COMPANY OVERVIEW

Who We Are

We are an IT solution provider in China. Based upon our technologies, we provide services for enterprise-level users to improve the level of convenience and intelligence for their information exchanges and business interactions. Our solutions are built upon our technologies comprising core conversational AI technologies, unified communication technologies, and other AI and computer technologies. Our unified communication technologies, core conversational AI technologies and product engine technologies address enterprise-level user's demand of "communication", "thinking" and "execution", respectively, thus facilitating a complete enterprise-level conversational AI experience.

Our complete and extensively applicable "UC+AI" technological capabilities allow us to offer several typical types of solutions that can be used by various enterprise-level users in a number of prevalent interactive scenarios, primarily including contact service (as needed by various types of organizations to communicate with individuals, with corporation's customer services as an example), equipment control and scheduling, enterprise communication and management, as well as the operation of intelligent community and vehicle-to-everything autonomous driving. During the Track Record Period, we primarily offered solutions to four key end-customer industries where we had accumulated rich industry know-how, engineering experiences and customer insights, i.e., city management and administration, automotive and transportation, telecommunications, and finance. The footprints of our solutions have covered more than 100 cities and counties in China and five overseas countries.

Our solution offerings are enabled by Voicecomm Brain, our technology infrastructure, and Voicecomm Suites, our comprehensive functional modules. Voicecomm Brain is underpinned by our core technologies in both unified communications and AI, and is able to connect stably to enterprise-level users' various types of operating systems. On top of our robust Voicecomm Brain, we have developed a full set of Voicecomm Suites which comprehensively cover various steps of enterprise-level users' end-to-end information exchanges and business interactions. The modular combination of such highly standard, highly scalable and low-code Voicecomm Suites allows us to offer different types of solutions to address the pain points experienced by enterprise-level users.

Empowered by our comprehensive enterprise-level solution offerings and superior delivery capabilities, our revenue increased rapidly during the Track Record Period, during which time we also achieved continuously improving gross profit margin. The following table sets forth our total revenue, gross profit and gross profit margin in each year during the Track Record Period:

	Year Ended December 31,		
	2021	**2022**	**2023**
Revenue *(RMB'000)*	459,935	514,992	813,017
Gross profit *(RMB'000)*	152,162	201,466	325,417
Gross profit margin (%)	33.1%	39.1%	40.0%

Thanks to our robust technology infrastructure and standardized solution offerings, we are able to maintain stable profitability from our operations, with our adjusted net profit (a non-IFRS measure) amounting to RMB62.3 million, RMB71.7 million and RMB117.7 million in 2021, 2022 and 2023, respectively. Such growth was achieved despite our increasing research and development expenses, which amounted to RMB36.3 million, RMB64.0 million and RMB98.8 million in 2021, 2022 and 2023, respectively.

Market Opportunities

A new generation of information technologies including AI, cloud computing, big data and 5G have been rapidly developing and iterating, massively transforming the paradigm of enterprise-level information production, transmission and application. Accordingly, the commercialization of enterprise-level conversational AI is embracing its inflection point, ready to lay a crucial path for the improvement of communication efficiency, digitalization and intelligent transformation of enterprise-level users. According to the iResearch Report, the enterprise-level conversational AI solution market in China reached RMB62.1 billion in 2023, and is expected to reach RMB204.1 billion in 2028, at a CAGR of 26.9% from 2023 to 2028. However, the penetration rate of enterprise-level conversational AI solutions in China was merely 11.6% in 2023, as compared to 18.2% for the U.S. according to the same source. Currently, the penetration rate of enterprise-level conversational AI solutions in China still has huge growth potentials, which is estimated to increase to 16.2% in 2028.

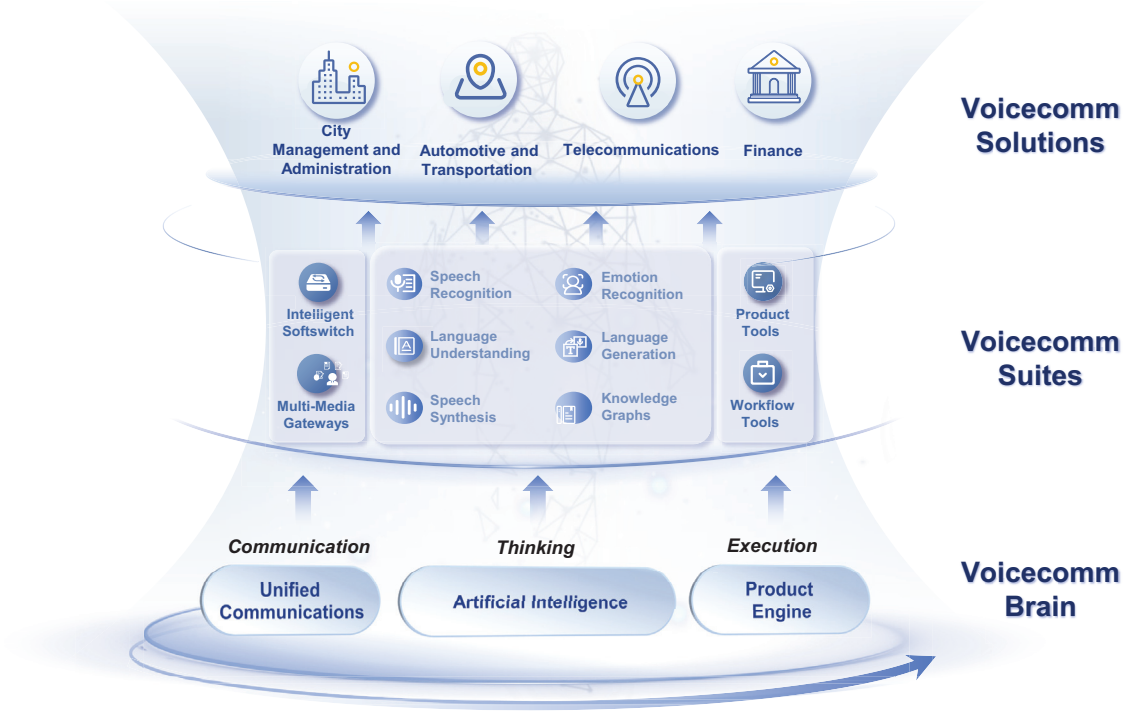
China's enterprise-level conversational AI solution market is currently still experiencing a number of pain points, which makes it especially challenging for non-full-stack solution providers to fundamentally address the needs of enterprise-level users. Firstly, considering enterprise-level users' needs of conversational AI empowerment on a one-stop basis, each product under non-full-stack solutions is independently designed and developed by different providers, thus leading to a series of issues of compatibility, efficiency and maintenance, with data silos left unconnected. Also, notwithstanding that enterprise-level users often need the solutions to be highly scalable across various scenarios, non-full-stack solution providers may not be able to realize the uniform management of the resulting solutions, making it challenging to deliver a "ready-to-use-whenever-needed" user experience. Moreover, due to their lack of a conversational AI infrastructure, non-full-stack solutions offered by such providers are generally limited to the application layer, and they are hence unable to optimize the overall

system according to the specific application scenarios. Further, while enterprise-level users ultimately choose the delivery based on various specific considerations, it is difficult for non-full-stack solution providers to deliver solutions flexibly to meet their rapidly iterative business needs. Last but not least, according to the iResearch Report, the total cost of ownership of procuring and integrating multiple non-full-stack solutions is about 15%-30% higher than full-stack solutions due to functional redundancy and lack of standardization, which also leads to uncertain return on investment.

In light of the above, it is expected that full-stack enterprise-level conversational AI solution providers that possess unified communication and essential AI algorithm capabilities with the ability to self-develop conversational AI applications will seize greater market opportunities by fully exercising their technological advantages. By continuously exploring into innovative application scenarios, we aim to solve the pain points of the industry and make efficient enterprise-level communications at fingertips.

Our Solution Offerings

Through years of iterative research and development, we have offered various enterprise-level solutions in a number of end-customer industries including city management and administration, automotive and transportation, telecommunications, finance, as well as education, healthcare, tourism, the media, E-commerce and retailing, etc., using Voicecomm Brain and Voicecomm Suites, as illustrated by the following diagram:



Our Solutions Applied in Various End-Customer Industries – Voicecomm Solutions

Leveraging Voicecomm Brain and Voicecomm Suites, we have offered various types of enterprise-level solutions proven to have effectively improved the level of convenience and intelligence with respect to enterprise-level users' information exchanges and business interactions. In particular, our solutions have been used by enterprise-level users from various end-customer industries, primarily including city management and administration, automotive and transportation, telecommunications, and finance. We have also established and are further expanding the presence of our solutions into other industries such as the media, healthcare, E-commerce and retailing, etc., that can be empowered by conversational AI.

- **City Management and Administration.** Our solutions have primarily been applied in intelligent community (comprehensive governmental projects involving diverse application scenarios), intelligent administration and intelligent IoT, where our technologies contribute to the establishment of smart cities where city infrastructure, public spaces and objects are interactively connected, and also make city management and administrative services more convenient and intelligent.

- **Automotive and Transportation.** Our solutions have primarily been applied in customer service for automobile and logistics companies, IoV service that enables a smart cockpit and facilitates the intelligent scheduling of vehicle resources and route navigation, as well as V2X autonomous driving, which helps realize a safe, convenient, intelligent and integrated automobile management and travel experience.

- **Telecommunications.** Our solutions can empower telecommunications companies' communication tools and other value-added services, such as cloud-based phone and intelligent work badge. Such solutions allow various communication and management needs of the enterprises that have procured such communication tools and value-added services to be intelligently satisfied, while substantially lowering deployment and maintenance costs.

- **Finance.** Our solutions offered to financial institutions have been applied primarily in telephone banking, thereby upgrading their customer services and promoting the comprehensive intelligent transformation of the finance industry. Additionally, we also offer solutions in service training that facilitate their internal processes.

Our Robust Technology Infrastructure – Voicecomm Brain

Voicecomm Brain, our technology infrastructure, is underpinned by our core technologies in both unified communications and AI. Voicecomm Brain is able to connect stably to enterprise-level users' various types of operating systems, realizing the intelligent transformation of their internal and external information exchanges and business interactions from "communication" to "thinking" and "execution". Voicecomm Brain affords enterprise-level users with the following key values:

- **Quality and Reliability.** Having cumulatively served hundreds of enterprise-level users for nearly two decades, we place great importance on the stability and reliability of our technologies and solutions, for which reason we have been able to win trust from the users of our solutions. Notably, Voicecomm Brain is able to achieve a time interval between failures of 50 thousand hours, seamless redundant switching of servers without user awareness, as well as an average multimodal information transmission success rate of 99.999%, which lead above the industry average in China according to the iResearch Report.

- **High Compatibility.** Voicecomm Brain is compatible with the three major international protocols for computer telecommunications integration (CTI), i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications. In addition, Voicecomm Brain is compatible with various types of organizational operating systems, including but not limited to that on office automation, customer relationship management and enterprise resource planning.

- **Synergetic Technological Capabilities.** Our core technologies in unified communications and AI synergize with each other effectively. For instance, leveraging our strong unified communication technological capabilities, our voiceprint recognition technology is uniquely empowered by our technologies analyzing the underlying communication protocols used for transmission of signals via different terminal devices, which realizes the accurate audio source separation and intelligent analysis of conversations involving multiple speakers.

- **Cost Efficiency.** We believe that Voicecomm Brain can realize cost efficiency for users by significantly improving their communication efficiency with substantially lowered costs, thereby facilitating the rapid expansion of their operation scale. Take our conversational AI administrative service solution deployed in Zibo, Shandong as an example, it enabled cost reduction by more than 85% compared with the solutions previously used therein, while the efficiency for reaching out to callees increased by tens of times and the administrative service completion rate exceeded 80%.

Our Comprehensive Functional Modules – Voicecomm Suites

To realize large-scale deployment of our solutions and their quick replications in adjacent use cases, we have developed a full set of functional modules, Voicecomm Suites, which comprehensively cover various steps of enterprise-level users' end-to-end information exchanges and business interactions. The modular combination of such Voicecomm Suites allows us to offer different types of solutions to address the pain points experienced by enterprise-level users from various end-customer industries, and deliver the same flexibly and selectably. The major features and advantages of Voicecomm Suites are as follows:

- **Completeness.** Voicecomm Suites in aggregate functionally enable the processing and two-way transmission of the underlying communication signals, AI empowerment in the application layer, and algorithm-equipped and productized operational interface-side tools, so as to effectively empower the whole enterprise-level conversational AI process from "communication" to "thinking" and "execution" on a one-stop basis.

- **High Standardization.** Characterized by their high level of standardization, Voicecomm Suites can empower users' business operations in a cost-efficient fashion. Besides, the standardization nature also helps us achieve economies of scale by allowing us to readily replicate and adjust our solution offerings in similar application scenarios.

- **High Scalability.** Voicecomm Suites support free combination among themselves and output differently in accordance with users' specific business needs, and also enable interfacing with their various systems and software, through which we are able to deliver comprehensive and highly scalable solutions and diversify the same to the degree needed conveniently.

- **Low-Code.** Voicecomm Suites allow development personnel of users to realize the software applications that they want based upon APIs in a low-code fashion featuring high stability and easy-to-use, so that their concrete business requirements and needs for cross-scenario application expansion could be satisfied with efficiency and agility.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths have contributed to our success and differentiated us from our competitors:

A Seasoned IT Solution Provider with Nearly Two Decades' Dedication to Enterprise-Level Conversational AI

We are a seasoned provider of unified communications and AI-empowered solutions, dedicated to facilitating enterprise-level communication for nearly two decades.

Technological Innovations for Enterprise-Level Conversational AI

We have been dedicated to offering enterprise-level communication solutions for nearly two decades, which has been crystalized in our integrated technology infrastructure capable of intelligent communication, intelligent thinking and intelligent execution. According to the iResearch Report, we are an early mover in China to have developed full-stack enterprise-level conversational AI infrastructure and launched solutions based thereupon. Moreover, our technological innovation capabilities have won us great prestige within the industry. For instance, we have been granted with a number of reputed honors including the Shanghai "Specialized, Refined, Characterized and Innovative" Small and Medium-Sized Enterprise, the "Little Giant" Enterprise in 2019 and the "Golden Voice" – China Best All Media Intelligent Customer Service Solution Award, 2021. For details of our major awards, honors and recognitions, see "– Awards and Recognitions" in this section.

We are one of the few participants in the enterprise-level conversational AI solution market in China with global service capabilities, according to the iResearch Report. Our globally integrated delivery capabilities with respect to stable transmission of data and high-concurrency scenarios have been highly recognized by enterprises that we serve, based on which, we have become the long-term enterprise-level solution provider for a number of industry giants in China with substantial overseas operations.

We have been continuously exploring into cutting-edge conversational AI technologies and their commercialization applications. According to the iResearch Report, we are an early mover in China to have launched visualizable and cross-carriers conversational AI customer service solutions, and comprehensive ICV service platforms enabling a smart cockpit and V2X autonomous driving.

Commercialization of Enterprise-Level Conversational AI

We have accumulated rich industry know-how, engineering experiences and customer insights through, and in turn benefitting, our enterprise-level solution offerings. According to the iResearch Report, we are one of the participants in the enterprise-level conversational AI market in China with the broadest presence in different end-customer industries and the most abundant application scenarios. In particular, our various types of solutions have been offered to users across the following key end-customer industries:

- **City Management and Administration.** As of December 31, 2023, solutions of our Company had been deployed in eleven provinces/municipalities across China. According to the iResearch Report, we are one of the participants in the full-stack enterprise-level conversational AI solution market in China with the widest geographical coverage. Moreover, we rank the first in the full-stack enterprise-level conversational AI solution market for city management and administration in China as measured by revenue therefrom in 2023, according to the same source.

- **Automotive and Transportation.** We are one of the earliest enterprise-level solution providers that have penetrated into city-level autonomous driving, according to the iResearch Report. As of December 31, 2023, we had accumulatively served 17 automobile companies, ranging from traditional industry giants to new-energy vehicle players and other automotive start-ups in the industry, as well as a number of major logistics companies.

- **Telecommunications.** We have become a strategic conversational AI partner for the four major telecommunications companies in China.

- **Finance.** As of December 31, 2023, we had accumulatively served 16 nationwide financial institutions including banks and futures companies.

Complete Full-Stack Technology Infrastructure

Thoroughly utilizing our in-depth technological accumulations and rich experiences, we have established our robust and complete full-stack technology infrastructure underpinned by our core technologies in unified communications and AI.

Constantly Evolving Unified Communication Technologies

Our unified communication technologies are fundamental to successfully satisfying enterprise-level users' increasing demand for efficient and high-quality real-time communications in a variety of forms, and unified in the sense of being equipped with the following key capabilities:

- **Multimodal Communications.** Our unified communication technologies support inbound and outbound communications in various formats, such as audios, texts, images, videos, and a combination of the same, in a unified platform. Such availability for multimodal communications enriches the information exchanged and expands the forms of communications, which improves the communication efficiency of users.

- **Omni-Channel Access.** Our unified communication technologies support two-way transmission of information via various integratable channels, including those by the internet-end, IoV-end, IoT-end and traditional channels, etc., which helps users deploy and manage their communication platforms uniformly and conveniently.

- **Compatibility with Different Communication Protocols.** Our unified communication technologies support the three major international CTI protocols, i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications, which substantially broadens their applicability and effectively facilitates the smooth digital transformation of users' IT infrastructure.

- **Operating System Integration.** We have accumulated over 50 categories of APIs and enabled the integration of more than ten types of organizational operating systems, which help realize the unified collection and distribution of users' operating data and simplify their operation processes, thus connecting data silos within their internal organizations.

AI Technologies

Our AI technologies are composed of such key technologies including natural language understanding (NLU), natural language generation (NLG), text to speech (TTS), automatic speech recognition (ASR), emotion recognition and knowledge graphs, and thus realize the high-speed and accurate recognition, understanding and response based upon multimodal data through omni-channels. In combination with our in-depth technological accumulations in unified communications, our AI technologies are of high compatibility and generality for being widely applied in different scenarios, and have multiple-folded technological advantages in regard of key functional measurements. Specifically:

- **Superior Intelligent Processing Capabilities.** We own competitive capabilities of processing audio signals with respect to low sample-rate audios, self-adaptive and accurate adjustments in complex signal transmission settings, as well as anti-interference therefor. In particular, our technologies enable the intelligent processing of low sample-rate audios the frequencies of which are as low as 8kHz.

- **More Accurate Speech Recognition.** Our AI technologies maintain a competitive recognition accuracy rate in conversational scenarios involving multiple speakers. In addition, our technologies can accurately recognize a variety of foreign languages such as English, Vietnamese and Thai, etc., as well as Chinese dialects, which also leads ahead the industry average. For instance, the accuracy rate for recognizing the dialect from Anyang, Henan has reached 95.2%, based on our existing testing.

- **Faster Speech Data Processing.** To ensure a natural conversation flow, our AI technologies are able to complete the whole interactive process from sound collection, recognition, knowledge graph retrieval to speech synthesis and output on a hundred millisecond basis.

- **More Cutting-Edge Technologies with Huge Application Potentials.** Our AI models are designed, trained and optimized under our self-supervised leaning framework, and are able to stably support multiple rounds of AI conversations, which can be widely applied in emerging areas such as the newer generation of digital human interactions, as well as V2X autonomous driving. With a number of different types of AI algorithms accumulated, we have also developed our algorithm engine capable of self-adaption to different scenarios to allow better performance of our solutions.

Highly Standardized and Scalable Offering Capabilities That Facilitate Solution Launches and Continuously Improve Operating Efficiency

To facilitate the convenient and large-scale deployment of our enterprise-level solutions, we have developed a full set of Voicecomm Suites that in aggregate functionally enable the processing and two-way transmission of the underlying communication signals, AI empowerment in the application layer, and algorithm-equipped and productized operational interface-side tools, so as to effectively satisfy varied application demand of a wide range of users on a one-stop basis. Voicecomm Suites allow us to deliver standardized solutions flexibly and selectably, and cater to users' specific needs by conveniently diversifying the same, as evidenced by our speedy and replicable solution deployment in the following exemplary projects:

- In our exemplary intelligent town project in Chengdu, Sichuan, our solutions covered 257 towns within Chengdu as of December 31, 2023, where more than 80 million person-times had accumulatively been served based upon our solutions. In addition, our similar solutions are being rapidly extended to a number of other comprehensive governmental projects, such as the intelligent village project in Deyang, Sichuan and the intelligent industrial park project in Chongming District, Shanghai, across China.

- According to the iResearch Report, our "12345" hotline solutions had encompassed the most number of prefecture-level administrative regions among participants in the full-stack enterprise-level conversational AI solution market in China as of December 31, 2023.

- In the ICV project in Zibo, Shandong, which was still ongoing and pending further implementation as of the Latest Practicable Date, our technologies had already successfully piloted 19 ICVs' operation on an over 20-kilometer route. It is expected that the project will be expanded from the project zone into the whole municipal area in the future to empower more than 600 ICVs and provide intelligent transportation services for more than three million citizens. Leveraging our rich experiences accumulated from the successful launch of such project, we are able to readily replicate similar solutions in other regions and assist more cities to build their conversational AI-empowered intelligent transportation systems, thereby benefitting tens of millions of people.

