing and are principally focused on companies located in, or with connections to, the PRC
<b>“IFRS”</b>	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board and the International Accounting Standards and interpretations issued by the International Accounting Standards Committee
<b>“Listing”</b>	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
<b>“Listing Date”</b>	September 28, 2023, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
<b>“Listing Rules” or “Hong Kong Listing Rules”</b>	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
<b>“Main Board”</b>	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with Growth Enterprise Market of the Hong Kong Stock Exchange
<b>“Nanjing Paradigm”</b>	Nanjing Paradigm Enterprises Management Consulting Partnership (Limited Partnership) (南京範式企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on December 29, 2022, of which Paradigm New Wisdom is the sole general partner
<b>“Paradigm Chuqi”</b>	Tianjin Paradigm Chuqi Management Consulting Partnership (Limited Partnership) (天津範式出奇管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on April 21, 2021, of which Beijing New Wisdom is the sole general partner, and it is one of our Controlling Shareholders which is interested in more than one third of limited partnership interest in Paradigm Investment

<b>“Paradigm Investment”</b>	Paradigm (Tianjin) Management Consulting Partnership (Limited Partnership) (範式(天津)管理諮詢合夥企業(有限合夥)), previously known as Paradigm (Ningbo Free Trade Zone) Investment Partnership (Limited Partnership) (範式(寧波保稅區)投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 29, 2018, of which Beijing New Wisdom is the sole general partner, and it is one of our Controlling Shareholders
<b>“Paradigm New Wisdom”</b>	Beijing Paradigm New Wisdom Enterprises Management Co., Ltd. (北京範式新智企業管理有限公司), a limited liability company established in the PRC on January 12, 2023, being the sole general partner of Nanjing Paradigm and owned as to 100% by Mr. Yu Hui (俞暉), an Independent Third Party
<b>“Paradigm Yinyuan”</b>	Tianjin Paradigm Yinyuan Management Consulting Partnership (Limited Partnership) (天津範式隱元管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on April 21, 2021 of which Beijing New Wisdom is the sole general partner, and one of our Controlling Shareholders
<b>“Placing”</b>	the conditional placing of the Placing Shares by the Placing Agents on the terms and subject to the conditions set out in the Placing Agreement
<b>“Placing Agent(s)”</b>	China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited
<b>“Placing Agreement”</b>	the conditional placing agreement dated February 7, 2025 entered into between the Company and the Placing Agents in relation to the Placing under the General Mandate
<b>“Placing Share(s)”</b>	27,920,000 new H Shares issued and allotted pursuant to the terms and conditions of the Placing Agreement
<b>“Prospectus”</b>	the prospectus dated September 18, 2023 issued by the Company in connection with Hong Kong public offering under the Global Offering
<b>“Reporting Period”</b>	Six months ended June 30, 2025
<b>“RMB” or “Renminbi”</b>	Renminbi, the lawful currency of the PRC
<b>“Securities and Futures Ordinance” or “SFO”</b>	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
<b>“Share(s)”</b>	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
<b>“Share Option Scheme”</b>	the share option scheme of the Company approved at the shareholders’ general meeting on September 19, 2024
<b>“subsidiary(ies)”</b>	has the meaning ascribed thereto under the Listing Rules

<b>“substantial shareholder(s)”</b>	has the meaning ascribed thereto under the Listing Rules
<b>“Supervisor(s)”</b>	member(s) of the Supervisory Committee of the Company
<b>“U.S.” or “United States”</b>	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
<b>“U.S. dollar”, “US\$” or “USD”</b>	United States dollar, the lawful currency of the United States
<b>“%”</b>	Per cent.

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

*Any difference between the arithmetical sum of individual figures and the aggregated figures in the tables in the report is due to rounding.*



## GLOSSARY OF TECHNICAL TERMS

<b>“AI”</b>	artificial intelligence, simulation of human intelligence by machines
<b>“AIGS”</b>	AI-Generated Software
<b>“AIOT”</b>	artificial intelligence of things, the combination of the connectivity from the IOT with data-driven knowledge obtained from AI
<b>“algorithm”</b>	a procedure of formula for solving a problem, based on conducting a sequence of specified actions
<b>“cloud”</b>	the computers and connections that support cloud computing
<b>“cloud computing”</b>	the practice of storing computer data and programs on multiple servers that can be accessed through the internet
<b>“enterprise AI”</b>	AI technologies and software applied by enterprises to address their business needs and drive their digital and automation transformation
<b>“IDC”</b>	International Data Corporation
<b>“IOT”</b>	Internet of Things
<b>“IT”</b>	information technology
<b>“machine learning”</b>	the scientific study of algorithms and statistical models that computer systems use to effectively perform specific tasks without being explicitly programmed to do so
<b>“platform-centric”</b>	a type of AI solutions that come with an AI development platform in addition to AI applications and underlying computing infrastructure
<b>“R&amp;D”</b>	research and development