Meanwhile, the massive number of APIs that we provide enable us to not only lower users' costs of transferring between systems, but also contribute to the continuous improvement of our operating efficiency. In addition, benefitting from the high standardization of our solution offerings, the time length that we need to deploy our software installation package onto to users' systems from initiation of interfacing to completion of testing has been shortened from multiple days to as few as several hours, which outperforms the industry average that could range from a week to a month, according to the iResearch Report. Our aforementioned outstanding deployment capabilities greatly contribute to our continuously improved delivery efficiency and the ability to achieve economies of scale.

Sustainable Growth Empowered by a Vibrant Conversational AI Ecosystem

We hold the belief that building a vigorous and diverse conversational AI ecosystem enables players across the value chain to improve their productivity and prosperity, and also enables us to realize sustainable development by gathering various resources. The key components within the conversational AI ecosystem that foster our technological capabilities and empower our commercialization success mainly comprise:

- **Launch Customers.** We believe that the launch customers in an end-customer industry typically have considerable demand for enterprise-level conversational AI and sufficient budgets. Such launch customers not only have strong stickiness to our solutions, but also contribute significantly to the expansion of our customer base. Specifically, serving the launch customers has been continuously improving our conversational AI technological capabilities, degree of solution standardization, service capabilities in complex scenarios and the replicability of our solutions, during which process we are also able to accumulate vast industry know-how and enhance our brand name. As such, we are able to further attract more quality customers in multiple end-customer industries and geographical areas.

- **Industrial Connections.** We have established in-depth business relationships with influential integrators, financial institutions, automobile companies and sensor manufacturers, among others, as our customers, enterprise-level users or suppliers across China, which facilitates us in providing and upgrading competitive and commercially viable solutions. Moreover, such connections also inform us of the latest development of conversational AI application scenarios of different end-customer industries, and hence enables us to provide more users with solutions that are more pertinent to their business needs.

  In the course of our technological and solution innovations, we have also established extensive connections with other AI technology companies. For instance, we have become one of the first eco-partners of Baidu regarding the implementation of ERNIE Bot, its chatbot product, into enterprise-level conversational AI application scenarios. Leveraging our conversational AI technologies' compatibility and their ability to interface and coordinate with third-party models in specific solutions, we can procure from Baidu APIs for ERNIE Bot. Specifically, we have realized the connection of the large language model-based AI content generation capabilities of ERNIE Bot with our NLG, TTS and multi-media gateway technologies, etc., in development or testing environments, through which the two parties are able to jointly serve relevant application scenarios. We expect that the centralized AI services, large language model as well as general knowledge base underlying ERNIE Bot will serve as beneficial complement to our distributed AI services, models based on few-shot learning and professional knowledge base, which will allow us to better focus on AI trainings relating to professional issues in specific application scenarios.

- **Academic Alliances.** We and the School of Electronic Information and Electrical Engineering of Shanghai Jiao Tong University have jointly established the Research Laboratory for AI Applications, which operates as a specific research and development platform covering such primary conversational AI areas such as voiceprint recognition, TTS, NLP and knowledge graphs, as well as fundamental next-generation conversational AI studies and cutting-edge topics that are crucial for our further growth prospects.

- **Capital Partnerships.** We have received strong endorsements from our diversified strategic investors that include reputable local SOEs and industrial capitals, which support our continuous expansion into different end-customer industries and geographical areas. We will keep leveraging the synergetic effect between our strategic investors and us to help with our business growth.

Industry-Dedicated and Visionary Management Team

Our success is to a large extent attributable to our diversified management team with decades of dedications to the industry and sharp business visions, which is built up and maintained embracing a cooperative culture. Led by such a reliable management team, we are continuously advancing our technological innovations and commercialization progresses.

Both of our founder, Chairman and executive Director, Mr. Jinghua TANG, and our executive Director and general manager, Mr. Qi SUN, have more than 20 years' professional experiences in the industry. Additionally, the core members of our management team have also dedicated themselves to the industry averagely for more than ten years. Our experienced management team features a collection of leaders in research and development, commercialization, and sales and marketing, which empowers us to continuously improve our industry insights, accurately seize business opportunities, and deftly deal with various challenges and opportunities. The sharp business visions of our management team lie in their leadership in constantly optimizing our technological paths and strategies by identifying the promising intersection of various technological fields such as unified communications, cloud-based computing and AI in a customer-oriented fashion. Accordingly, we have been able to maintain our technological competitiveness and improve the standardization of our solutions, which allows us to keep rapid growth.

As another demonstration of such sharp business visions, we have been constantly placing great emphasis on our collaborations with renowned academics and influential scientists. Thanks to our profound industrial accumulations and outstanding technological capabilities, our pursuit of such collaborations has been met with warm response from the academia. Academician Jifeng HE, a world-renowned computer scientist, joined us in 2023 as our Chief Scientist. Graduated from the Mathematics Department of Fudan University in 1965, Academician HE was elected to the Chinese Academy of Sciences in 2005. As a reputed scientist with extensive scholarship experiences at top institutes across different countries, Academician HE has led a number of national research programs and received numerous prestigious science and technology awards. Academician HE is among the first few scientists

in China to put forward the notion of responsible AI and facilitate the industrialization of the same. His research on responsible AI fits nicely with our solutions in serving enterprise-level application scenarios that necessitate high service professionality and output accuracy, and thus have more promising commercialization potentials. As such, we believe that Academician HE's joining us will substantially enhance our fundamental technological capabilities in conversational AI. Specifically, Academician He is responsible for our technological planning in enterprise-level responsible AI and consulting on the application of our ICV solutions, which we envision will greatly drive our technological accumulations in such areas with his academic achievements.

The core members of our management team have been cooperating with each other for more than 20 years, going through our evolvements in technologies, business models, strategies and organizational structure hand-in-hand. We believe that such a stable and mutually trusted management team can bring together needed resources to firmly execute our core business strategies, thus helping us to grow steadily.

OUR STRATEGIES

Further Invest in Research and Development to Ensure the Leading Position and Innovativeness of Our Conversational AI Technologies

We believe that maintaining competitiveness and innovativeness of our conversational AI technologies lays the foundation of our business success, which allows us to acquire quality customers, attract industry-leading talents and expand our market influence, as well as brings us sustainable long-term prosperity. Aiming at satisfactorily serving enterprise-level users' actual business needs, we will continue to invest in research and development so as to advance the standardization of our enterprise-level solutions, as well as to iteratively develop more application scenarios and innovative functions for the same. Specifically, we will continue to enhance our technological capabilities by implementing our key technology initiatives such as reinforcement learning, transfer learning and federated learning, visualizable conversational AI empowered by computer vision AI and next-generation unified communications compatible with visualizable conversational AI, so as to strengthen our competitiveness over existing and emerging enterprise-level conversational AI solution providers, and maintain our competitiveness and innovativeness of our conversational AI technologies.

To ensure effective implementation of our technology strategies, we will also expand our research and development team on a continuous basis, recruit more industry-leading talents and collaborate with more reputable laboratories and academic institutes, thereby nurturing an innovative culture that appeals to and cultivates top conversational AI talents. Furthermore, we had been establishing an AI empowerment computing center in Shandong as of the Latest Practicable Date, which, equipped with ample GPU resources, could cloudify the computing power and training of AI models. Through intelligent match-up of training assignments with the computer resources, the completion rate of jobs training deep learning models through the computing center can reach about 89.7% for GPU cluster, and the average GPU resource utilization rate can reach about 58.0%.

Strengthen Our Commercialization Capabilities by Enriching Our Solution Offerings

By leveraging our go-to-market strategies and accumulated industry insights proven to be successful in serving our four key end-customer industries, we plan to accelerate our penetration into other industries such as the media, healthcare, E-commerce and retailing, etc., in order to empower their intelligent transformation and improve our industry coverage. Besides, fostered by our understanding of the existing users and our rich industry know-how, we also aim to rapidly iterate our solution offerings, so as to expand our customers base, up-sell our existing customers and increase their stickiness to our solutions, and ultimately increase our market share. Specifically, we plan to serve a more diverse group of customers covering governmental entities, large-scale state-owned enterprises and influential public companies, among others. In addition, we plan to continue to enhance the standardization level of our solutions and our delivery capabilities to more effectively reach a larger number of quality customers in more end-customer industries and achieve profitability at scale.

With a goal to strengthen our commercialization capabilities effectively, we plan to expand our in-house sales and marketing team by recruiting more professionals with rich industry and customer insights. We believe that such personnel can help us capture the business needs of users and the pain points of the industry, hence enabling our solutions to evolve at a desirable pace.

Enhance Our Connections with Industrial Participant to Support a More Prosperous Conversational AI Ecosystem that Further Realizes Sustainable Development

We have successfully built a vigorous and diverse conversational AI ecosystem. We believe that the attraction and integration of value-carrying business partners can further enhance our brand name, strengthen the competitiveness of our solutions, and achieve reciprocal and sustainable development of the conversational AI ecosystem. Through collaborations with such leading business partners, we will be able to acquire optimal industry know-how and customer insights, which can further promote our development of preeminent solutions. At the meantime, collaborating with system integrators with a cross-region and/or cross-industry presence can extend our regional and industrial reach, and assist us in delivering solutions that are better compatible with user needs.

With such belief, we intend to deepen our collaboration with our business partners within the conversational AI ecosystem through resources sharing, strengths integration and mutual empowerment, whereby we can grasp broad business opportunities. In addition, we also intend to proactively identify and execute business acquisition opportunities throughout the upstream and downstream industry chain, which we believe will serve as valuable supplement to our existing conversational AI ecosystem and contribute to its long-term prosperity.

Actively Expand into Southeast Asia and Other International Markets

We believe that various types of organizations across the globe commonly share the pressing needs of intelligent transformation of their operations. As such, we plan to fully seize business opportunities embedded within such trend by continuing to replicate our successful domestic experiences into international markets. Specifically, we will solidify our first-mover market advantages in Southeast Asia through the following endeavors. First, we will further develop our technologies on recognizing less-spoken languages. Leveraging our ASR training models and based upon our mature models developed for frequently spoken languages with ample data samples, we will conduct transfer learning related trainings upon languages used in Southeast Asia, such as Vietnamese and Thai, etc., to make the training models better accommodate the characteristics of such languages and improve the recognition accuracy therefor.

Through the aforementioned endeavors, we could overcome the technological difficulties in achieving highly-accurate recognition of less-spoken languages traditionally bound by limited data samples, and empower our customers/enterprise-level users with business operations in Southeast Asia with enhanced communication efficiency. Second, we will further our market explorations in Southeast Asia by leveraging our benchmark use cases therein, i.e., establishing multinational intelligent customer service centers for automobile and logistics companies with international operations that were transnationally connected based on our unified communication technologies and AI technologies. For details, see "– Our Solution Offerings – Voicecomm Solutions – Automotive and Transportation – Case Study – Case Study 1: Multinational Intelligent Customer Service Centers" in this section. Such exemplary use cases have demonstrated our accuracy of recognizing less-spoken languages which leads ahead the industry average, as well as our ability to intelligently schedule customer service resources in a multinational fashion.

We believe such use cases have showcased the robustness of our solutions and will therefore help us achieve greater market acceptance in the Southeast Asia local market. In the course of the increasing outbound expansion of other customers/enterprise-level users with Southeast Asia footprints, we will be able to similarly demonstrate to them our transnational service capabilities. In addition, the aforementioned amplification of our overseas presence can also facilitate the expansion of our overseas operations by serving more offshore customers/enterprise-level users directly. Specifically, supporting the international operations of our current customers/enterprise-level users creates the opportunity for us to get visibility to their regional partners, customers and vendors, among other local players, and showcase our credentials to these prospect customers/enterprise-level users. This exposure will allow us to forge direct relationships with new overseas targets. During the Track Record Period, we have started to generate revenue from customers in Southeast Asia since 2023, and we plan to gradually increase our overseas revenue going forward.

Moreover, overseas operations will significantly enrich our multilingual knowledge base, which has great potentials to enhance our conversational AI technological accumulations and commercialization experiences. Through the process of getting to know various complex application scenarios and business requirements in a wider range of differentiated national, geographical and/or organizational settings, we will continue to upgrade our technological strengths, solution delivery capabilities and one-stop service abilities.

OUR SOLUTION OFFERINGS

Our solution offerings are fundamentally enabled by Voicecomm Brain underpinned by our core technologies in both unified communications and AI. Based upon Voicecomm Brain, we have developed a full set of Voicecomm Suites, i.e., highly standardized, highly scalable and low-code functional modules. Leveraging Voicecomm Brain and Voicecomm Suites, we are able to offer various types of enterprise-level solutions that can be used by enterprise-level users across a wide array of end-customer industries, primarily including city management and administration, automotive and transportation, telecommunications, and finance.

Voicecomm Brain – Our Technology Infrastructure

Voicecomm Brain, our technology infrastructure, is underpinned by our core technologies in both unified communications and AI. Our unified communication technologies are fundamental to successfully satisfying enterprise-level users' increasing demand for efficient and high-quality real-time communications in a variety of forms, and our AI technologies empower the "thinking" and "execution" processes of enterprise-level conversational AI. For more details of our unified communication and AI technologies, see "– Our Technologies" in this section.

Voicecomm Suites – Our Functional Modules

On top of our robust Voicecomm Brain, we have developed a full set of Voicecomm Suites, i.e., highly standardized, highly scalable and low-code functional modules, which comprehensively cover various steps of enterprise-level users' end-to-end information exchanges and business interactions. Such modules specifically include that on multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools and workflow tools. The major features and advantages of Voicecomm Suites are as follows:

- **Completeness.** Voicecomm Suites in aggregate functionally enable the processing and two-way transmission of the underlying communication signals, AI empowerment in the application layer, and algorithm-equipped and productized operational interface-side tools, so as to effectively satisfy varied application demand of a wide range of users and empower their whole process from "communication" to "thinking" and "execution" on a one-stop basis. Categorizable in the manner below, Voicecomm Suites specifically include:

  - ➢ *Unified Communications Modules.* Our multi-media gateways module supports signal processing with respect to multimodal information such as audios, texts, images and videos through different types of communication channels, including those by the internet-end, IoV-end, IoT-end and traditional channels, etc. Meanwhile, our intelligent softswitch module realizes the unified integration of and interactions between such different communication channels, providing users with a convenient and flexible communication exchange system based on IPs that is internally and externally inter-connective and allows two-way transmission and scheduling of extensive trans-modal and trans-user terminal information and data.

- ➢ *AI Modules.* After extensive trans-modal and trans-user terminal information and data have been integrated into a unified platform, our complete AI modules, consisting of recognitive modules (including speech recognition and emotion recognition), natural language processing-related modules (including language understanding and language generation) and speech synthesis module, realize multiple rounds of meaningful and efficient human-machine interactions based upon such information and data in an enterprise-level setting. Additionally, such process is further empowered by our knowledge graphs module intelligently achieving orderly knowledge accumulations, graphical knowledge management and automatic reasoning and recommendation.

- ➢ *Product Engine Modules.* Our product engine modules are backend procedure-configuration software that enables enterprise-level users to conveniently define external service processes, allocate communication resources, and manage internal workflow through operative interfaces. Specifically, the product tool module enables customization of conversation flows in a way tailored to different scenarios and service processes involved, as well as management of different communication channels to ensure smooth information exchange and timely responsiveness. Our workflow tools module allows enterprise-level users to manage work tickets and design procedures across different departments, thereby improving enterprise-wide transparency and efficiency. Our product engine modules can be seamless integrated with our unified communications and AI modules, and realize enterprise-level users' external communication and internal management on a one-stop basis, thus closing up the whole process of their end-to-end information exchanges and business interactions straightforwardly without any cost of transferring between systems.

- **High Standardization.** Voicecomm Suites are characterized by their high level of standardization through our decades' technological accumulations, and can substantially lower users' cost of use and operation and maintenance cost, empowering their business operations in a cost-efficient fashion. Besides, the standardization nature also helps us achieve economies of scale by allowing us to readily replicate and adjust our solution offerings in similar application scenarios, so as to shorten the research, development, deployment and commercialization cycles.

- **High Scalability.** Voicecomm Suites support free combination among themselves and output differently in accordance with users' specific business needs, and also enable interfacing with their various systems and software, through which we are able to deliver comprehensive and highly scalable solutions and diversify the same to the degree needed conveniently.

- **Low-Code.** In addition to our ability to output our technological capabilities through software development kits, Voicecomm Suites allow development personnel of users to realize the software applications that they want based upon APIs. Such free configuration of functions in a low-code fashion features high stability and easy-to-use, so that their concrete business requirements and needs for cross-scenario application expansion could be satisfied with efficiency and agility.

The completeness, high standardization, high scalability and low-code features of Voicecomm Suites can effectively address a number of pain points manifested in enterprise-level conversational AI solution market. As the choice of our customers, we are able to offer different solutions through the modular combination of some or all Voicecomm Suites. Because of the high synergies between unified communications and AI technologies, the typical types of solutions that we offer to various enterprise-level users can primarily be used in such prevalent interactive scenarios as contact service (as needed by various types of organizations to communicate with individuals, with corporation's customer services as an example), equipment control and scheduling, enterprise communication and management, as well as the operation of intelligent community and V2X autonomous driving. Leveraging our core technologies' completeness and extensive applicability to such interactive scenarios, we offer a number of variant solutions to enterprise-level users from multiple end-customer industries that facilitate and intelligently transform their respective form of information exchanges and business interactions, which have primarily empowered:

City Management and Administration

- Intelligent community
- Intelligent administration (conversational AI-empowered contact service)
- Intelligent IoT (speech-based equipment control and scheduling)

Automotive and Transportation

- Customer service (conversational AI-empowered contact service)
- IoV service (speech-based equipment control and scheduling)
- V2X

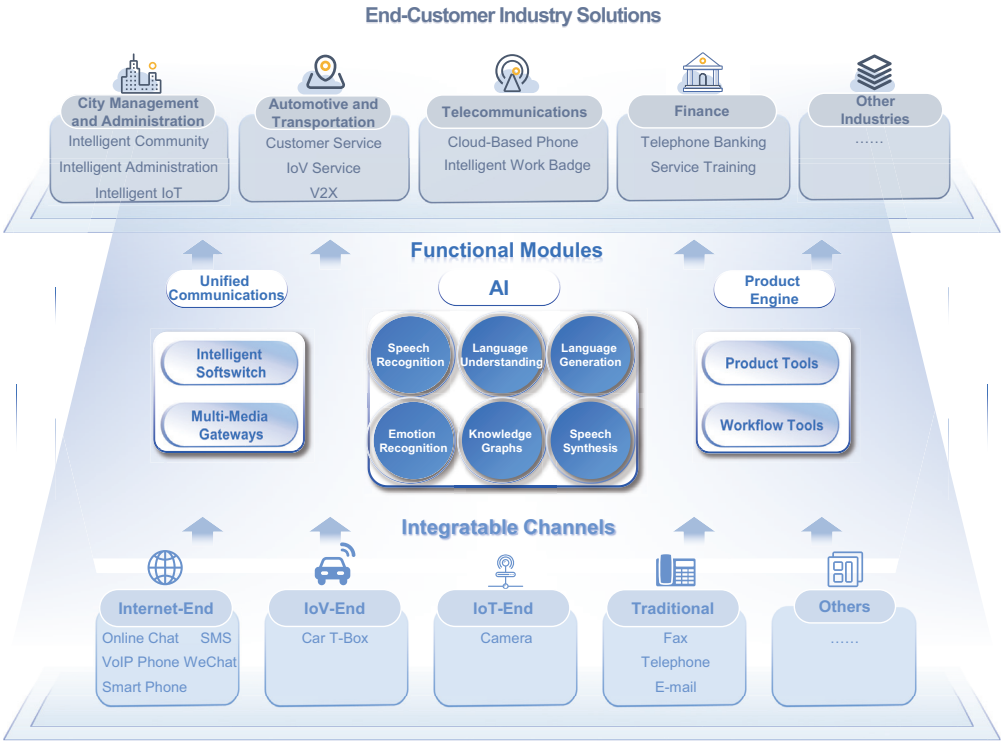
Telecommunications

- Cloud-based phone (intelligent enterprise communication and management)
- Intelligent work badge (speech-based equipment management and scheduling)

Finance

- Telephone banking (conversational AI-empowered contact service)
- Service training (intelligent enterprise communication and management)

The following diagram illustrates specifics of Voicecomm Suites as well as the major solutions as applied in different end-customer industries that can be empowered thereby:



Voicecomm Solutions

Leveraging Voicecomm Brain and Voicecomm Suites, we are able to offer enterprise-level solutions to effectively improve the level of convenience and intelligence with respect to information exchanges and business interactions of enterprise-level users from various end-customer industries. During the Track Record Period, we primarily offered our solutions to four key end-customer industries where we had accumulated rich industry know-how, engineering experiences and customer insights, i.e., city management and administration, automotive and transportation, telecommunications, and finance, defined as the industry where a certain enterprise-level user being empowered by solution(s) is from. We are also expanding the presence of our solutions based upon existing Voicecomm Suites into other industries such as the media, healthcare, E-commerce and retailing, etc., that can be empowered by conversational AI.

Our solutions are primarily based upon software systems designed and developed by us catering to enterprise-level users' concrete needs, which may also be offered in an integrated manner, as the specific case may so request. In such software plus hardware solutions, we offer hardware devices in which our software systems are embedded, network and other telecommunication resources through which our technological capabilities are delivered, and/or other service (if needed), etc., procured from suppliers.

City Management and Administration

We have a long history of providing solutions for local governments that meet their various communication needs in their city management and administrative services since 2007. The number of provinces/municipalities in which solutions in city management and administration of our Company had been deployed during the Track Record Period expanded from seven in 2021 to eight in 2022, and further to eleven in 2023, including such populous provinces/municipalities as Sichuan, Beijing, Guangdong and Shanghai in which we focused our penetrating efforts. According to the iResearch Report, we are one of the participants in the full-stack enterprise-level conversational AI solution market in China with the widest geographical coverage. Moreover, we rank the first in the full-stack enterprise-level conversational AI solution market for city management and administration in China, as measured by revenue therefrom in 2023, according to the same source. Specifically, we offer solutions that are primarily used in the following areas:

- **Intelligent Community.** Through our technologies, the solutions that we offer in a number of intelligent communities (such as intelligent towns and other similar industrial parks) in China uniformly empower the digitalized operations of numerous organizations and businesses stationed therein and the follow-up development of software applications to be utilized therein, in the form of a "intelligent platform", so as to realize technological resource integration and capacity precipitation. For details of our exemplary intelligent town project in Chengdu, Sichuan, see "– Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.

- **Intelligent Administration.** The communication platforms that we establish for local governments (such as "12345" hotlines and police hotlines) effectively support their inbound/outbound contact needs, so as to help them fulfill their administrative roles. According to the iResearch Report, our "12345" hotline solutions had encompassed the most number of prefecture-level administrative regions among participants in the full-stack enterprise-level conversational AI solution market in China as of December 31, 2023. The hotlines we offer seamlessly integrate with other administrative communication systems and intelligently transform administrative services.

- **Intelligent IoT.** We also offer solutions that can be applied in diverse scenarios where city administrators have been increasingly exploring ways of digitally transforming the landscape of city management by adopting various intelligent IoT devices in areas ranging from public utilities to administrative facilities and emergency response. Our technologies are widely applied therein to ensure the reliable transmission and intelligent allocation of the unstructured data generated to the relevant city administrative entities to facilitate their decision-making processes, thus enabling the intelligent scheduling of administrative resources and the smooth operation of an intelligent administration network.

Case Study

Case Study 1: Intelligent Town Project in Chengdu

China's "Internet Plus" initiative was first proposed as a national strategy in the government work report in March 2015 on the third session of the 12th National People's Congress of the PRC. In July 2015, the State Council released the *Guiding Opinions on Promoting the Development of "Internet Plus"* (《關於積極推進"互聯網+"行動的指導意見》) to promote in-depth integration of various traditional sectors with the internet. In 2016, "Internet Plus" was enlisted in China's 13th Five-Year Plan (2016-2020) as a prominent driver of economic transformation and development, which aims to fuel economic growth by integrating the internet with a great variety of sectors in economy and social life, such as manufacturing, city management and administration, finance, healthcare, tourism, real estate and agriculture. Seen as an important driving force for China's economic and social innovation and development, "Internet Plus" focuses on deepening the fusion of the internet, cloud computing, and big data into national economy, thereby having great potential to foster new economic forms, support mass entrepreneurship and innovation and provide a robust economic growth engine.

In furtherance of the "Internet Plus" initiative, a number of cities and towns in China have been adding intelligent elements to their local businesses. Starting from 2017, Chengdu, Sichuan has been implementing its intelligent town project where the infrastructure, administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one cloud-based platform, thereby realizing the establishment of an intelligent town cluster that facilitates urban-rural convergence. As such, the main purpose of our participation in the project was to facilitate the establishment of a public service platform therein capable of unified communications and equipped with AI technologies that could support the follow-up development of software applications and integrate unstructured data. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions for the project:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, network resources, maintenance and promotional services for the town cluster

In the project, we cooperated with the local telecommunications companies and established a conversational AI-empowered digitalized technological infrastructure for the intelligent town cluster in which we were primarily responsible for providing the communication technological capabilities and AI technologies involved therein. Besides, we have also been providing businesses stationed therein with conversational AI solutions for various customer services, collection and distribution of data, as well as other value-added services that involve intelligent unification of communications based on the infrastructure. Specifically, our unified communication technologies could realize the coding and transmission of videos and audios, as well as other signals, underlying various interactive scenarios within the town cluster, and, on top of which, our core conversational AI technologies could then intelligently transform such interactions. See below for concrete technological steps involved in the management and operations of the intelligent town cluster's tourism functions that were empowered by our unified communication and core conversational AI technologies:

- **Platform Management.** By contrast to traditional communications technology facilitating data transmission via singular medium form, our unified communication technologies enabled the transmission of text, audio, image and video signals concerning onsite tourists to the tourism management center for its to manage the same in an integrated manner. Equipped with such multimodal information, the center could have a holistic and real-time understanding of visitor amount, activeness and traffic, etc., allowing it to effectively schedule tourism management personnel and other resources; and

- **Visitor Communication.** Commercial tenants stationed within the town cluster and the social media platform of the said tourism management center were also equipped with intelligent virtual agents empowered by our comprehensive core conversational AI technologies. Such intelligent virtual agents were able to more intelligently serve the visiting tourists than traditional tourist-town visitor services enabled solely by human agent seats that are oftentimes faced with issues with language barriers, untimely feedback and inconsistent service quality, etc. Specifically, our ASR technology enabled visitors to verbally inquire about attractions, restaurants, hotels and various other services through interactive voice communications in different Chinese dialects, and our NLU technology could parse the spoken questions to derive contextual meaning and visitors' intent. During the same process, our emotion recognition technology could also analyze emotions of the speaking visitors manifested in the conversation through extracting acoustic features from speech signals, such as tone, volume and speed. Based upon such analysis of the visitors' intent and emotions, our NLG technology accordingly provided relevant answers or recommendations by leveraging integrated knowledge graphs covering points of interest, events, transportation options and more. The system could then deliver responses via natural-sounding speech synthesized using our TTS technology. Leveraging our technological accumulations in customer service related scenarios, our TTS technology is able to output natural speech in tones that sound polite and caring in tourism settings, so as to improve the complete interactive experiences. As such, our technologies made the visitor services more accessible, engaging and standardized.

In addition to our unified communication and core conversational AI technologies, our product engine technologies facilitated the operation of the town cluster primarily by realizing (i) the flexible configuration of various service procedures involved in the diverse scenarios within the town cluster such as citizen services, administrative management and tourism; and (ii) the efficient scheduling and management of service personnel through the identification, tracking and resolution of events based upon an integrated workflow management platform cross different departments.

Besides our technological outputs, we have also provided management-side interfaces visualizing the analysis and assisting the local administrators to effectively and conveniently manage the intelligent town cluster. The following graphic is a screenshot of a unified interface comprehensively illustrating the real-time status with respect to the facility integration, advertising, governance monitoring and user behavioral statistics of the intelligent town cluster:

Notes:

(1) Basic information, including the theme of the interface, access date and time

(2) Display of information including total amount of facilities integrated, their distribution by facility category, online rate, and facility status, etc.

(3) Display of information including real-time sales statistics of the merchants integrated, user access status, and product transaction rankings, etc.

(4) Display of real-time local events reported and the visualized analysis and statistics of the same, as well as the corresponding monitor screen image, etc.

(5) Display of information including total visitor amount, their basic demographics and geographical origins, visitor traffic by time phase, subsequent activities, and ways of traveling, etc.

As of December 31, 2023, our solutions had covered 257 towns within Chengdu, where more than 80 million person-times had accumulatively been served based upon our technologies. In addition, our similar solutions are being rapidly extended to a number of other comprehensive governmental projects, such as the intelligent village project in Deyang, Sichuan and the intelligent industrial park project in Chongming District, Shanghai, across China. We believe that the benefits of our participation in the project are multiple-folded.

Empowering the establishment of the intelligent town cluster through network resources that are fundamental to carrying our conversational AI technological capabilities, we will then be able to quickly acquire a mass of new customers who have arising yet unsatisfied demand for intelligent communications that can be sufficiently addressed by our conversational AI technologies. During the same process, we are also able to expand our sales channel and presence in wider geographical areas of China. As such projects are being increasingly launched across China, as supported by the aforementioned "Internet Plus" initiative and a number of other favorable industrial policies stimulating the development of digital economy, unified communications and AI technologies, we believe that we are able to further seize the business opportunities in the substantial release of digitalization potentials for city management and administration.

Case Study 2: Conversational AI "12345" Hotline Solutions

Local governments in China have been increasingly emphasizing the significance of their "12345" hotlines as a valuable channel to improve the quality and level of their governance, and leveraging the information generated therefrom as a key basis for evaluating the work conducted by their departments. However, the efficiency of such hotlines sometimes fails to meet the city administrators' expectations due to the limited response speediness and varied service quality of human agent seats only, especially when the request volumes and hotline traffic skyrocket during material events affecting regional municipal management such as a pandemic outbreak. Moreover, insufficient interconnectivity between different administrative communication systems can cause multiple departments being repetitively involved in the issue-solving processes, and the multifarious information and numerous work tickets generated from such hotline are often featured by overly highly granularity, unless engaging cumbersome human-based content analyses, categorizations and assignment distributions. As a result, citizens' requests or complains may not be able to be allocated to the relevant departments and cleared timely and accurately, which will also render the governmental decision-making and evaluation processes ill-informed. Accordingly, we have offered conversational AI "12345" hotline solutions in a number of cities mainly for the purpose of effectively solving the aforementioned issues in a conversational AI-empowered manner. Specifically, our core conversational AI technologies can assist human agent seats to understand, reply to and document calling citizens' requests and improve their service quality, and our unified communication technologies, through integrating multiple communication channels into a unified platform, expand the handling scope of such hotlines pre-call and facilitate the issue-solving process post-call. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, maintenance services

See below for concrete technological steps involved in the operation of such "12345" hotlines that can be empowered by our core conversational AI technologies:

- **Dialect Recognition.** Various Chinese dialects in different regions have substantial differences from Mandarin in pronunciation, tones, vocabularies, etc., which can make it difficult for human agent seats to understand the requests of callers speaking in dialects and result in poor communication outcomes. In this regard, the effectiveness and accuracy of interactions between human agent seats and the calling citizens across a wide range of geographical areas in China are ensured by our strong ASR technological capabilities of recognizing Chinese dialects. We have extensive accumulations in dialect recognition, and are able to conduct model training and optimization based upon the specific characteristics of different dialects to realize accurate recognition. For instance, our accuracy rate for recognizing the dialect from Anyang, Henan has reached 95.2%;

- **Automatic Reply.** Human agent seats serving hotlines that are purely enabled thereby need to manually look up relevant background information pertaining to the calling citizens' questions and answer accordingly. By contrast, our NLU technology supports the automatic search of pertinent answers from backend systems or against service protocols, and reply accordingly. This saved searching and processing time therefore shortens the service process per call and improves the hotlines' operation efficiency;

- **Work Ticketing.** In the case of citizen requests that would need further handling by being distributed to the relevant departments, human agent seats usually need to spend a substantial amount of time analyzing and summarizing the requests, which is not only inefficient but also prone to error. Rather, our ASR and NLG technologies allow intelligent analysis of the work tickets automatically generated thereby, and grouping of the same based on factors including subject matters, localities, competent authorities, and levels of priority, therefore allowing them to be accurately distributed to the relevant departments;

- **Quality Assurance.** Our ASR technology also enables 100% full-volume performance quality assessment on the agent seats' service process, which lifts the burden of human-based conversation quality assurance characterized by selective assurance due to high-volume conversations to be assessed versus limited number of quality assurance analysts (for instance, a 50-personnel human agent team will typically generate recordings of 160 hours per day, and normally one or two analysts are engaged but merely able to selectively cover about 2% of the recordings per day, with their standards inevitably difficult to be unified); and

- **Automatic Feedback Collection.** Our NLG and TTS technologies also enable automatic return calls to collect feedback on the status of request completion and thus conveniently satisfy city administrators' outbound communication needs, especially during material events, without cumbersome human agent involvement. These technologies not only improve citizens' satisfaction with the hotlines' operations but also ensure the responsiveness of the administrative service platforms.

See below for concrete technological steps involved in the operation of such "12345" hotlines that can be empowered by our unified communication technologies:

- **Platform Integration.** Our unified communication technological capabilities could realize the integration of the hotlines with other administrative communication systems, such as risk monitoring systems and cross-department communication systems, as well as the communications via omni-channel accesses, into one unified platform. Since administrative service platforms established upon singular communication channels will lead to redundancies of administrative resources allocated and inefficiency in the relevant department's handling the matter promptly, this interconnectivity substantially adds to the hotlines' operational values; and

- **Multiple-Channel Feedback Collection.** To match with citizen's diverse communication habits, our unified communication technologies also enable feedback collection requests to be transmitted via multiple communication channels integrated, including WeChat, text messages and emails according to customized notification strategies. This multiple-channel deliverability closes up the cycle of administrative services in a cost-efficient fashion. Take our solution deployed in Zibo, Shandong as an example, the efficiency for reaching out to callees increased by tens of times and the administrative service completion rate exceeded 80%, while the implementation cost reduced by more than 85% compared with the solutions previously used therein.

Besides our core conversational AI and unified communication technologies, our product engine technologies facilitate the operation of such "12345" hotlines primarily by realizing (i) the management and allocation of hotline resources; (ii) the formulation of service procedures involved; and (iii) the workflow management in relation to different governmental functions such as administrative management, citizen services and emergency response, and the automatic call transfer thereto in accordance with the requests identified.

Finally, the insights generated from the whole communication process can be systematically processed, quantitatively analyzed and visualized via interfaces to provide city administrators with a better understanding of the efficiency, trends, recurring and newly emergent issues with respect to their city governance and services, which can also be used as a compelling source for evaluating departments' work performance. The following graphic is a screenshot of the interface monitoring the operations of the "12345" hotline offered in a certain locality and displaying a wide array of findings intelligently analyzed, as could be observed real-time by the decision makers of various departments of the local government:

Notes:

(1) Basic information, including the theme of the interface, access date and time

(2) Overall summary, including total amount of citizen requests accepted and closed per day/week/month, amount of requests by subject matter and league table among units by performance score of the previous month

(3) Whole-process information of each event category, including the event type, subject matter, date of occurrence, place of occurrence and current status

(4) Visualized analysis of citizen requests in the whole area

(5) Early warnings and anomaly alerts based on intelligent analysis of key events

(6) Grouped monitoring information and administration advice based on intelligent analysis

Case Study 3: Visualized Conversational AI Fire Police Hotline Solutions

Our technologies have also been used in visualized fire police hotline solutions that have upgraded traditional firefighting process. During our cooperation with a fire center in Shandong, our core conversational AI technologies enabled intelligent generation of the fire report and our unified communication technologies realized the transmission of video signals concerning the view of real-time fire scene. With the support of such intelligently generated fire report and visual information, the main purpose of our solutions was to improve the fire reporting process and allow firefighting resources, including firefighters and fire trucks, to be dispatched with ease and more precision, thus enabling a flexible allocation and optimization of firefighting force. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, maintenance services

Procedurally, when an emergency caller dialed in, the hotline operator would interact with him/her applying our pre-formulated scripts and based upon our scenario-customized knowledge base, after which a work ticket summarizing the fire report would be automatically generated. See below for concrete technological steps involved in the fire reporting process that were empowered by our core conversational AI and unified communication technologies:

- **Streamlined Fire Alarm Response.** The traditional fire alarm handling procedure involves the alarm operator firstly receiving the fire alarm and confirming the planar location and specific floor of the fire, and then notifying relevant onsite personnel. This process would elongate the dispatch time and impact rescue efficiency. Instead, the reporting and notification process enabled by our solutions was empowered by our comprehensive core conversational AI technologies. Specifically, our ASR technology automated the extraction of key words from the reporting persons on fire-related matters in real-time, including reported location, burning substances, fire situation (whether there was open flame, white smoke or black smoke, etc.,) and the existence of any trapped individuals onsite. Afterwards, our NLG technology automated the generation of fire report based upon the reported information that had been intelligently processed. Automatically distributed to the fire police department, such fire report substantially streamlined the fire-reporting process and improved the disaster response efficiency; and

- **Multi-Channel Fire Scene Evaluation and Communication.** Our unified communication technological capabilities of integrating video calls allowed videos from the emergency caller end to reach the fire center. This specifically allowed staff handling the matter to capture the scene through transmissions of video signals, such as smoke and firelight, and accordingly evaluate the fire level, risk level and surrounding conditions. Moreover, urgent communication over the fire scene via singular communication channel may be disrupted due to signal interference. To address this uncertainty, our unified communication technologies supported interactions through various devices (landlines, VoIP phones, etc.), ensuring that relevant information could be timely delivered for prompt decision-making and coordination.

Besides our core conversational AI and unified communication technologies, our product engine technologies facilitated such fire reporting process primarily by realizing (i) the configuration of communication procedures integrating human staffs, automatic response and multi-media platforms; and (ii) the workflow management of the work tickets generated across different departments such as firefighting, police and medical aid.

Based upon our aforementioned technologies, the solutions improved firefighting performance including risk warning, prevention and control, as well as the overall response to emergencies.

Automotive and Transportation

We have rich experiences and strong capabilities of serving automobile and logistics companies. The number of customers to whom our solutions in automotive and transportation had been offered during the Track Record Period increased from 52 in 2021 to 57 in 2022, and further to 66 in 2023. Specifically, we offer solutions that are primarily used in the following areas:

- **Customer Service.** We are a seasoned provider for customer service solutions for automobile companies covering the whole process of their customer contact needs, ranging from pre-sale consultations, product sales and marketing to customer follow-ups. Depending upon the automobile companies' specific requirements on the functionalities of their customer service platforms, our solutions allow the needs of their customers to be analyzed and solved in a conversational AI fashion. Similarly, we also offer customer service solutions for logistics companies, which help respond to their customers' needs and queries in real-time, thus standardizing their service processes and improving their service efficiency.

- **Internet of Vehicles (IoV) Service.** IoV service provides another typical automotive and transportation application for our technologies, in which we have accumulated service experiences for more than one decade. Our solutions enable a smart cockpit by empowering the data transmission and interactions between vehicles and the remote control center, and can be used in real-time emergency rescue and maintenance services, etc. Moreover, our solutions also support the collection and transmission of data about vehicle operations and traffic conditions generated from various smart in-vehicle and roadside traffic control devices, as well as the intelligent analysis of the same, thereby facilitating the intelligent scheduling of vehicle resources and route navigation. In short, our IoV service realizes data interconnectivity and intelligent in-cabin interactions with respect to manned vehicles.

- **Vehicle-to-Everything (V2X).** In addition to the above manned vehicles-related application, we have also penetrated into the emerging V2X scenario, a major technological path to realize autonomous vehicles. Specifically, our technologies facilitate the conversational AI-empowered sharing of information between ICVs and surroundings, such as other vehicles, road infrastructure and control center, etc., for better situational analysis and collaborative decision-making of ICV operation and routing according to real-time information, thus realizing such V2X autonomous driving. Through such technological steps, our solutions perform the crucial role resembling that of traffic police in traditional transportation systems and ensure smooth operations of ICVs in the newly emergent intelligent transportation systems. We are one of the earliest enterprise-level solution providers that have penetrated into city-level autonomous driving, according to the iResearch Report, which affords us significant first-mover advantages compared with other new market entrants in commercialization of the area. For details of our exemplary ICV project in Zibo, Shandong, see "– Case Study – Case Study 2: ICV Project in Zibo" in this section.

Case Study

Case Study 1: Multinational Intelligent Customer Service Centers

Automobile and logistics companies having international operations typically need to establish multinational customer service centers to handle customer feedback, inquiries and consultation, and other requests from the operation sites of overseas countries. The multinational nature imposes much more demanding requirements on the solution providers with respect to their unified communication technological capabilities of integrating telecommunications services, hardware devices and different communication protocols in a cross-country fashion. Moreover, the establishment of such multinational customer service centers necessitates the technological capability of integrating customer service centers of different countries to realize the efficient allocation of multinational agent seat resources.

We accordingly offered solutions assisting certain automobile and logistics companies in establishing their multinational intelligent customer service centers, which were globally well-connected. In addition to our unified communication technologies that ensured the integration of calls made from various countries, our core conversational AI technologies empowered the operation of such customer service centers by enabling speech-based interactions based upon different foreign languages catering to the multinational nature of such centers. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, product tools, workflow tools	software systems, maintenance and server hosting services

See below for concrete technological steps involved in the operation of such multinational intelligent customer service centers that were empowered by our unified communication, core conversational AI and general AI technologies:

- **Transnational Signal Transmission.** As communication signals in different countries or regions may be transmitted based upon different protocols, the technologies of a solution provider serving such multinational customer service centers have to be compatible with different protocols and communication methods. In this regard, our unified communication technologies support the three major international CTI protocols, i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications, which made the centers' multinational operation possible;

- **Recognition of Foreign Language.** Operating customer service centers across multiple countries introduces language diversity challenges, as many regions have relatively lower-usage native languages that pose difficulties for accurate speech recognition. Our ASR technology overcame this technological challenge based upon our mature models developed for frequently spoken languages with ample data samples and transfer learning conducted upon less spoken languages. Specifically, it realized the automatic recognition of different less spoken languages, including Vietnamese and Thai, and was able to maintain satisfactory accuracy rates for recognizing such foreign languages. This allowed us to realize seamless voice interactions based upon languages spanning customer service centers in different counties, where the calling customers could speak naturally and comfortably without friction caused by recognition errors. Compared with customer service centers enabled by any single language, our solutions could drive higher customer satisfaction due to the removal of language barriers; and

- **Allocation of Agent Seat Resource.** In addition to our unified communications and core conversational AI technologies, our general AI technologies could realize the intelligent routing of incoming calls to available agent seats. Multinational customer service centers regularly handle complex and diverse customer issues, which can particularly encounter uneven distribution of agent seat resources, resulting in excessive waiting time and eventually agent seat overload. Accordingly, the automatic call distribution system enabled by our AI algorithms helped a well-known Chinese automobile giant realize the intelligent allocation of agent seat resources: when the incoming calls in a certain country were overloaded, then calls received therein would be transferred to another country's server system with available agent seat resources, thus successfully avoiding excessive queuing, reducing average caller waiting time, and improving the callers' overall experiences.

Besides, our product engine technologies facilitated the operation of such multinational intelligent customer service centers primarily by realizing (i) the configuration of IVR systems that could lead the calling customers towards the specific service matters, such as shipment tracking and complaints; and (ii) the establishment of a complete set of ticketing management tools ranging from registration, transfer, processing and resolution that were multinationally standardized.

On top of our technologies, we designed a number of monitoring interfaces visualizing a wide array of metrics, including statistics on agent seats and calls received/made, so that the companies could have a comprehensive understanding of the overall service performance of customer service centers. A latest screenshot of one of such interfaces for a reputed logistics company is set forth in the following graphic:

Notes:

(1) Basic information, including access date and time, and manager account

(2) Overview of call-answering statistics of the past seven days

(3) Real-time monitoring panel of agent seat status

(4) Average-statistics analysis of agent seats of the day, including conversation length, amount of calls answered, and duration of unready status

(5) Panel visualizing real-time data of the day, including total amount of calls received and cases of call overflows, as well as statistical charts displaying amount of calls received, amount of calls answered, and call-answering rate by each hour

(6) Panel monitoring agent seats in a real-time manner, displaying agent seat average workload and total amount of agent seats

(7) Visualized report of call-answering rate, survey acceptance rate, and customer satisfaction rate

Case Study 2: ICV Project in Zibo

Starting from 2022, we have participated in the ICV project in Zibo, Shandong, a national pilot city for synergetic development of smart city infrastructure and ICVs (國家智慧城市基礎設施與智能網聯汽車協同發展試點城市). The project was launched in a local mountains park with driveways characterized by plenty of sharp bends, steep slopes and narrow roads. Due to the complex topographical conditions, the mountain driveways were designed in a complicated manner that combined both two-way and one-way traffics. Moreover, ICVs operated on such driveways included both high-speed sightseeing vehicles and low-speed vehicles playing various maintenance roles including road cleaning. All of the above factors had to be taken account for the intelligent scheduling of ICVs, in addition to the real-time tourist amounts, traffic conditions and levels of congestions, which thus imposed fairly highly technological requirements on the overall V2X autonomous driving solutions.

As such, the main purpose of our participation in the project was to support various technological processes involved in ICVs to enable their stable and efficient operations. Specifically, our core conversational AI technologies realized the speech-based scheduling of ICVs through empowering interactions between passengers and ICVs and between the cloud-based control center and ICVs, and our unified communication technologies facilitated the transmission of multimodal data between ICVs, roadside units and the cloud-based control center. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solution for the project:

Voicecomm Suites	**Key Solutions-Involved Elements**
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, hardware components (ICVs, sensors, electronic, computing and networking devices, power piles, cables, roadside units, displays and accessories, etc.), maintenance, training, classified protection and testing services

Firstly, based upon the vehicles' performance ability and the actual topographical conditions, our technologies enabled the intelligent scheduling of ICVs from multiple aspects, ensuring that they followed the optimal routes intelligently planned to effectively avoid congestions, road hazards and on-going constructions, including:

- **Vehicle-to-Network (V2N) and Infrastructure-to-Network (I2N) Coordination.** Our unified communication technological capabilities enabled the high-speed transmission of a variety of signals including images, videos, voices and texts generated from on-board units, as well as the roadside units arranged by us, to the cloud-based control center, and also the transmission of cloud-based messages and signals from such control center back to on-board units, roadside units and intelligent stations. Our unified communication technological capabilities were crucial to the successful operation of ICVs, given that traditional communications technology supporting data transmission in singular medium form is not sufficient for high-speed transmission of multimodal data required in ICV-related scenarios;

- **Intelligent Scheduling of ICVs.** Our comprehensive core conversational AI technologies empowered the intelligent scheduling of ICVs primarily by enabling the intelligent speech interactions between ICVs and passengers. Specifically, our ASR technology could transcribe passengers' vocal commands and questions into texts for processing, and our NLP technology could then interpret the intent and extract salient details. Using this insight, in-vehicle functions would be accordingly executed. For instance, the technology allowed ICVs to conveniently respond to and follow passengers' voice instructions to pull over. With respect to complex requests, they would be routed to the control center for handling, and our ASR technology's capabilities of recognizing Zibo dialect facilitated agent seats' understanding local passenger's vocal commands. Additionally, our TTS technology allowed the control center to provide natural speech responses or instructions to ICVs in case where in-cabin collaboration was needed. Besides, our ASR and NLU technologies also enabled thorough quality assessment and assurance on the service processes of the control center, so that it could rigorously perform its control function for safety purpose;

- **Route Optimization.** In addition to our core conversational AI technologies, our general AI algorithms could analyze massive amounts of real-time traffic data and information to automatically generate optimized routes for ICVs, which ensured their safety when operated in the said complex topographical conditions; and

- **Integration of External Devices.** Besides our AI technologies, we also provided neighboring parks, shopping malls and businesses with access to the ICV management system through APIs based upon our unified communication technological capabilities, which allowed integration of external devices into the system, thus facilitating the formation of an interconnective and dynamic V2X ecosystem. For instance, external devices would be allowed to send ride requests, and signals would accordingly be sent to nearby vehicles to come to the requesting location.

Secondly, our core conversational AI technologies such as ASR, emotion recognition and NLU also enabled passenger-ICV interactions within the smart cockpit, allowing, for instance, ICVs to respond to and follow passengers' speech instructions to pull over. Such technologies even support recognition and understanding of Zibo dialect, which enriched ICVs' functionalities and the intelligent level of the whole autonomous driving system.

Besides, after the relevant information were collected and processed, the management-side interface tools enabled by our product engine technologies that we provided could allow detailed analysis of ICVs' operations through visualized roadmaps, as well as the remote configuration of stations and routes and management of various on-board and roadside devices. A latest screenshot of such an interface is set forth in the following graphic:

Notes:

(1) Basic column entrances, including smart intersections, unmanned shuttle buses and unmanned retail vehicles

(2) Basic information panel, including coverage area, smart road coverage, 5G network coverage and length of pilot route

(3) Intelligent roadside units management panel to remotely manage various roadside units

(4) Data monitoring panel, allowing real-time monitoring of mileage, operating duration and number of failures

(5) Detailed analysis of ICVs' operation status in the form of 3D visual maps

(6) ICV operation information panel, which realizes real-time monitoring of different models of ICVs, including number of ICVs in operation and operation duration, and allows comprehensive management of the same

As of the Latest Practicable Date, while the project was still ongoing and pending further implementation, our technologies had already successfully piloted 19 ICVs' operation on an over 20-kilometer route. Upon its completion, it is expected that the project will be expanded from the project zone into the whole municipal area in the future to empower more than 600 ICVs and provide intelligent transportation services for more than three million citizens. Since the exchange and transmission of information from equipment and software of various sources had to interact through the technological capabilities that we provided, we hence acted as the general contractor for the project. Through such projects we have strengthened our collaborations with our industrial partners in jointly serving the evolving business needs in the autonomous driving areas. As a number of other cities are also expected to introduce similar projects to their transportation systems in the near future given various favorable governmental policies encouraging pilot implementation of intelligent transportation schemes, we will attempt to further penetrate into V2X-related scenarios and grow our customer base in automotive and transportation. For instance, leveraging our success in the project in Zibo, we have newly participated in the establishment of a comprehensive V2X autonomous driving system located at the Mianyang Science & Technology City New Area, an open urban space. Through empowerment of the cloud-based control platform, among others, our technologies have been similarly facilitating ICVs capable of V2X-based autonomous operations, including real-time route planning and intelligent vehicle following, lane changing, vehicle avoidance and stop. As of December 31, 2023, our technologies had empowered one driverless bus and one driverless grocery truck operated across five stations within the Mianyang Science & Technology City New Area.

Telecommunications

We empower telecommunications companies through unified communications and AI-based empowerment of the communication tools and other value-added services that they offer to enterprises based on their cloud and network services as well as various other telecommunication resources. Delivered to telecommunications companies, our solutions allow various communication and management needs of the enterprises that have procured such communication tools and value-added services to be intelligently satisfied, while substantially lowering deployment and maintenance costs. Besides, by synergizing such telecommunications companies' services with our technologies to jointly serve their users, we are also able to expand the commercialization of our solutions. The number of customers to whom our solutions in telecommunications industry had been offered during the Track Record Period increased from 24 in 2021 to 28 in 2022, and further to 31 in 2023.

Case Study

Case Study 1: Cloud-Based Phone System Solutions

Enterprises' traditional communication and collaboration solutions involve a number of complications, including high initial deployment costs on switches and communication terminals, etc., a limited number of communication terminals enabled due to the switching capacity of switches deployed, additional working space occupied and costs on maintenance personnel, restricted forms of information transmitted via limited types of communication terminals, as well as the fact that employees will have to switch numbers when using mobile devices. Moreover, for large groups with wide geographical coverage, their decentralized communication and collaboration solutions usually suffer from fragmented deployment and ineffective management. We have thus delivered directly or indirectly to major telecommunications companies in China cloud-based internet phone system solutions mainly for the purpose of integrating multimodal information and various communication terminals for them to facilitate enterprises' communication needs. Realized primarily through our unified communication technologies, the solutions are added with value-added functions based upon our core conversational AI technologies and collaboration solutions that improve enterprises' work and communication efficiency. Such solutions' emphasis on information infrastructure and data protection ensures the security environment of the cloud hosted thereby while not compromising the cost-effective advantages of such solutions. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	**Key Solutions-Involved Elements**
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, product tools	software systems, maintenance services

The solutions have multiple advantages over traditional solutions. Being able to be easily deployed in multiple localities and on multiple devices, our cloud-based phone system solutions not only save users from investing heavily at the upfront for their communication equipment, but also necessitate no additional working space or maintenance personnel. See below for concrete examples of our unified communication technologies empowering the functionalities of such cloud-based phone systems:

- **Scalability of Communication Resources.** Our unified communication technological capabilities allow unlimited extensions of amount of terminals without additional installment or implementation costs incurred for users, thus satisfying enterprises' scalable communication demand; and

- **Integration of Multimodal Information and Devices.** Our unified communication technological capabilities also can realize the transmission of multimodal information (voices, videos and images, etc.) through multiple types of communication terminals including mobile phone, landlines and VoIP phones, and allow convenient interconnection with various applications on mobile phones and computers. Through straightforward and flexible allocation of phone number resources and tying the same to employees' mobile devices, each individual is able to be contacted easily both externally and internally and via different devices.

See below for the conversational AI empowerment of such cloud-based phone systems that further makes our solutions attractive:

- **Interactive Voice Response.** If an employee is occupied and unable to immediately address upcoming calls, he or she can activate the automated interactive voice response system enabled by our core conversational AI technologies. Specifically, our NLP technology helps understanding the caller's intent and, in combination with our TTS technology, navigates the caller through the menus and provides relevant responses through natural language. As such, this self-service functionality acts as a versatile tool to handle inbound calls and alleviates employees from repetitive, low-complexity calls when their availability is limited; and

- **Speech-Based Call Initiation.** Our ASR technology also enables employees to initiate calls hands-free by delivering voice instructions, which makes manual initiation that is time-consuming and cumbersome in enterprise-level settings unnecessary.

In addition to our unified communication and core conversational AI technologies, our product engine technologies facilitate the operation of such cloud-based phone systems primarily by realizing the configuration of communication procedures including automatic response and escalation to human interactions to further improve the deploying enterprises' communication efficiency.

Case Study 2: Intelligent Electronic Work Badge Solutions

A variety of enterprises face the common difficulty in effectively managing their employees (especially onsite employees involving in sales and marketing services, etc.) in relation to employment-related activities, and suffer from a lack of knowledge of their real-time performance. In contrast to agent seat personnel the quality assurance and assessment on whose services could be conducted relatively easily, enterprises' supervision and inspection on such employees oftentimes result in below-expectation outcomes due to limited inspection intervals and personnel coverage, notwithstanding the fact that they may have incurred substantial costs thereon, thus causing untimeliness and inefficiency in employee performance assessment, evaluation and improvement. Accordingly, we deliver directly or indirectly to telecommunications companies solutions where our core conversational AI technologies are bundled onto smart devices as compact and light intelligent work badges, mainly for the

purpose of increasing visibility of employment-related activities and facilitating the standardized management of employees while helping users streamline monitoring costs in a conversational AI empowered manner. In addition, our unified communication technologies support the transmission of relevant information collected, such as voices and texts, to the backend for statistics and analysis purposes. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, product tools, workflow tools, knowledge graphs	software systems, maintenance services

In addition to their basic functions such as helping with documentation of customer basic information and sending task reminders, such intelligent work badges are empowered by our conversational AI technologies for users to effectively monitor the work performance of employees wearing them. See below for concrete examples of our core conversational AI technologies empowering the functionalities of such intelligent work badges:

- **Speaker Identification.** With our voiceprint recognition technology which accurately separates and extracts audio sources and ensures oriented collection, users can realize through the intelligent work badges audio recording of work-related activities in designated working areas with respect to employees who have signed to consent to wearing such badges. This application ensures that voices of the persons with whom an employee carrying the badge is interacting will not be wrongfully recorded; and

- **Performance Supervision.** Afterwards, our ASR technology can accurately transform such recordings into texts, the service quality indicated thereby is then completely and automatically assessed based upon our NLU and emotion recognition technologies against the pre-designed protocols on triggering expressions suggesting employment misconduct, underperformance or omission. The said technologies overcome enterprises' difficulties in tracking their employees' work-related verbal interactions in real-time, and provide additional insights for them to comprehensively assess and manage their employees' work quality, especially with respect to those who are constantly on-the-go outside the office. By capturing critical verbal exchanges, the application of our conversational AI technologies thus delivers transparency into remote employees' actions.

Further, our unified communication technologies enable the transmission of the recordings and transcripts to the backend. Additionally realized by our product engine technologies, our solutions provide visualizable employee performance reports illustrating the employees' performance level in each dimension including proactiveness, fluency, accuracy and compliance in their interactions with customers, and also intelligently suggesting improvements to be made, through interfaces. The following graphic is a screenshot of an interface displaying the quality assurance outcomes enabled by the intelligent work badges in a number of metrics including the overall distribution of the scores and specific protocols triggered, thereby allowing users to have a straightforward and holistic view of the service quality and major issues discovered with respect to their employees wearing such intelligent work badges:

Notes:

(1) Basic information, displaying the theme of the interface

(2) Integrated intelligent work badge management panel, including functions such as badge-enabled quality assessment and assurance, quality assessment and assurance settings, and systems settings

(3) Statistical cycle management panel, allowing managers to freely select the statistical cycle based upon the intelligent work badges deployed

(4) AI-enabled quality assessment statistics, providing information such as total volume conducted, qualification results and early warnings, and automatically generating assessment scores

(5) Human-based re-assessment statistics, if any, which can be compared by managers with the AI-enabled quality assessment results

(6) Display of the average score of AI-enabled quality assessment/human-based re-assessment

(7) Top five protocols triggered per analyzed

(8) Visualized statistical report of conversation durations

Finance

Leveraging our technologies, we also provide financial service-related solutions to financial institutions, primarily in telephone banking, for purposes such as telephone transactions, marketing, identification, and customer notification and consultation, thereby upgrading their customer services and promoting the comprehensive intelligent transformation of the finance industry. Additionally, we also offer solutions in service training that facilitate financial institutions' internal processes. The number of customers to whom our solutions in finance industry had been offered during the Track Record Period increased from 14 in 2021 to 34 in 2022, and further to 35 in 2023.

Case Study

Case Study 1: Intelligent Virtual Agent Solutions for Banks

Banks have always been at the forefront of endeavoring to provide exceptional customer services. Keeping up with the increasing demand of their customers, banks are oftentimes faced by substantial costs associated with operating and maintaining their customer service platforms, as well as varied quality of the services provided by their human agent seats due to substantial service pressures. Such factors may lead to a substandard customer experience, which could potentially damage their reputation and negatively impact their business. For purposes of overcoming these issues, we offer solutions based upon our core conversational AI technologies that feature intelligent virtual agents capable of intelligent conversational interactions with the callers/callees and leading them through the procedures. As part of our total solution offering, our unified communication technologies also realize the seamless switch to human agent seats for complex issues. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	**Key Solutions-Involved Elements**
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, maintenance services

See below for concrete technological steps involved in the service process of such intelligent virtual agents that can be empowered by our core conversational AI and unified communication technologies:

- **Voice Interactions.** Our comprehensive core conversational AI technologies enable the intelligent virtual agents to intelligently fulfill various functions in relation to telephone banking, such as queries, transaction instructions, marketing, identification and customer complaints. Specifically, our ASR technology transcribes customer queries from phone conversations to texts for processing, and our NLP technology comprehends these queries and extracts key details for responses. Empowered by these technologies, the intelligent virtual agents can automatically parse and process customers' voice or text inquiries, and provide quick response. These applications improve the efficiency of banks' customer service, since otherwise human agent sets would have to suffer from laboriously handling customers' specific needs, such as on account balances, funds transfer, transaction lookups and card services, etc. In situations where outbound communication is needed for purposes like payment reminders, our TTS technology allows intelligent virtual agents to automatically reaching out to customers conversationally over phone;

- **Sentiment Detection.** Moreover, our emotion recognition technology embedded ensures an accurate detection and understanding of the callers/callees' emotions by analyzing their voices, therefore providing them with contextualized responses and leading to a more thoughtful service process; and

- **Escalation to Human Agent.** In addition to our core conversational AI technologies, our unified communication technologies enable transferring calls smoothly to human agent seats in situations where the customers require additional assistance. Such human agent seats will in turn interact therewith based upon the pre-incorporated knowledge base, freely formulated scripts and seamlessly integrated backend operating systems. This transferability ensures that banks' can optimize their institutional resources to the extent possible, while not compromising their dedication to providing meticulous and in-human customer service.

In addition to our core conversational AI and unified communication technologies, our product engine technologies further enhance the functionalities of such intelligent virtual agents primarily by realizing (i) the configuration of service procedures applicable to specific service matters, such as bank account application, reporting loss of cards and balance check; and (ii) the establishment of a complete ticketing management platform that integrates the information collected from the intelligent virtual agents with the backend operating systems.

Case Study 2: Intelligent Employment Training Systems

When training prospective employees including agent seats for customer services, banks and other institutions are faced with the necessity for investing a great deal of expenditures due to the complicatedness of operating or services procedures related to financial institutions. Additionally, the difficulty in comprehensively covering massive training contents within limited time and the inability to view training results and issues in a clear and concise way usually compromise the training efficiency. For purposes of solving the issue, we have offered a number of banks intelligent employment training systems where intelligent virtual trainers empowered by our comprehensive core conversational AI technologies can automatically conduct the training process by interacting with the trainees, and evaluate their training performance. Upon completion of the training sessions, our unified communication technologies also enable the transmission of relevant audio and text data for analysis purposes. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, product tools, workflow tools	software systems, maintenance services

The intelligent employment training systems based upon our core conversational AI technologies can vividly simulate a variety of practical question-and-answer scenarios covering operational procedures, customer inquiries and enterprise value, where the trainees interact with the intelligent virtual trainers in a low-latency, noise-resistant manner. Specifically, during such interactions, our constantly optimizing ASR technology enables real-time recognition of the trainees' verbal responses with an accuracy rate up to 98%, so that they are able to go through a large deal of training materials per session and the training efficiency is improved. Our NLU technology enables deep semantic analysis of multiple rounds of conversations, which makes the training process substantive and interactive. To solve the issues with normal employee trainings carried out manually that tend to be monotonous and unengaging, which can easily lead to fatigue and loss of attention, our TTS technology helps generate diversified human-like timbres. This makes the whole training process livelier and more interestingly. Through converting text materials into diverse voice-based training contents, the application allows the trainees to learn in a relaxed and pleasant state, thus providing efficient training for the trainees to improve their adaptability to various business scenarios and performance level. Equipped with our solutions, the trainees can also conduct multiple rounds of simulation tests on a daily basis on the systems that we provide to reinforce their understanding of the training contents.

Upon completion of the training sessions, our unified communication technological capabilities support the automatic integration of the training recordings and transcripts, as well as the training process that the intelligent virtual trainers lead the trainees through, onto a visualized interface.

Enabled by our product engine technologies, the systems that we provide allow convenient formulation and adjustment of training procedures in a node-dragging manner according to the nature of the specific skills to be trained. Moreover, the training grade of each trainee could be intelligently generated based upon pre-determined grading mechanisms, such as adherence to scripts or procedures, emotional fluctuations, usage of keywords within the white/blacklist, and occurrences of non-mitigable errors with respect to customer service personnel, allowing the training managers to have a better idea of the training results while substantially saving training costs. At the same time, the trainees can also clearly view the training results which analyze and present their competencies and deficiencies. The following graphic is a screenshot of the aforementioned backend interface realizing straightforward review of the training process and convenient configuration of the same for the training managers, in addition to a number of other management functions:

Notes:

(1) Basic information, displaying manager account

(2) Different selectable panels, allowing management of each aspect of training systems

(3) The panel currently selected to be displayed, which can be freely switched

(4) Main panel displaying the visualized map of the whole training process for question-and-answer scenarios, which allows training managers to review the training contents went through by trainees at each node, as well as to formulate the training procedures, etc.

(5) Node-selection buttons, enabling training managers to configure nodes for the training process by specific functions

Other Industries

In addition to offering enterprise-level solutions in the aforementioned four key end-customer industries that we focus on and have accumulated rich industry know-how, engineering experiences and customer insights, we have been expanding the presence of our solutions into other industries such as the media, healthcare, E-commerce and retailing, etc., with common demand that can increasingly be empowered by conversational AI. For instance, based upon intelligent virtual agents powered by our technologies, we offer intelligent speech-based customer service solutions to media operators, medical device sellers and service providers, E-commerce platforms and consumer goods companies to facilitate their marketing and customer communication activities.

Case Study

Consumer goods companies facing stiffer competition nowadays increasingly adopt intelligent customer service platforms to establish loyalty programs that are able to cope with rising expectations by consumers engaging across different channels, such as apps and websites, on seamless digital experiences and on-demand support, as well as seasonal spikes in inquiries. We accordingly offered conversational AI-empowered membership management and service platform solutions to a globally leading beer giant that operates more than 200 beer brands. As one of the largest beer manufacturers and sellers in the world with complex retailing and marketing networks in China, the company regularly handles a vast volume of individual member interactions in China. Our solutions accordingly served its purpose of more efficiently engaging with its members, building loyalties and driving beer sales, while delivering top-notch services. Specifically, our core conversational AI technologies enabled interactions between intelligent virtual agents and the members, and our unified communication technologies realized the interfacing of multiple mobile user interfaces and applications with the platform. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	**Key Solutions-Involved Elements**
multi-media gateways, emotion recognition, language understanding, language generation, knowledge graphs, product tools, workflow tools	software systems, maintenance services

See below for concrete technological steps involved in the operation of the membership management and service platform that can be empowered by of our core conversational AI and unified communication technologies:

- **Member Interaction.** The intelligent virtual agents based upon our core conversational AI technologies embedded in the campaign management system assisted the company in delivering enhanced member engagement and services through intelligent interactions. Specifically, our NLU technology could understand members' textual requests and our NLG technology provided relevant answers or recommendations by referencing integrated data sources on order histories, loyalty points, product catalogs, among others. These applications thus fulfill membership management capabilities such as order inquiries, promotional activities and after-sale complaints. The self-learning abilities also allow the intelligent virtual agents to improve over time based on real conversations. The knowledge graphs tailored to the nature of the company's business that we integrated into the campaign management system helped human agent seats (to whom complex issues would be escalated seamlessly by the intelligent virtual agents) to handle a broad range of natural language queries. The query system based upon such knowledge graphs could be used to deeply analyze members' actual intent, and accordingly revert detailed results in response to their questions. Functioning coordinately, our above technologies not only optimized costs for the company by automating common requests but also delivered consistent and scalable member services; and

- **Data Integration.** Our unified communication technological capabilities allowed omni-channel access for members via a number of mobile user interfaces and applications of the company, as well as full integration of data through various other E-commerce platform-based membership systems. Such unification of multiple channels further drove member traffic and enhanced vibrancy of each system, where our unified communication technologies ensured that membership points and loyalty were accurately exchanged and accumulated.

In addition to our core conversational AI and unified communication technologies, our product engine technologies facilitated the operation of such membership management and service platform primarily by realizing (i) the configuration of communication procedures involving the intelligent virtual agents and human agent seats; and (ii) the workflow management of the work tickets generated across different departments to address members' various requests.

Like our solutions offered in other end-customer industries, we also provided intuitive interfaces for the company that could suggest a variety of actionable insights, including conversation volume, satisfaction rate, average turn of Q&As, average conversation length, and virtual-to-human escalation rate, etc. Our solutions thus unlocked the power of conversational AI on strengthening membership relationships for the company by enabling it to automate common member requests and scaling up membership service in a fast yet standardized way.

Others

During the Track Record Period, we also provided services for various subsidiaries of major telecommunications companies in China, which primarily included promoting its telecommunications terminals and other telecommunications resources and services by, among others, leveraging our conversational AI technologies that could assist the purchasers to realize a number of intelligent speech functions on their devices. For details of such a telecommunications company that also acted as our largest supplier in each year of the Track Record Period, see "– Suppliers and Procurement – Top Suppliers" in this section. We explored such business line with an aim to broaden our collaboration scope with the said telecommunications company, strength our commercial relationships therewith and solidify mutual cooperation in conversational AI-related scenarios. The salient terms and conditions of our agreements relating to such promotion services are set out below:

Service scope	We typically provide promotion services to facilitate the sales of telecommunications terminals and other telecommunications resources and services offered by our customers.
Pricing	Our customers will pay us channel marketing service fees based on our promotional performance.
Payment	Our customers shall pay the channel marketing service fees to us after our issuance of invoice.
Termination	Besides natural expiration upon the contractual term or by mutual consent, the agreement may also be terminated by our prior notification subject to contractual time restrictions or by either party due to the other's uncured breaches.
Confidentiality	Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and not disclose to any third parties, which shall supersede the expiration or termination of the agreement.

Since we started to provide such promotion services in 2021, our revenue generated therefrom increased from RMB3.1 million in 2021 to RMB23.4 million in 2022, which was in line with our increased resources and efforts directed towards providing such promotion services at an initial stage. As our business is centered upon offering enterprise-level solutions, we consider providing such services as utilizable business opportunities to explore into other areas that could be empowered by our conversational AI technologies as well as tighten our relationships with major enterprise-level conversational AI participants. Going forward, we expect to flexibly adjust our engagement in such promotion services in a way that both addresses our customers' needs, commensurate with our strategic plan of overall business resources and further vitalizes a conversational AI ecosystem with such customers as important participants.

OUR REVENUE MODEL

During the Track Record Period, we generated our revenue on a project basis mainly from offering enterprise-level solutions enabled primarily by our technologies on unified communications and AI to our customers. Depending upon specific users' concrete needs, the extent to which a certain solution involves each category of technologies may vary. During the Track Record Period, core conversational AI technologies had been applied in most of our existing projects, and we also elected to offer solutions to customers currently only demanding the realization of unified communications with a goal to further upsell core conversational AI technologies. To the best knowledge of our Directors, our projects that applied core conversational AI technologies contributed to approximately 89%, 89% and 92% of our revenue generated from offering enterprise-level solutions in 2021, 2022 and 2023, respectively. As the record of core conversational AI technologies being discretionarily applied after implementation is documented within the enterprise-level users' own systems, historical data regarding the frequency at which such technologies were applied in the relevant projects are unavailable from our end and inherently contingent upon the conversation volumes involved, which can vary significantly across diverse scenarios of different end-customer industries. For instance, a high-traffic customer service application in the finance industry may experience substantially higher usage frequencies compared to a specialized application in fire police hotlines.

We have recently piloted our conversational AI "12345" hotline solutions in certain cities so as to enhance the service quality and enable sufficient interconnectivity of local "12345" hotlines. In the cities where our solutions are implemented, all calls received on "12345" hotlines are processed with our core conversational AI technologies. For more details, see "Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 2: Conversational AI "12345" Hotline Solutions" in this document. We have obtained the usage frequency data of our conversational AI "12345" hotline solutions from our customers. The table below sets forth the daily call volumes processed with our comprehensive core conversational AI technologies, ranging from ASR, NLU, NLG, TTS to emotion recognition, to realize intelligent interaction, quality assurance and inspection and feedback collection, among others, handled through certain "12345" hotlines recently launched or upgraded:

City	Call Volumes Processed with Our Core Conversational AI Technologies During a Specific Day	Date
A city in Henan Province	1,899	April 11, 2024
A city in Henan Province	4,347	April 13, 2024
A city in Shaanxi Province	3,631	April 12, 2024
A city in Yunnan Province	2,404	April 8, 2024
A city in Guizhou Province	1,894	April 12, 2024
A city in Guizhou Province	1,456	April 12, 2024

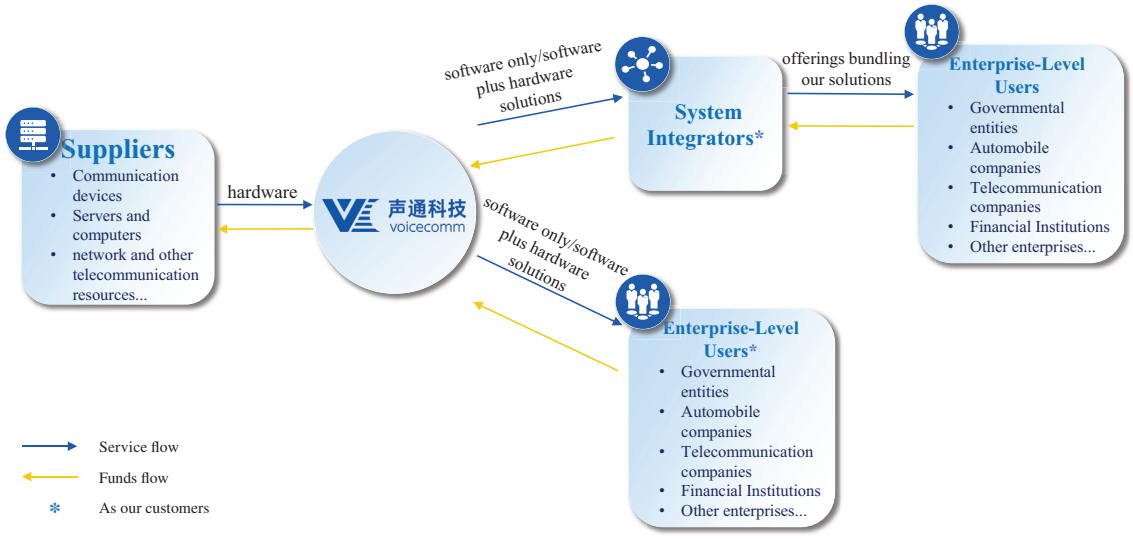
Our continuous service of enterprise-level users and penetration into our key end-customer industries for decades have enabled us to thoroughly understand the common demand of such users and hence to develop and optimize Voicecomm Suites realizing solutions that feature high level of modularization and standardization. The modularization and standardization of our solutions ensure cost efficiency in both enterprise-level users' deployment of our solutions and our offerings of the same. From enterprise-level users' viewpoint, standardized Voicecomm Suites enabling our solutions essentially operate as a menu through which they may pay only for the specific functions needed, which not only makes the pricing transparent but also reduces their total cost of ownership as well as operation and maintenance costs. Besides, the modularization and standardization of our solutions also allow us to readily replicate and adjust our solution offerings in similar application scenarios, therefore shortening the development and implementation cycle and contributing to our promising profit levels once economies of scale are achieved. The following table sets forth a breakdown of our total revenue by offering categories:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Enterprise-level solutions	456,871	99.3	491,641	95.5	801,060	98.5
Others*	3,064	0.7	23,351	4.5	11,957	1.5
Total	**459,935**	**100.0**	**514,992**	**100.0**	**813,017**	**100.0**

Note:

* Primarily related to promoting products empowered by our conversational AI technologies for our customers, from which we generated revenue

The following diagram illustrates our revenue model as well as the service flow and funds flow in relation to our solutions:



Specifically, our customers for our solutions during the Track Record Period included: (i) system integrators that embedded our solutions into their offerings to enterprise-level users; and (ii) enterprise-level users that used our solutions directly. The following table sets forth a breakdown of our revenue generated from offering solutions by customer types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue from						
– *System integrators*	381,101	83.4	378,897	77.1	638,528	79.7
– *Enterprise-Level users*	75,770	16.6	112,744	22.9	162,532	20.3
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

The solutions that we offered during the Track Record Period consisted of: (i) software only solutions; and (ii) software plus hardware solutions in which we integrated our software systems with hardware devices, network and other telecommunication resources, and/or other services (if needed), etc., procured from suppliers as part of our total solutions. The software plus hardware solutions are usually required in order to avoid issues during the operation and maintenance of the systems, such as difficulty in faults identification, or when a single module's upgrade affects the operation of other modules, etc. Customers can determine the

specifications of the solutions to be purchased from us and the delivery method based on their needs. The following table sets forth a breakdown of our revenue generated from offering solutions by solutions types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions	85,447	18.7	162,548	33.1	282,980	35.3
Software plus hardware solutions	371,424	81.3	329,093	66.9	518,080	64.7
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

The following table sets forth a breakdown of our gross profit generated from offering solutions by solution types, in absolute amounts and in terms of gross profit margin for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions	76,467	89.5	149,468	92.0	229,996	81.3
Software and hardware solutions	86,661	23.3	59,707	18.1	95,134	18.4
	163,128	**35.7**	**209,175**	**42.5**	**325,130**	**40.6**

During the Track Record Period, we generated an increasing amount of revenue from our software only solutions, which also took up an increasing portion in our total revenue, mainly due to that (i) it is our increasingly heightened focus to scale up offering such solutions of higher margins in order to enhance our competitive positioning while expanding profit pools through the maturation and accumulation of our technologies. As we establish and enhance our market presence, we have gradually adopted the strategy that prioritizes offering software only solutions in projects in which customers do not specifically demand software plus hardware delivery or where there is no concrete scenario-specific benefit for doing so, provided that this

priority would not affect our acquisition of such customers; and (ii) the continuous expansion of our customer bases who typically purchased from us software plus hardware solutions to firstly establish their communication platforms affords us the opportunities to up-sell software only solutions later to further diversify and enhance their unified communications and AI capabilities.

As certain customers may have specific demand on functionalities that are incidental to our technologies, we from time to time externally purchased software and/or services on developing project-specific software to enable offering total solutions on a one-stop basis during the Track Record Period. Since we focus our business on delivering values to enterprise-level users primarily based upon our technologies, such externally purchased software and/or software-development services took up a limited percentage of our cost of revenue in each year of the Track Record Period. For details, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Cost of Revenue" in this document. The following table sets forth a breakdown of our revenue generated from software only solutions enabled solely by our technologies and those that incorporated externally purchased software and/or software-development services for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions						
– *Enabled solely by our technologies*	72,385	84.7	154,456	95.0	219,777	77.7
– *Including externally purchased software and/or software-development services*	13,062	15.3	8,092	5.0	63,203	22.3
Total	**85,447**	**100.0**	**162,548**	**100.0**	**282,980**	**100.0**

Our revenue generated from software only solutions that incorporated externally purchased software and/or software-development services fluctuated in each year of the Track Record Period, reflecting the contingent nature of the accessory functionalities demanded the relevant customers in each year. By contrast, our revenue generated from software only solutions enabled solely by our technologies increased continuously during the Track Record Period, which was consistent with the general trend of our revenue growth and also took up the major portion of our revenue generated from software only solutions. Our revenue generated from software only solutions enabled solely by our technologies contributed to a less percentage of our revenue generated from software only solutions in 2023, primarily due to the fact that we participated in certain projects that involved the purchase of functionally specific

platforms supplementary to our technologies and accordingly generated a greater amount of revenue during the same period. Specifically, we primarily purchased externally for certain platforms for data analytic and management, and vehicle inspection to offer the relevant IoV solutions, as well as that for human resource maintenance to offer the relevant intelligent administration solutions, in each case on a one-stop basis.

During the Track Record Period, we generated our revenue primarily from providing our solutions in a number of end-customer industries, mainly including city management and administration, automotive and transportation, telecommunications, and finance. The following table sets forth a breakdown of our revenue generated from offering solutions by end-customer industries, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
City management and administration	165,075	36.1	192,734	39.2	321,239	40.1
Automotive and transportation	81,251	17.8	83,393	17.0	191,077	23.9
Telecommunications	68,385	15.0	91,782	18.7	173,976	21.7
Finance	96,051	21.0	79,745	16.2	84,530	10.5
Other industries	46,109	10.1	43,987	8.9	30,238	3.8
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

For details of the period to period comparison of our results of operations, see "Financial Information" in this document.

OUR PROJECT

Top Projects

The following table sets forth the particulars of our five largest projects during the Track Record Period and up to the Latest Practicable Date that had been completed as of the same date in terms of contract sum:

Project Code	Customer	Project Type	Solution Descriptions	Duration	Contract Sum	Percentage of Revenue Contribution during the Track Record Period		
						Year Ended December 31,		
						2021	2022	2023
					RMB'000	%	%	%
Project No. 7	Customer L*	Software plus hardware solutions in city management and administration, including maintenance services	Establishing Intelligent contact centers for energy management	Since May 2023 and completed on November 1, 2023	60,233	–	–	6.7
Project No. 1	Customer A*	Software plus hardware solutions in automotive and transportation, including maintenance services	IoV communication service platform for a Shandong-based automobile manufacturer	Since October 2019 and completed on November 24, 2021	44,681	8.6	–	–
Project No. 2	System integrator and subsidiary of a Beijing-based company providing science and technology promotion and application services, including to apartment management companies, with a registered capital of RMB10 million	Software plus hardware solutions in other industries, including maintenance services	Intelligent online management and mobile service platforms for apartment management companies	Since August 2021 and completed on July 31, 2022	40,531	2.9	4.4	–
Project No. 3	Customer B*	Software plus hardware solutions in telecommunications industry, including maintenance services	Conversational AI-empowered communication terminals and relevant intelligent backend management platform delivered to a major telecommunications company for it to provide intelligent communication services	Since December 2020 and completed on August 8, 2022	39,816	2.7	0.3	–
Project No. 4	Customer F*	Software plus hardware solutions in finance industry, including maintenance services	Intelligent customer service platform for a Beijing-based bank	Since September 2019 and completed on October 29, 2021	33,720	6.5	–	–

Note:

* For details of our customers, see "– Customers and Customer Support – Top Customers" in this section.

The following table sets forth the particulars of our five largest projects during the Track Record Period and up to the Latest Practicable Date that had been ongoing as of the same date in terms of contract sum:

Project Code	Customer	Project Type	Solution Descriptions	Duration	Contract Sum	Percentage of Revenue Contribution during the Track Record Period		
						Year Ended December 31,		
						2021	2022	2023
					RMB'000	%	%	%
Project No. 6	A group of local system integrators and enterprise-level users[1]	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	N/A[2]	26.4	24.9	16.6
Project No. 8	Customer M[3]	Software plus hardware solutions in city management and administration, including maintenance services	Establishing intelligent administrative platforms for certain governmental entities in Shanghai	Since March 2023	46,680	–	–	4.7
Project No. 10	Enterprise-level user and a Shandong-based state-owned company providing software and information technology services, including IoT-related technologies, with a registered capital of RMB0.1 billion	Software plus hardware solutions in automotive and transportation, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – Automotive and Transportation – Case Study – Case Study 2: ICV Project in Zibo" in this section.	Since August 2022	37,564	–	–	–
Project No. 18	System integrator and a Shanghai-based company providing computer system integration and other information technology services involving communication terminals and software, with a registered capital of RMB10 million	Software plus hardware solutions in city management and administration, including maintenance services	Digitalization of a shopping plaza-based business circle in Nanjing by establishing intelligent communication platforms	Since June 2023	25,441	–	–	1.0
Project No. 19	Customer A[3]	Software only solutions in automotive and transportation, including maintenance services	Intelligent speech-based customer service systems for automobile companies	Since April 2023	19,805	–	–	–

Notes:

(1) Our participation in the project entails the establishment of a digitalized technological infrastructure for an intelligent town cluster where the administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one public service platform. The large scale and complexity of the project hence necessitate empowering a wide array of local companies and entities through our solutions to cover the breadth of the required domain expertise. As such, we transacted with 14 local system integrators equipped with diverse resources and expertise during the Track Record Period to facilitate and scale up solution deployment, in addition to enterprise-level users that use our solutions directly, thus allowing tailored solutions for the varied needs within the intelligent town cluster in an efficient manner per the project timeline. This approach lifts the burden of single-handedly manage delivery to each enterprise-level user across the entire project and therefore enables us to focus on our core strengths in solution development. According to the iResearch Report, it is market practice for a conversational AI solution provider to transact with multiple system integrators and/or enterprise-level users in order to serve such type of municipal level intelligent infrastructure and implement smart community projects of this magnitude. Due to its municipally complex and extensive nature comprising hundreds of towns in contrast to our other projects involving solutions offered to any single organization or enterprise, we derived a significant portion of revenue from the project, which contributed 26.4%, 24.9% and 16.6% of our total revenue in 2021, 2022 and 2023, respectively. Comparatively, the other projects we engaged during the Track Record Period were smaller in scale. Based upon the term of the contract with the latest expiration date among the ongoing agreements that we entered into with the said group of local system integrators and enterprise-level users as of the Latest Practicable Date, the project is expected to be completed on November 11, 2025. For details of the risks related thereto, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – We derived a significant portion of revenue from our intelligent town project in Chengdu during the Track Record Period" in this document.

(2) The project involves the use of agreements in which the exact contract sum is not stated therein and we settle with the respective customer through the actual amount of orders made by it, based on which as of the Latest Practicable Date such project is ranked into the table above.

(3) For details of our customers, see "– Customers and Customer Support – Top Customers" in this section.

The following tables set forth the particulars of our five largest projects in terms of revenue contribution in each year of the Track Record Period:

For 2021

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum[1]	Year Ended December 31,					
							2021		2022		2023	
							Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]
						RMB'000	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
Project No. 6	A group of local system integrators and enterprise-level users[3]	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	Ongoing	N/A[4]	121,415	17.3	128,489	21.8	134,793	25.5
Project No. 1	Customer A[5]	Software plus hardware solutions in automotive and transportation, including maintenance services	IoV communication service platform for a Shandong-based automobile manufacturer	Since October 2019	Completed on November 24, 2021	44,681	39,746	34.0	–	–	–	–
Project No. 4	Customer F[5]	Software plus hardware solutions in finance industry, including maintenance services	Intelligent customer service platform for a Beijing-based bank	Since September 2019	Completed on October 29, 2021	33,720	–	–	29,956	23.9	–	–
Project No. 2	System integrator and subsidiary of a Beijing-based company providing science and technology promotion and application services, including to apartment management companies, with a registered capital of RMB10 million	Software plus hardware solutions in other industries, including maintenance services	Intelligent online management and mobile service platforms for apartment management companies	Since August 2021	Completed on July 31, 2022	40,531	13,443	25.1	22,509	10.8	–	–
Project No. 3	Customer B[5]	Software plus hardware solutions in telecommunications industry, including maintenance services	Conversational AI-empowered communication terminals and relevant intelligent backend management platform delivered to a major telecommunications company for it to provide intelligent communication services	Since December 2020	Completed on August 8, 2022	39,816	12,488	92.5	1,770	51.9	–	–

For 2022

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum[1]	Year Ended December 31,					
							2021		2022		2023	
							Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]
						RMB'000	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
Project No. 6	A group of local system integrators and enterprise-level users[3]	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	Ongoing	N/A[4]	121,415	17.3	128,489	21.8	134,793	25.5
Project No. 2	System integrator and subsidiary of a Beijing-based company providing science and technology promotion and application services, including to apartment management companies, with a registered capital of RMB10 million	Software plus hardware solutions in other industries, including maintenance services	Intelligent online management and mobile service platforms for apartment management companies	Since August 2021	Completed on July 31, 2022	40,531	13,442	25.1	22,509	10.8	–	–
Project No. 5	Customer B[5]	Software plus hardware solutions in telecommunications industry, including maintenance services	Intelligent security management platform delivered to a major telecommunications company for it to provide value-added services	Since November 2022	Completed on December 1, 2022	24,748	–	–	22,190	28.2	–	–
Project No. 14	Customer A[5]	Software only solutions in automotive and transportation, including maintenance services	IoV management systems for automobile companies	Since November 2022	Completed on November 10, 2022	15,600	–	–	13,875	100.0	–	–
Project No. 15	Enterprise-level user and a Shanghai-based travel agency providing a comprehensive range of travel products and services, with a registered capital of RMB10 million	Software plus hardware solutions in automotive and transportation, including maintenance services	Intelligent travel consulting and sales service platform	Since October 2022	Completed on October 31, 2022	12,605	–	–	11,302	51.9	–	–

For 2023

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum[1]	Year Ended December 31,					
							2021		2022		2023	
							Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]
						RMB'000	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Project No. 6	A group of local system integrators and enterprise-level users[3]	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	Ongoing	N/A[4]	121,415	17.3	128,489	21.8	134,793	25.5
Project No. 7	Customer L[5]	Software plus hardware solutions in city management and administration, including maintenance services	Establishing Intelligent contact centers for energy management	Since May 2023	Completed on November 1, 2023	60,233	–	–	–	–	54,070	13.1
Project No. 8	Customer M[5]	Software plus hardware solutions in city management and administration, including maintenance services	Establishing intelligent administrative platforms for certain governmental entities in Shanghai	Since March 2023	Ongoing	46,680	–	–	–	–	38,005	1.8

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum[1]	Year Ended December 31,					
							2021		2022		2023	
							Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]
						RMB'000	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
Project No. 9	System integrator and a Jiangsu-based company providing construction services, information system integration and other technology services, with a registered capital of approximately RMB7.1 million	Software plus hardware solutions in automotive and transportation, including maintenance services	Intelligent transportation management and service platform	Since December 2022	Completed on December 20, 2023	32,134	-	-	-	-	28,455	15.4
Project No. 19	System integrator and a Shanghai-based company providing computer information system integration and other development, consultation and transfer services in related to information technology, with a registered capital of RMB10 million	Software plus hardware solutions in automotive and transportation, including maintenance services	Intelligent monitor and communication systems for ships	Since April 2023	Completed on December 1, 2023	28,000	-	-	-	-	25,008	22.1

Notes:

(1) For each completed project, the discrepancies between the contract sum and the total revenue generated were resulted from the exclusion of VAT.

(2) The gross profit margin for each project is calculated based upon costs that are directly related thereto, without considering fixed costs such as employee benefit expenses or depreciation and amortization, etc.

(3) Our participation in the project entails the establishment of a digitalized technological infrastructure for an intelligent town cluster where the administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one public service platform. The large scale and complexity of the project hence necessitate empowering a wide array of local companies and entities through our solutions to cover the breadth of the required domain expertise. As such, we transacted with 14 local system integrators equipped with diverse resources and expertise during the Track Record Period to facilitate and scale up solution deployment, in addition to enterprise-level users that use our solutions directly, thus allowing tailored solutions for the varied needs within the intelligent town cluster in an efficient manner per the project timeline. This approach lifts the burden of single-handedly manage delivery to each enterprise-level user across the entire project and therefore enables us to focus on our core strengths in solution development. According to the iResearch Report, it is market practice for a conversational AI solution provider to transact with multiple system integrators and/or enterprise-level users in order to serve such type of municipal level intelligent infrastructure and implement smart community projects of this magnitude. Due to its municipally complex and extensive nature comprising hundreds of towns in contrast to our other projects involving solutions offered to any single organization or enterprise, we derived a significant portion of revenue from the project, which contributed 26.4%, 24.9% and 16.6% of our total revenue in 2021, 2022 and 2023, respectively. Comparatively, the other projects we engaged during the Track Record Period were smaller in scale. Based upon the term of the contract with the latest expiration date among the ongoing agreements that we entered into with the said group of local system integrators and enterprise-level users as of the Latest Practicable Date, the project is expected to be completed on November 11, 2025. For details of the risks related thereto, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – We derived a significant portion of revenue from our intelligent town project in Chengdu during the Track Record Period" in this document.

(4) The project involves the use of agreements in which the exact contract sum is not stated therein and we settle with the respective customer through the actual amount of orders made by it.

(5) For details of our customers, see "– Customers and Customer Support – Top Customers" in this section.

The gross profit margin level of each of our projects is inherently dependent on the concrete software-and-hardware composition ratio of the solutions that we provide therein. Overall, gross profit margins for our projects realized through software only solutions are higher than those realized through software plus hardware solutions. With respect to our projects realized through software plus hardware solutions in specific, the amount of hardware purchased by our customers largely depends on the specific hardware types required by the solutions as applied in the particular scenarios. If the hardware involves servers, operating systems and other hardware deployed on the server side that are relatively confined by fixed versions, our customers may procure a considerable portion of the same by themselves. If the hardware is more terminal side-oriented, such as sensors, mobile devices, IoT devices, cameras, etc., as these hardware versions upgrade rapidly, there could be issues with software compatibility. Specifically, software systems in relation to our Voicecomm Suites such as that on unified communication, speech recognition and language processing need to be deeply embedded into such devices and adapted based on their operating system upgrades to provide compatible services. To ensure overall service quality post-delivery and avoid compatibility issues caused by version upgrades, our customers typically prefer purchasing both software and hardware in an integrated fashion in such solutions, thus resulting in the relatively substantial hardware procurement amount and lower gross profit margin level.

As to a particular project realized through software plus hardware solutions, its gross profit margin level in different years could additionally be affected by the fact that the customer may purchase different items from us in batches. For example, it is common for our customers to firstly procure hardware as an preparation for subsequently building conversational AI capabilities, and then concentrate on purchasing software systems. It is primarily due to this reason that the gross profit margin for project No. 8, an ongoing project as of the Latest Practicable Date, temporarily amounted to 1.8% in 2023, and we expect that the gross profit margin for the project will normalize towards a typical software plus hardware solution level around 20% upon completion when software systems have subsequently been purchased by the customer. In addition, after the said process, our customers may further purchase additional hardware and software at the same time due to their business expansion and increased communication needs, which can lead to drastic fluctuations of gross profit margins for the same project across different years. It is primarily due to this reason that the gross profit margins for project No. 3 fluctuated materially during the Track Record Period. Specifically, its gross profit margin amounted to 92.5% in 2021, during which year the customer concentrated on purchasing software systems after having procured hardware during the previous year, and then decreased to 51.9% in 2022. Moreover, with respect to projects in which the customers purchase software plus hardware solutions with a substantial amount of mobile devices, it is common for them to firstly purchase integrated backend service platform, and then concentrate on procuring mobile devices embedded with our software plug-ins featured by a relatively lower gross profit margin level. It is primarily due to this reason that the gross profit margin for project No. 2 decreased considerably from 25.1% in 2021 to 10.8% in 2022.

When it comes to our projects realized through software only solutions, their gross profit margins are primarily affected by: (i) software purchase volume, which impacts the per unit software price; and (ii) the types and diversities of Voicecomm Suites specifically required by the customers. As noted earlier, the gross profit margin for each top project listed above is calculated based upon costs that are directly related thereto, without considering fixed costs such as employee benefit expenses or depreciation and amortization, etc. As a result, the project-based gross profit margin for project No. 14, which was realized through our software, amounted to 100% in the relevant years.

Based upon the foregoing, the gross profit margins of the aforementioned top projects are essentially not comparable, and the gross profit margin level of a given project in different years may not necessarily be indicative of the overall level. However, the gross profit margin for our software only solutions and software plus hardware solutions as a whole remained relatively stable, respectively, during the Track Record Period. Moreover, primarily driven by the increase in our offerings of higher-margin software systems within our solutions and the increased level of modularization and standardization of our solutions, our overall gross profit margin improved continuously during the Track Record Period, increasing from 33.1% in 2021 to 39.1% in 2022, and further to 40.0% in 2023. For details, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Gross Profit and Gross Profit Margin" in this document.

Project Backlog

The following table sets forth the movement of the number of our projects in each year of the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From January 1, 2024 and up to the Latest Practicable Date
	2021	2022	2023	
Number of ongoing projects at the beginning of the year/period	64	60	84	150
Add: Number of newly awarded projects	204	197	298	147
Less: Number of projects completed	208	173	232	102
Number of ongoing projects at the end of the year/period	60	84	150	195

The following table sets forth the rolling backlog of our projects by outstanding contract sum in each year of the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From January 1, 2024 and up to the Latest Practicable Date
	2021	2022	2023	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Outstanding balance at the beginning of the year/period	324,582	297,884	382,476	500,850
Add: Contract value of newly awarded projects	476,136	625,401	1,013,744	466,748
Less: Revenue (VAT inclusive) recognized during the year/period*	502,833	540,809	895,370	396,213
Outstanding balance at the end of the year/period	297,884	382,476	500,850	571,386

Note:

* As the contract value according to the agreement is inclusive of VAT, for the purposes of calculating the project backlog, the revenue recognized during the relevant year/period also includes VAT.

OUR TECHNOLOGIES

Unified Communication Technologies

Unified communications refer to a mode of communications that integrates computer technologies with traditional communication technologies, which require the unified transmission of multi-media communications as of communications protocols, and interfaces to integrate with information from operating software as of communication routing. It realizes the connection and integration of multi-standard communication methods through gateways, and provides full operational support covering audios, videos, data and multimedia, etc., thereby enhancing the level of communication flexibility and efficiency. Unified communications rely fundamentally on the capabilities of integrating and harmonizing multiple communication protocols governing different medium forms, whose adaptability to network environments varies. Such harmonization allowing transmission of multi-media and interactions of software systems are usually challenging in a conversational scenario. For instance, each piece of communication transmits multimodal data consisting of not only audios but also texts, images and videos, etc. In addition, unified telecommunications also allow the direct interconnection between information from communication software and operating software. Moreover, the software applied has to enable an effective control the initiation and termination of the conversation and scheduling of the traffic of such data transmissions. Additional considerations have also to be taken with respect to functions such as disaster recovery, redundancy backups and automatic switches in the process of establishing a unified communication system.

The foregoing entails numerous technological details and impose significant technological requirements on the software engineering capabilities, which falls within our realm of strengths owing to our strong unified communication technological capabilities. Notably, our unified communication technologies support the three major international CTI protocols, i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications. Through nearly 20 years' research and development, the communication channels that we are able to unify have expanded from online chat, SMS, VoIP phone, WeChat and smart phone, as well as traditional channels to those from the IoV-end and IoT-end, which has made us a leader in the area. Leveraging our unified communication technological capabilities in a way that synchronizes with the trend of organizations' digital and intelligent transformation, we are able to help them establish a softswitch platform that integrates traditional public switched telephone network with mobile, data and other networks into an overall, unified and multi-service network based on IPs, where there is no need to deploy media switching hardware and communication channels integrated are intelligently routed, therefore facilitating them to efficiently manage and utilize their communication resources. For example, when receiving a call from service hotlines, our communication software can integrate with the CRM system to retrieve the caller's historical service information, thereby selecting proper service personnel and plan, realizing personalized services, and creating fresh new interactive experiences for users of our communication software.

Our unified communication technological capabilities, as showcased by the successful commercialization of our enterprise-level solutions offered to a wide range of end-customer industries, derive essentially from our focused efforts exploring and developing unified communication technologies for decades and the extensive capabilities formed during the same process. Our founder, Chairman and executive Director, Mr. Jinghua TANG, began to conduct research and development on unified communication technologies such as the CTI technology, i.e., integrating and combining the functionality of PCs and desktop phones to manage call operations synchronously, and enabling users to manage any call operation either using their phones or PCs, as early as 2002. Since our Company was founded in 2005, unified communications and their applications in different scenarios have continued to be a key area of our research and development, and we are among the earliest in China focus on the area, which makes us understand communication protocols more deeply and carry out related software engineering more proficiently.

AI Technologies

Our AI technologies concentrate on effectively supporting multiple rounds of industry-oriented conversations with natural flow and the whole interactive process from sound collection, recognition, knowledge graph retrieval to speech synthesis and output being able to be completed on a hundred millisecond basis. In light of the enterprise-level nature of the users of our solutions, our AI technologies are being developed following a technological pathway that emphasizes on accuracy and professionality of interactions enabled thereby with available training data samples. As such, our AI technologies such as ASR, emotion recognition, knowledge graphs, NLU, NLG and TTS are based upon AI models that are designed, trained and optimized under our self-supervised leaning framework according to specific scenarios faced by users in different end-customer industries, which can also be adjusted for any special requirements. In addition to our completely AI technologies, we have developed a self-adaptive algorithm engine that is able to automatically switch among algorithms and apply the most optimal one for the specific conversational format and scenario. Highlights of the same are set forth below:

- **ASR.** Our ASR technology allows high-performance and real-time conversion of human speech into computer-processable inputs. Compatible with the speech inputs of multiple languages, our ASR technology's accuracy rates for recognizing a variety of foreign languages such as English, Vietnamese and Thai, etc., as well as Chinese dialects also lead ahead the industry average. For instance, the accuracy rate for recognizing the dialect from Anyang, Henan has reached 95.2%, based on our existing testing.

- **Emotion Recognition.** Based upon our algorithms extracting acoustic features from speech signals, such as tone, volume and speed, we also have emotion recognition technology that specifically processes and analyzes emotions of the speaker and categorizes them into types such as happiness, anger, sadness and anxiety, etc. Through analyzing speech signals in a sequential manner, our technology is able to identify fluctuations and trends of emotions manifested in the conversation, and analyze the emotional status of the speaker in different time intervals, based upon which feedback and/or recommendations could be given intelligently as needed in specific conversational scenarios, such as those related to customer services.

- **Knowledge Graphs.** Our knowledge graphs are a set of intelligent knowledge management and application systems featuring graphical organization and presentation of, and structural storage of and interrelationships between, knowledge related to different business operations, as well as automatic reasoning and recommendation. Based on semantic webs which use knowledge fusion and entity alignment technologies to form semantic entities as information nodes describing instances and concepts, a visualized network diagram is formed to describe the interlocking relationships between information nodes. Our technology is able to automatically discover new knowledge and interrelationship between knowledge, and intelligently analyze connections and attributes within the graphs, so as to come up with individualized knowledge recommendation and analysis results concerning cued connections. For example, when faced with users' queries, the query system based on our knowledge graphs can be utilized to deeply analyze the query intention of users, and revert with accurate and comprehensive result information, which has huge application potentials in addressing users' query needs. Leveraging our continuous service for different end-customer industries for decades, we are able to develop industry-tailored knowledge graphs for different users.

- **NLU.** Our NLU technology realizes the intelligent analysis of texts by understanding logics and semantic structures in natural language interactions. Specifically, it enables functions including lexical and syntactic analysis (constructing a syntax tree through the identification, disambiguation, word segmentation and relationship establishment, etc., with respect to structures of phrases and sentences), extraction and classification of specific entities (of names of individuals, places and organizations, etc.), semantic extraction, i.e., intelligently extracting relationships between the entities, and reference removal that accurately identifies the referent in a sentence to ensure consistent interpretation. Leveraging voluminous industry-specific insights in serving of our key end-customer industries for decades, we have developed industry-tailored natural language algorithms that have high re-use values to empower future projects. Notably, our natural language algorithms support rapidly trainings based upon different languages through solid learning of local language materials, which can then be efficiently put into our natural language-related functional modules for use and thus substantially enhances our engineering capabilities of globally implementing our solutions.

- **NLG.** Our NLG technology can generate natural language texts based upon our algorithms and models. In addition to being applied in human-machine interaction-related scenarios where texts could be automatically and intelligently generated for making responses, the technology also supports generation of summary accounts through processing and analyzing large-volume texts and extracting keywords therein, and reports or articles based upon structural data, thus making business management and operation more convenient and efficient.

- **TTS.** With the unique intelligent voice controller enabled by the neural network speech synthesis engine, our TTS technology can intelligently convert texts into natural speech streams and generate smooth, natural and highly human-like audio output with expectation-met timbre for listeners in real time, without the raw feeling of machine voice. In addition, it has joint phonetic optimization ability and high-fidelity audio generation ability. Specifically, it allows users to adjust such output details as volume, speed, pronunciation of specific words and/or terms, voice features (by female or male) and language (in Mandarin, English or Chinese local accents, etc.) according to their specific needs in concrete application scenarios of different end-customer industries.

- **Self-Adaptive Algorithm Engine.** Through developing our solutions to satisfy diverse user needs, we have accumulated a number of AI algorithms that are respectively at its best in different scenarios and functions (e.g., short texts vs. long texts; real time vs. non-real time), including round-robin algorithms, convolution algorithms, long short-term memory algorithms and migration algorithms. Accordingly, we are able to embed within our solutions algorithm engine which is self-adaptive to different scenarios to allow better performance of our solutions.

In addition, our core technologies in unified communications and AI as two technological pillars synergize with each other effectively. For instance,

- **Unified communication technologies effectively synergize with AI technologies.** Leveraging our strong unified communication technological capabilities, our voiceprint recognition technology is uniquely empowered by our technologies analyzing the underlying communication protocols used for transmission of signals via different terminal devices. In multiple terminal device scenarios, we can supplement the conventional technological approach to speaker recognition through recognizing the specific speaker's acoustic features with such communication protocol analysis, which realizes the accurate audio source separation and intelligent analysis of conversations involving multiple speakers. Also, our unified communication technologies add on our ASR technology through the capability of recognizing and withholding background noise involved in the conversation to ensure the accuracy of speech recognition.

- **AI technologies effectively synergize with unified communication technologies.** As to scenarios related to identity authentication over telephones, which have traditionally been realized by password inputs based on telephone-routing technology, they can further be empowered by our voiceprint recognition technology as an additional method.

Technological Collaboration

In addition to our AI algorithms and models, our AI technological capabilities are further empowered by collaborations with our business partners. We have become one of the first eco-partners of Baidu regarding the implementation of ERNIE Bot, its chatbot product developed and offered through Baidu AI Cloud, into enterprise-level conversational AI application scenarios. Leveraging our conversational AI technologies' compatibility and their ability to interface and coordinate with third-party models in specific solutions, we can procure from Baidu APIs for ERNIE Bot. Specifically, we have realized the connection of the large language model-based AI content generation capabilities of ERNIE Bot with our NLG, TTS and multi-media gateway technologies, etc., in development or testing environments, through which the two parties are able to jointly serve relevant application scenarios. We expect that the centralized AI services, large language models as well as general knowledge base underlying ERNIE Bot will serve as beneficial complement to our distributed AI services, models based on few-shot learning and professional knowledge base. Our above-mentioned technological orientation can strategically serve conversational AI needs in our key end-customer industries characterized by relatively fewer training data samples and yet high requirements on accuracy and professionality. The collaboration with Baidu on ERNIE Bot lets us leverage its training achievements of general knowledge, which will allow us to better focus on AI trainings relating to professional issues in specific application scenarios (where other trainings on contents other than professional knowledge will be conducted by our collaborators), thereby enabling us to further play to our strengths in scenarios requiring high accuracy and professionality. For instance, we are able to realize path and answer predictions with respect to our knowledge graphs technology and enhance its question identification capability and reasoning speediness through large sample pre-training algorithms. As our knowledge graphs technology focuses on ensuring response accuracy and accountability for the enterprise-level users of our solutions, such technological fusion can additionally enable humanized articulation and content expansion, thus providing an optimal user experience for the individuals that they service. In addition, with our strong natural language generating capabilities, we can enter into new end-customer industries or specific application scenarios with faster speed and lower costs.

Our strategic collaboration with Baidu in such conversational AI ecosystem can be traced back to 2021, in which we are also one of its few eco-partners with conversational AI research and development capabilities. In addition to the foregoing technological synergies, we will continuously cooperate with Baidu as well as other business partners on jointly developing and offering competitive and standardized solutions through technology sharing and experience exchanges, which will also bring us quality customer resources and improve our commercialization strengths, therefore solidifying our competitiveness in enterprise-level conversational AI.

AI Empowerment Computing Center

To further enhance the capabilities of our AI technologies, we had been establishing an AI empowerment computing center in Shandong as of the Latest Practicable Date, which, equipped with ample GPU resources, could cloudify the computing power and training of AI models. The computing center can not only substantially enlarge our computing power, but also realize intelligent match-up of training assignments with the computer resources, thus significantly reducing the average costs needed to train a model. Specifically, the completion rate of jobs training deep learning models through the computing center can reach about 89.7% for GPU cluster, and the average GPU resource utilization rate can reach about 58.0%. As the computing center can significantly empower the efficiency of training our AI models, we are able to effectively improve the performance of our solutions in various specific scenarios. As such, we believe that our computing center will not only enhance our total computing power and efficiency, but also make the production of AI models and the development of AI capabilities more efficient and affordable, hence facilitating the commercialization of our iterative and competitive solution offerings across different end-customer industries.

Our original plan was to establish the AI empowerment computing center within a building made available by certain local governmental entity in Shandong pursuant to a cooperation agreement that we entered into therewith in February 2021 (the "**Cooperation Agreement**"). In accordance with the Cooperation Agreement, the governmental entity constructed the building to provide venue for our AI empowerment computing center and we then leased the said building and made necessary fixed assets investments thereto, including necessary facilities and decorations, as well as servers, in order to use the said building as our AI empowerment computing center. Such investments had been recorded in our consolidated statements of financial position during the Track Record Period under the line item "property and equipment". For details, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Property and Equipment" in this document and Note 11 to the Accountants' Report in Appendix I to this document.

After the completion of the construction of the building itself, the main and standby power supplies, which was undertaken by the governmental entity under the Cooperation Agreement to provide, have not been provided, rendering the operation of the building as our AI empowerment computing center infeasible. In response, we have been proactively and continuously engaging in conversations with the relevant governmental authorities in order to come up with solutions to the situations, and it has been mutually agreed upon between the governmental entity and us that the parties' cooperation over the building will continue. As of the Latest Practicable Date, (i) we planned to use the building as a facility for customer services, in which we can offer operators of customer services software systems and hardware equipment, as well as workspace designated to agent seats, for them to provide services remotely. As of the same date, we had completed the initial design of interior decoration and renovation of the building, which could be so used after the completion of the same; and (ii) the lease agreement entered pursuant to our cooperation with the governmental entity remained effective without early termination by any party. However, due to the matters noted above, we did not make any lease payment during the Track Record Period pursuant to our negotiations with the governmental entity or make any actual use of the building.

Under such circumstances, we consequentially identified alternative venues to accommodate our AI empowerment computing center. Specifically, we have moved the servers that we purchased out of the building mentioned above to the place of certain third-party provider of server hosting services based in the same city, and intended to continue establishing our AI empowerment computing center, at least for the period until the issues with the building are solved, at the said place of the local service provider. By the end of December 2023, our AI empowerment computing center had run online through such third-party provider of server hosting services. For details of risks related to our expansion of computing power, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – If we fail to continuously develop and innovate our solutions to meet enterprise-level users' evolving needs, our business, financial condition and results of operations may be materially and adversely affected" in this document.

Key Technological Development Projects

We plan to continue to enhance our technological capabilities by exploring into various areas with which our conversational AI technologies have promising expansion potentials. Specifically, we have identified several key technological areas on which we have initiated concrete projects, including:

- **Reinforcement Learning, Transfer Learning and Federated Learning.** We will continue our fundamental AI technological explorations under the self-supervised learning framework into reinforcement learning, transfer learning and federated learning, aiming at further reducing the dependence of AI algorithms training on the amount of data, and significantly enhancing the generalization ability of our algorithms.

- **Visualizable Conversational AI Empowered by Computer Vision AI.** We will endeavor to strengthen our technological accumulations in visualizable conversational AI that is further empowered by computer vision AI technologies. For instance, we aim to launch digital avatars with humanized images based upon digital human technologies that are capable of mimicking human's talking patterns, logical thinking, facial expression recognition and learning, etc., in order to create diverse characters performing customized interactions. Such digital avatars can be applied in not only customer service scenarios in which it can recognize the customers' facial expressions to interact therewith in a more human-like fashion, but also in wider areas that have demand for more vivid and engaging conversational interaction experiences.

- **Next-Generation Unified Communications Compatible with Visualizable Conversational AI.** Always committed to providing full-stack solutions, we have also been exploring into the cutting-edge of unified communication technologies compatible with the aforementioned visualizable conversational AI, especially through mobile devices. In line with the proliferation of 5G networks and mobile phones supporting 5G networks, the major telecommunications companies in China

have gradually enabled video calls through their networks that are made via the original calling interface of certain types of mobile phones. We believe that it will be a trend for individuals to increasingly make video calls directly through such original calling interface, which is likely to reshape the landscape of enterprises' interactions with their customers.

As such, we have started researching into unified communication technologies for signal processing and intelligent integration with respect to such video calls through video gateways compatible with the networks of each major telecommunications company in China. We expect that this endeavor will help achieve a new enterprise-level interactive mode, with images of digital avatars smoothly delivered onto the original calling interface of mobiles phones and signals of mobile phone users' facial expressions stably transmitted and processed, thus enabling vivid human-machine interactions. Moreover, since the said technologies can also enable the customer service personnel to conveniently see what the mobile phone users see through such video calls, we expect that the technologies will have broad applicability in various scenarios where video-based conversations will provide better user experiences and improve customer services, such as emergency reporting, user identification, equipment maintenance and services, as well as product presentation.

RESEARCH AND DEVELOPMENT

As conversational AI technologies continuously undergo rapid advancements, our abilities to develop new technologies, design new solutions and enhance existing ones are critical to maintaining our market leadership, which depends to a large extent on our continuous commitment to research and development. As a result, we have invested considerable resources in our research and development activities. In addition to our internal research and development personnel, our research and development capabilities are further reinforced by our collaborations with reputed academic institutes such as Shanghai Jiao Tong University.

Our research and development activities are based upon iteration of our current solution offerings and driven by promising market and technology trend, and each research and development project is grounded in widely seen user needs and generally applicable scenarios, which attributes considerably to the cost efficiency of our research and development. For details of our research and development expenses during the Track Record Period, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Research and Development Expenses" in this document. During the Track Record Period, all of our research and development expenditures were expensed.

We have been conducting research and development on technologies in multiple areas, which has been demonstrated by various awards, honors and recognition that we were granted for our innovative endeavors and technological capabilities. For details, see – Awards and Recognitions in this section. In the future, we will continue to invest in research and development activities to enhance our technological capabilities and solution development. Specifically, we are exploring new technological areas which may lead to the next generation of conversational AI technologies. For details, see "– Our Technologies – Key Technological Development Projects" in this section and "Future Plans and [**REDACTED**]" in this document.

Our Research and Development Team

We have a rapidly growing research and development team, consisted of 215 dedicated staff as of December 31, 2023, representing 67.4% of our total number of employees as of the same date. Our research and development staff have expertise that spans a wide range of technological areas including computer science, softswitch and integration technologies, conversational AI and information security, and were involved in various processes of our research and development activities on a regular basis. Our research and development endeavors are supervised by our founder, Chairman and executive Director, Mr. TANG. Mr. TANG is a seasoned innovator and business leader with more than 20 years' extensive industry experiences and sharp business acumen, during which period his continuous services for the digitalization, informatization and intelligent transformation of enterprises have been widely spanning from the design and implementation of networks to the development of various computer systems. Mr. TANG received his master degree in software engineering from Shanghai Jiao Tong University in 2005. With rich research, development and management experience, our research and development team has developed an internal best practice and maintained a mature and established process for the development, evaluation and validation of our solutions.

In 2023, Academician Jifeng HE, a world-renowned computer scientist, joined us as our Chief Scientist. Graduated from the Mathematics Department of Fudan University in 1965, Academician HE was elected to the Chinese Academy of Sciences in 2005. Academician HE primarily works as a distinguished professor at Tongji University and a tenure professor at East China Normal University, and also served as the Dean of the School of Computer Science and Software Engineering at East China Normal University. As a reputed scientist with extensive scholarship experiences at top institutes across different countries, Academician HE has led a number of national research programs and received numerous prestigious science and technology awards.

Academician HE is the pioneer of trusted software design theory and technology, for which he promoted the novel research of interdisciplinary information-physical fusion systems in China which laid the foundation of the trusted software architecture. In furtherance of such trusted software design theory, Academician HE is among the first few scientists in China to put forward the notion of responsible AI that emphasizes the importance of data, model, platform and operation being responsible in the applications of AI technologies, as well as to facilitate the industrialization of the same. Academician HE's research on responsible AI fits

nicely with our solutions in serving enterprise-level application scenarios, such as city administrations and ICVs, that necessitate high service professionality and output accuracy, and thus have more promising commercialization potentials. As such, we believe that the common interest between Academician HE and us in such intersection of "professional responsible AI" will substantially enhance our fundamental technological capabilities in conversational AI. Specifically, Academician He is responsible for our technological planning in enterprise-level responsible AI and consulting on the application of our ICV solutions, which we envision will greatly drive our technological accumulations in such areas with his academic achievements.

Currently, Academician HE contributes to our research and development technological capabilities by: (i) attending periodical discussions on recent developments and orientation of our business expansion and research and development activities; (ii) reciprocally sharing opportunities of industry forums, which keeps us abreast of industry and technology frontiers; (iii) jointly formulating research and development programs, as well as assisting applications of the same; and (iv) participating in the execution of our cutting-edge projects.

We have entered into legally-binding confidentiality agreements with our key technological personnel and employees involved in our research and development activities, pursuant to which any intellectual property conceived and developed during their employment in the course of performing their duties thereunder or otherwise exploiting our technologies or business-related information belongs to us.

Voicecomm Research Institute

Leverage our academic resources, we have established our Voicecomm Research Institute (聲通研究院) as a special unit under our broader research and development team, which is led by Dr. Xiang LIN. Dr. LIN has comprehensive academic research experiences in conversational AI areas for nearly 20 years. Dr. LIN is the assistant to the Dean of the Institute of Cyber Science and Technology of Shanghai Jiao Tong University, and also acts as the Chief Engineering of the National Engineering Laboratory for Information Content Analysis Technology thereof. Dr. LIN has received the First Prize of Shanghai Science and Technology Advancement Award (上海市科學技術進步獎一等獎) and was selected in the "Rising-Star Program" of Shanghai's Science and Technology Innovation Action Plan (上海市"科技創新行動計劃"啟明星項目), among other awards and honors that demonstrate his widely recognized academic credentials.

The research and development activities carried out through our Voicecomm Research Institute mainly address specific projects worth of in-depth exploration that arise in the course of our services of users of our solutions. Research and development personnel at our Voicecomm Research Institute maintain regularly and constructive communications with team members across various customer projects, and formulate research topics according to the latter's practical needs. For instance, it conducts research on ASR and NLU as needed in the quality assessment and assurance process, on speaker recognition through communication protocol analysis, and on the scheduling of intelligent transportation related and AI resources

derived from the ICV project in Zibo. To further encourage and incentivize the research and development personnel to make contributions to our customer projects, we have designed an evaluation and compensation structure that includes a fixed component as well as a performance-based component, and sets specific performance targets for each member.

Research Laboratory for AI Applications in Collaboration with the School of Electronic Information and Electrical Engineering (the "SEIEE") of Shanghai Jiao Tong University

On April 10, 2021, the SEIEE of Shanghai Jiao Tong University jointly and we established the Research Laboratory for AI Applications (AI應用聯合實驗室), whereby the two parties aimed at establishing comprehensive cooperation in the research and development of conversational AI technologies. The Research Laboratory for AI Applications operates as a specific research and development platform covering such primary conversational AI areas as voiceprint-based emotion recognition analyzing multimodal information, TTS, NLP and knowledge graphs, as well as fundamental next-generation conversational AI studies and cutting-edge topics that are crucial for our further growth prospects and penetration into new application scenarios. For instance, the Research Laboratory for AI Applications plans to expand our knowledge graphs technology to improve its comprehensiveness and reasoning capability. The Research Laboratory for AI Applications also targets to develop a machine learning service platform based upon federated learning that ensures data security and privacy. The Research Laboratory for AI Applications can explore the training of AI algorithms based upon the intelligent computing platform within our AI empowerment computing center. The Research Laboratory for AI Applications will utilize our intelligent computing platform with cloudified computing power to effectively train and optimize our conversational AI models, as well as to explore the self-adaptive engine for the most optimal conversational AI model for specific scenarios. Moreover, the Research Laboratory for AI Applications is also expanding such intelligent computing platform's boundaries for being used as an AI model training ecosystem that will not only benefit our solution offerings but can also be leveraged by other enterprises and third parties for their needs of enhancing their in-house AI capabilities.

In addition, the Research Laboratory for AI Applications and we regularly hold forums and salons, where faculty members from the SEIEE of Shanghai Jiao Tong University will present latest development in various AI areas and awards-winning graduates therefrom will also share with us their algorithm developments. Through such reciprocal dialogues and exchanges, our research and development personnel also provide valuable insights that may inform the future studies of such academicians. We believe that the establishment of the Research Laboratory for AI Applications will help us combine AI fundamental theories and technologies with specific application scenarios, form next-generation solutions through in-depth cooperation, and build an AI innovation ecology of industry, academia, research and application integration.

Pursuant to the collaboration agreement that we entered into with the SEIEE of Shanghai Jiao Tong University, we are solely entitled to any intellectual property in relation to our research and development projects carried out by the Research Laboratory for AI Applications and have the exclusive right to commercialize any of such projects. Provided that no technological secrets are involved and no commercial interests of us are affected, the school and the related personnel shall have the right to publish papers in relation to the joint research and development and use the research results for scientific research and pedagogical purposes, and shall not use the same for any commercialization purposes.

In the future, we also look forward to establishing further collaborations with other institutes and we recognize the significance of such collaborations in contributing to our continuous research and development efforts. For details of risks relating to such research and development collaborations, see "Risk Factors – Risks Relating to Our Business – The termination of any collaborations with our partners for joint research and development projects may adversely affect our business prospects" in this document.

Our Solution Development Process

Our solution development process is grounded in the pain points experienced by enterprises and other organizations in their respective industries. Our research and development staff collaborate closely with each other to develop high-quality solutions, innovate sustainably and continually expand our technological boundaries, through which process they also gain valuable experiences and know-how on solution development that will further underpin our strong research and development capabilities. Key steps in our solution development process typically consist of:

- **Preliminary Study and Communication.** We firstly conduct insightful study and understand the relevant technological developments and trends, as well as take initiatives on industry-oriented research to collect demands, requirements and preferences from the existing and prospective users of our solutions.

- **Technological Demand Characterization and Analysis.** After our preliminary study and communication, we then characterize the specific technological requirements from the users, analyze our core competitive strengths in the respective end-customer industries, and establish a clear priority among different demands and pain points.

- **Project Establishment and Design.** We define the key functional and performance parameters to address user demand, develop a detailed project schedule, establish efficient workflows and progress monitoring, and set up definitive goals and deliverables.

- **Pilot Launch.** After we develop the framework design, we will complete the coding, testing and solution launch in-house.

- **Continuous Optimization.** Based on the feedback collected, we make continuous efforts to optimize functions and performance of our solutions, and research into updated versions with improved features and functionalities where necessary.

Our Industry Know-how

In addition to our technological capabilities, industry know-how also contributes significant to the commercial viability of our solutions. Without contribution of industry know-how, our solutions may be of high technology but no business value. Given our core research and development mindset that is well-advised by enterprise-level users' needs and our rich project experiences piled up since our foundation, we have recognized the necessity of industry know-how in the process of our solution development. As such, we routinely accumulate and comprehend industry know-how in the end-customer industries in which we operate and apply the same into training our AI algorithms and optimizing the industry-specific knowledge graphs and base, which has been proved to be crucial in putting our resources into right direction and substantially ensured the performance of our solutions. Based on our abundant industry know-how, we are also able to design and embed script templates of communications into our competitive solutions that can significantly facilitate users' communications with their customers or other third parties connected via our solutions.

Furthermore, to accelerate our development processes, we use our industry know-how to evaluate (i) the commercial viability of our research; (ii) the competitiveness of our technologies and solutions; and (iii) the costs and returns of research and development activities as measured by research efficiency. Input from our industry know-how has therefore focused our research and development efforts on areas with potential commercialization opportunities, lower competitive barrier and cost savings such that our resources are efficiently utilized.

INFORMATION SYSTEM, DATA SECURITY AND PRIVACY PROTECTION

Information system and data security is our long-held commitment, to which we attach the greatest importance. In this regard, we have formulated comprehensive internal control policies and risk management mechanisms with the purpose to ensure data and information security, optimized data governance, protection of the benefits of our customers, business partners, employees and other third parties, and compliance with all applicable laws and regulations as well as prevalent industry practice. For details, see "– Risk Management and Internal Control – Information System and Data Security Risk Management" in this section.

Our Board of Directors is collectively responsible for formulating information system and data security strategies, and decision-making in material information and data incidents. Under its supervision, our management oversees network, system and data security matters related to our business operations, and we also have dedicated technological personnel who maintain our IT systems and infrastructure and implement our policies on information system and data security. As sufficient maintenance, storage and protection of data and other related information are critical to our success, we intend to continually invest heavily in information system and data security. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material incidents of system breakdowns, data breaches, hackings or losses, or information leakage.

However, we are exposed to risks in relation to system and data security in our operations. We may be targeted by cyberattacks, distributed denial of service attacks, hacking and phishing attacks, security breaches, computer malware, and other malicious internet-based activity. For details of risks with respect to information system and data security that we may encounter, see "Risk Factors – Risks Relating to Our Business – Our business is subject to system and data security risks, and our technology infrastructure may experience unexpected system failures, interruptions, inadequacy, security breaches or cyberattacks, which may harm our reputation, business and results of operations" in this document.

Data Privacy

We are subject to various laws and regulations regarding cybersecurity, privacy and data protection. For details of such laws and regulations, see "Regulation Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this document.

For purposes of completing transactions and offering solutions in the course of our business operations, the types of customers' data that we usually receive through email communications include: (i) the basic corporate information and contact information of the customers; (ii) the business description of the customers and other information related to their business operations; and (iii) certain technical information of the customers and their systems/platforms, which may also be authorized by our customers to be downloaded from the portals that they provide.

With respect to personal information, we do not have ownership over or proactively collect the data from our customers/enterprise-level users or their users, and only access and process such data on an as-needed basis per our customers' authorization and request for model training to fulfill the purposes of our solution offerings in limited cases, such as for optimizing AI algorithms and enhancing our standardized solutions' functionalities in a specific application scenario. We do not proactively collect data from our customers/enterprise-level users in the sense that, when providing our standardized solutions, we do not require our customers/enterprise-level users to provide their data or their end users' personal information to us. However, if a customer requires us to customize the solutions in specific industry or use scenarios for more satisfactory performance, we may need to ask it to provide us with data consisting of dialogues involving individuals, for the purpose of optimizing the AI algorithms involved and enhancing our solutions' data recognition accuracy therefor.

Substantially all of the data we access, process or use for us to analyze the scenarios are in the form of raw audio recordings consisting of voice dialogues involving individuals in scenarios across a number of industries provided by our customers. Procedurally, we access such raw audio recording data normally through portals designated by the customers to download the same by using the account and password provided by the customers, and the data will be stored in the servers deployed in our premises for processing. After receipt of the raw audio recording data from a customer, the recordings will be partitioned and randomized before we use them to optimize the AI algorithms which will be used in the solutions to be provided. After the said steps, the resultant recordings will no longer contain any information which can be used to identify or to correlate with any particular individuals. The recordings will only be retained by us during the period necessary for completing the optimization, the duration for which is essentially contingent upon the specifics of different projects and will normally last less than two weeks. During the Track Record Period and up until May 2023, we conducted the abovementioned data desensitization process ourselves. To further tighten our data processing practice in relation to data privacy, we have been requiring our customers to desensitize the data before sharing to us for optimizing AI algorithms since June 2023. After completing the optimization, the raw audio recording data will be deleted permanently and we will only retain the C-language files (source code files written in the C programming language, representing a desensitized and machine-readable binary format) resulting from the optimization as our training data, which contain no personal identifiable information. As between our customers and us, our customers own the raw audio recordings data, and we own the said C-language files as our work product, which will be added into our database for further use in the future.

Under such circumstances, we obtain the customers' prior authorization and delegation before accessing and processing such data. During the Track Record Period, we obtained the consents from our customers under our agreement therewith for accessing and processing the data that they provided. Furthermore, we have formulated a comprehensive data protection clause that is provided in the agreement entered into with our customers. Such data protection clause clearly provides for the customer's responsibilities for handling personal information when using our solutions or entrusting us to process personal information on its behalf. If a customer provided its raw audio recording data to us, we also required it under such data protection clause to contractually commit to us that it had obtained the consents from the relevant data subjects for collecting and processing their personal information or had other legal basis under the *PRC Personal Information Protection Law* (《中華人民共和國個人信息保護法》) ("**PIPL**") to collect and process such personal information. As advised by our PRC Legal Adviser, given that the customer determines the purposes and processing methods of processing the personal information contained in the raw audio recordings, the customer is the "personal information handler (個人信息處理者)" as defined by the Article 73 of PIPL and we are only the entrusted party under the Article 21 of PIPL to process desensitized information under its instructions. As further advised by our PRC Legal Adviser, according to the Articles 13 and 14 of PIPL, the customer as the "personal information handler" is obligated to ensure the legitimacy of collecting the relevant personal information and entrusting us to process on behalf of it. Our accessing and processing of data are strictly restricted to the limited purposes of AI algorithm training and optimization and will only last for the service period as agreed upon with our customers, after which, all relevant data except for the

C-language files noted above will be promptly and properly deleted or destructed. We typically undertake to comply with all applicable laws and regulations in connection with the collection of such data, including but not limited to any laws in respect of intellectual property rights, privacy, data protection, personal information protection, and personality rights. In addition, we have established data privacy policies to ensure that our data accessing and processing activities are for legitimate purposes and conducted in accordance with applicable laws and regulations, for instance:

- We strictly process data in the manner that has the least impact on the rights of data subjects. We process data with specific and reasonable purpose, which is limited to the minimum scope for achieving the purpose of optimizing our AI models and solutions, and data shall not be used for any purpose irrelevant to such purpose;

- Before AI models training, we ensure that the input data are not used for individual identification purposes and are contents pre-treated without personal identifiable information attached in nature;

- We implement internal authentication and authorization mechanisms to ensure that the data we process can only be accessed by authorized personnel, with visit records documented via system logs; and

- We annotate and conduct training on the data in accordance with the restricted purposes of usage and limited time frame of storage as stated in our agreements. After the collaborations are completed, we will proceed with deletion or destruction of the relevant data to comply with our corresponding obligations promptly and properly.

Moreover, we strictly follow our internal data security policies and rules when collecting and processing the above data provided by our customers. Our data security policies and rules cover the data security objectives, organization, data security risk assessment and response mechanism, and access control requirements and more. We have formulated a data classification and grading catalog and implements different access control and security measures accordingly. We have also established and appointed management groups and executive teams in charge of data security matters. By implementing those policies and rules, we believe that the data collected and processed by us are safeguarded from unauthorized access, destruction, leakage, or misuse. Upon reviewing our relevant internal control policies, our internal control consultant confirms that the design of such policies does not contain any material defects or issues, and confirms that such policies, once implemented, can effectively safeguard irregularities with accessing and processing data (including personal data, if any) in all material aspects.

We believe that, by the above-mentioned measures, we have reasonably fulfilled our protection obligations with respect to the personal information that may be contained in the data that we access and process. During the Track Record Period, we had not purchase any personal information or other data from our customers or any other third parties during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, there had been no incident of data or personal information leakage, pending or threatened investigation, penalty, litigation or other legal proceeding against us claiming personality rights infringement or data protection initiated by competent government authorities or third parties, or violations of data privacy laws and regulations, to the best knowledge of our Directors, that would materially and adversely affect our business operations. Based upon the foregoing, our PRC Legal Adviser was of the view that, during the Track Record Period and up to the Latest Practicable Date, the data privacy practice of our Group met the requirements of laws and regulations in effect in material respects.

We will continue to pay close attention to the legislative and regulatory developments in data privacy and ensure that our operations comply with the latest regulatory requirements. Nevertheless, we are subject to risks relating to the regulatory uncertainties in this regard. For details, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – As our business is subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, privacy and data protection and generative AI services, actual or alleged failure to comply with applicable laws, regulations and governmental policies could damage our reputation, deter current and potential customers or end users from using our solutions, and subject us to significant legal, financial and operational consequences." in this document.

Internet Information Security

On November 14, 2021, the CAC released the *Network Data Security Management Regulations (Draft for Comment)* (the "**Draft Regulations**"), which stipulate several requirements for entities who process data through the use of networks, including that data processors shall (i) be responsible for the security of the data it processed and shall undertake data protection obligations; and (ii) establish comprehensive data protection system and technical protection mechanism. For details of the Draft Regulations, see "Regulatory Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this document.

Our PRC Legal Adviser is of the view that the possibility that our proposed [**REDACTED**] in Hong Kong may give rise to national security risks and require the application of cybersecurity review is remote, considering that: (i) we do not utilize the internet to provide services, and the solutions delivered to our customers are deployed on servers or cloud platforms controlled by the customers/enterprise-level users themselves and utilized by them to carry out their own business, while we are not involved in the operation of the solutions or their underlying platforms; (ii) our main business is to utilize AI technologies to develop and

provide the solutions that are deployed and used by our customers/enterprise-level users themselves, and we do not externally provide any data processing services; (iii) as of the Latest Practicable Date, no entity of our Group was determined by the competent authorities as a critical information infrastructure operator ("**CIIO(s)**"); (iv) we do not directly collect the personal information from our customers/enterprise-level users. Instead, we are only entrusted by a few customers to use the raw audio recordings provided by them that will be partitioned and randomized in prior to optimize the AI algorithms to be used by the relevant customers/enterprise-level users. After completing the optimization, the raw audio recording data will be deleted permanently and we will only retain files resulting from the optimization as our training data, which contain no personal identifiable information; (v) we do not transfer any customer data or other personal information to recipients outside of mainland China in our business operations; and (vi) we have taken appropriate technical and organizational measures to safeguard the security of the data that we processed. Based upon the foregoing, our Directors believe, and the Sole Sponsor concurs, that even if the Draft Regulations are adopted in their current form, it is unlikely that we will be required to apply for cybersecurity review for our proposed [**REDACTED**] in Hong Kong.

The data processing activities involved in our business operations will be subject to the requirements set by the Draft Regulations if they become effective. Even if the Draft Regulations are implemented in their current form, our Directors believe that we will be able to comply with the requirements in our business operations and they will not have a material adverse impact on us, considering that: (i) we have established internal management bodies responsible for information security, data security and personal information protection, respectively, in accordance with the requirements of applicable laws and regulations, and have appointed persons in charge of the said matters; (ii) under the supervision of these internal management bodies, we have a data security team of engineers and technicians dedicated to protecting the security of the data that we processed; and (iii) we have also adopted strict internal policies on information system and data security risk management, to ensure the security of the data that we processed. For details, see "– Risk Management and Internal Control – Information System and Data Security Risk Management" in this section.

According to the amended *Cybersecurity Review Measures*, which have come into effect on February 15, 2022, (i) the purchase of cyberspace products and services by the CIIOs and the network platform operators (the "**Network Platform Operators**") which engage in data processing activities that impact or may impact national security shall be subject to cybersecurity review by the Cybersecurity Review Office; and (ii) the Network Platform Operators with personal information of more than one million users that seek for listing in a foreign country are obliged to apply for cybersecurity review by the Cybersecurity Review Office. For details of the *Cybersecurity Review Measures*, see "Regulatory Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this document.

Our PRC Legal Adviser confirms that neither our business operations nor our proposed [**REDACTED**] in Hong Kong will trigger the obligation to apply for cybersecurity review by the Cybersecurity Review Office pursuant to the amended *Cybersecurity Review Measures*, considering that: (i) as of the Latest Practicable Date, no entity of our Group was determined by the competent authorities as a CIIO; and (ii) we neither processed the personal information of more than one million users nor applied for listing in a foreign country.

In addition, our PRC Legal Adviser notified China Cybersecurity Review Technology and Certification Center ("**CCRC**") through a telephone consultation on May 23, 2023, and has been advised that: (i) our proposed [**REDACTED**] in Hong Kong does not constitute a "listing in a foreign country" as described under the *Cybersecurity Review Measures*, and therefore we are not required to proactively apply for cybersecurity review thereunder; and (ii) the Draft Regulations are in draft form and have not yet come into effect, and we are not required to apply for cybersecurity review under the Draft Regulations. Based on the reasons above, our Directors are of the view that the Cybersecurity Review Measures do not apply to us and will not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors' view based on the reasons above.

Generative AI Services

On July 13, 2023, the CAC and other six ministries jointly published the *Interim Administrative Measures on Generative AI Services* (the "**Interim Measures on GAI**"), effective on August 15, 2023. The Interim Measures on GAI apply to the provision of generated contents such as texts, images, audios and videos to the public within the territory of China by utilizing generative AI technologies ("**GAI Services**"). The Interim Measures on GAI, among other things, (i) set forth principles for provision and use of GAI Services; (ii) impose various obligations for the provider of GAI Services, from protection of users' personal information to content monitoring and filtering; (iii) provide specific requirements for the data training activities such as pre-training and fine-tuning; and (iv) require the providers of GAI Services to conduct security assessment for provision of GAI Services with public opinion attributes or social mobilization capabilities and file for records with the CAC. For details of the Interim Measures on GAI, see "Regulatory Overview – Regulations and Policies on Information Industry – Regulations on the Application of Artificial Intelligence Technologies" in this document.

According to our PRC Legal Adviser, there are two elements for determining the applicability of the Interim Measures on GAI: (i) whether the services are GAI Services; and (ii) whether such services are offered to the public within China. Our PRC Legal Adviser is of the view that the definition of "the public" under the Interim Measures on GAI is confined to individual users and does not apply to institution users, considering that:

- Textually, the term "the public" (公眾) in Chinese refers to the people, i.e., the general public. It is a collective term for many individuals;

- Specifically, Article 2 of the Interim Measures on GAI provides that they will not apply to the industrial organizations, enterprises, educational and scientific research institutions, public cultural institutions, and relevant professional institutions that develop and apply generative AI technologies and do not provide GAI Services to the public within China. Such clause reflects the legislative intent of regulating only the GAI Services to be used by individual users; and

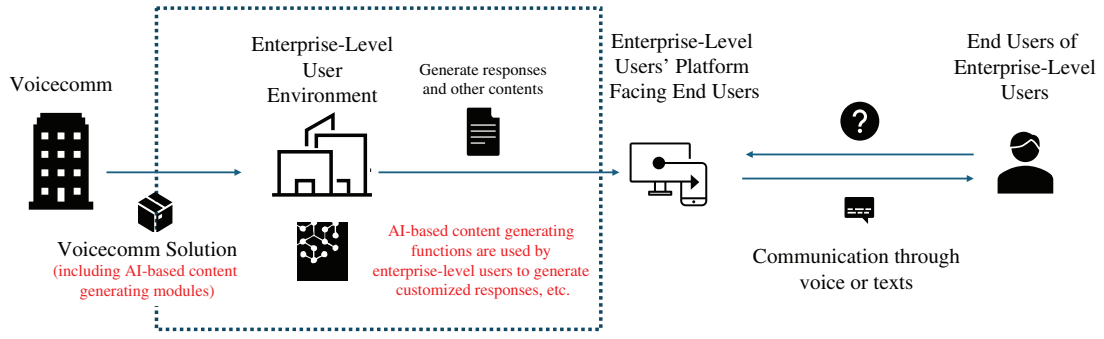
- In addition, there are various other detailed requirements of the Interim Measures on GAI for services aimed at individual users, not enterprise-level services, for example: (a) Article 10 requires the service provider to disclose *the target groups of people that its services are designed for* and take measures to prevent *minor users* from overly relying on or becoming addicted to its GAI Services; and (b) Article 11 prevents the service provider from retaining the inputs or use records that can be used to identify a user's identity.

By applying the test to us, our PRC Legal Adviser is of the view that our current businesses do not fall into the scope of provision of GAI Services to the public and thus the Interim Measures on GAI do not apply to our current businesses, considering that: (i) we only provide our AI technology-based solutions to institutions and we do not directly provide any services to individual users; (ii) as far as GAI technologies are concerned, our solutions are provided in the form of preset software systems that are installed and deployed in the servers and cloud platforms controlled by our customers/enterprise-level users, and the content generating functions of our solutions are only used by themselves through such software systems; and (iii) even if certain customers/enterprise-level users may provide their own services enabled by our solutions to their own end users, such end users that they serve do not have any access to our AI technologies to generate any content. Taking our telephone banking solutions as an example, the intelligent virtual agents realized by our AI technologies can facilitate banks' customer services by intelligently engaging in voice conversations with the individual customers of banks to fulfill various telephone banking functions such as queries, transaction instructions and identification. The AI based services involved in this service process realized by our AI technologies, however, are unilaterally and exclusively enjoyed by banks, but not their individual customers. In other words, while our AI technologies automate banks' customer services from the institutional end, it is not possible for the individual customers to leverage our GAI functionality provided to banks and they still have to interact with the intelligent virtual agents by themselves. This is essentially because our AI models cannot be used by any individual users through programmable interfaces, and, as noted above, we do not open our AI models to the public.

Moreover, our PRC Legal Adviser made an anonymous consultation with the CAC's hotline responsible for the algorithm filing matters on December 19, 2023. Notwithstanding that no clear guidance on the applicable scope of the Interim Measures on GAI was given during the consultation, the official pointed out that if AI-based content generating services are indirectly provided to individual users through institution users, the Interim Measures on GAI will apply. According to our PRC Legal Adviser, "indirectly provided to individual users" describes the scenario where an AI-based service provider allows the AI-based content

generating functions to be used by individual users who do not transact with the service provider but have access to the content generating functions through an intermediate entity (i.e., an institution user of the service provider's AI-based services). In that case, the Interim Measures on GAI still applies because the AI-based content generating functions are ultimately used by individual users, or the public, to generate contents. However, after examining our solutions and our business model, our PRC Legal Adviser believes that this "indirect provision" scenario is fundamentally different than the service process of our solutions deployed by enterprise-level users based on the following reasons:

- As illustrated by the abovementioned telephone banking solutions case study, the functionalities enabled by the AI-based content generating modules embedded within our solutions are exclusively used by our enterprise-level users (institutions) and none of our solutions provides any data interfaces to allow them to make the content generating functions available to their end users (individuals). As displayed by the following diagram, the AI-based content generating functions can only be used within the scope of the dotted box:



- In addition, from a technical feasibility perspective, our AI-based content generating modules and other functional modules are encapsulated within our comprehensive solutions. Not developed as standalone applications, such modules are able to form a complete processing flow only when combined with each other to jointly assist our enterprise-level users in better achieving their business objectives. From an interactional meaningfulness perspective, the AI-based content generating modules embedded within our solutions are trained solely for business scenarios of our enterprise-level users across different end-customer industries, rather than for personal use by their end users. Thus, it is not only technically infeasible for our enterprise-level users to make the content generating functions of our solutions available to their end users, but also interactionally unmeaningful for them to so.

Based upon the foregoing, since we do not directly or indirectly provide any AI-based content generating services to individual users, our PRC Legal Adviser believes that our current businesses fall out of the applicable scope of the Interim Measures on GAI. However, considering that only an anonymous consultation was conducted with the CAC during which no clear confirmation on the applicable scope of the Interim Measures on GAI was provided, as well as the additional fact that there has been no official interpretation or specific implementing rules thereon, it essentially remains uncertain as to whether our current businesses will be deemed to constitute indirectly providing AI-based content generating services to individual users and thus subject to the Interim Measures on GAI. For details, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – As our business is subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, privacy and data protection and generative AI services, actual or alleged failure to comply with applicable laws, regulations and governmental policies could damage our reputation, deter current and potential customers or end users from using our solutions, and subject us to significant legal, financial and operational consequences" in this document.

That said, our PRC Legal Adviser is of the view that we would be able to comply with the Interim Measures on GAI in all material respects assuming its applicability to our current businesses, considering that: (i) we have adopted internal procedures to ensure that our operations are in compliance with applicable laws and regulations, including the Interim Measures on GAI. Specifically, we will strengthen our legal and compliance risk management by monitoring legal updates and updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, including that in relation to the Interim Measures on GAI, and accordingly updating our internal protocols and procedures in a timely manner. For details of our risk management and internal control with respect to legal and compliance risk management in particular, see "– Risk Management and Internal Control – Legal and Compliance Risk Management" in this section; and (ii) moreover, we have also taken contractual and other measures to ensure the legitimacy of the source of the training data we used. As of the Latest Practicable Date, we (a) had formulated and implemented our algorithm security management standards and rules, including mechanisms such as keywords identification and illegal contents filtering that prevent our AI models from being used to generate illegal or false information; and (b) were in the process of filing for record for our algorithms with the CAC. Upon reviewing our internal management measures of algorithm security, our internal control consultant confirms that the design of such measures does not contain any material defects or issues, and confirms that such measures, once implemented, can effectively prevent our algorithms from being misused in a way unintended by us in all material aspects.

Specifically, pursuant to the *Administrative Provisions on Deep Synthesis in Internet-based Information Services* (《互聯網信息服務深度合成管理規定》), technical supporters of deep synthesis technology (the organizations or individual that provide technical supports for deep synthesis services) are required to file for record with the CAC's algorithm record-filing system and disclose the information regarding the algorithm data, algorithm models, algorithm strategies and algorithm risk and prevention mechanisms, as well as how the technical supports are provided. Moreover, under the Interim Measures on GAI, such filing requirement also applies to the GAI services "with public opinion attributes or social mobilization capabilities". Under the *Administrative Provisions on Deep Synthesis in Internet-based Information Services*, (i) we have to file our algorithm record with the CAC; (ii) as of the Latest Practicable Date, we had submitted the eligibility certification application, and had obtained approval from the CAC; and (iii) we then submitted algorithm security self-assessment report and other materials to the CAC for further review. According to our PRC Legal Adviser, the entire filing procedure will normally take three to four months based upon the general practice, based upon which it is expected that such filing will be completed before September or October 2024.

Based on the reasons above, our Directors are of the view that even if the Interim Measures on GAI did apply to us, it would not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors' view based on the reasons above.

SALES AND MARKETING

Sales

We have a highly efficient internal sales team consisted of professional personnel with work experiences in leading companies in different industries, which is led by our senior management, who has in-depth insights into the businesses and industries that currently are and potentially could be empowered by our solutions and rich experiences in serving the end-customer industries that we focus on. In particular, Mr. Qi SUN, our executive Director and general manager, has more than 20 year's experiences spanning a variety of industries in client management, product commercialization and sales and marketing. Led by Mr. SUN, our sales team incorporates talents including Mr. Yiqing OUYANG, our deputy general manager, and other personnel from different levels and across different functional teams, with whom we proactively conduct sales training to make them familiar with the nature and details of our solution offerings. Our leadership engages deeply in initially communicating with potential customers and formulating our marking strategies, and our project teams follow up with such potential customers to evaluate and address their needs.

Our sales activities are centered on the needs of enterprise-level users. We believe we can understand their requirements and business development plans firsthand, propose technological solutions and project plans, and help them solve their problems efficiently. The extensive industry experiences of our sales force have been essential for the successful adoption and implementation of our solutions in a wide variety of end-customer industries across different geographies. Leveraging such experiences, our sales force identifies market trends and user demand thoroughly and simultaneously works closely with our technology-related departments

to propose suitable solutions addressing the pain points faced in the relevant end-customer industries and deliver expectation-met solutions in a timely manner. We build experienced project-based teams that are knowledgeable about the technological requirements by participants in the relevant end-customer industries, allowing us to provide our solutions that directly address user needs. Through development and commercialization of solutions for similar users, we also leverage synergies across markets to iteratively upgrade and refine our solutions, thereby creating affordable standardized solutions that also save our sales and marketing and maintenance expenses to the extent possible. During the Track Record Period, our customers, including our launch customers, were procured primarily via responding to invitation to quote or solicitation based upon our wide reputation and industry connections established through offering enterprise-level communication solutions for nearly two decades, and also via open tenders, especially when serving the public sector. Such tenders submitted would then be assessed based upon applicants' qualifications, skills and experiences to evaluate if they are capable of fulfilling the requirements as stipulated in the tender documents together with their tender price. We recognize certain customer as a "launch customer" when the following criteria have been met: (i) for an enterprise-level user, one that has an industry-leading position in the end-customer industry that we target to enter, based on its technological advantages, commercial success, societal recognition or leading market occupation rate, etc.; and (ii) for a system-integrator, one that serves enterprise-level users with the said industry-leading position within our target end-customer industry. For details of the significance of our launch customers in relation to our go-to-market strategies, see "– Marketing" in this section.

Our in-house sales team interacts closely with our customers to implement our sales plan and execute the contracts therewith. As our business and customer base grow, we expect to further expand our sales force to drive new business opportunities. Since we primarily focus on providing solutions to large-scale organizations, we may spend significant time on customer communications, project evaluation and design, thereby resulting in longer sales cycles. For details, see "Risk Factors – Risks Relating to Our Business – Our sales cycle can be length and unpredictable and requires considerable time and expenses under certain circumstances, and we may encounter configuration, integration, implementation and customer support challenges that could affect our results of operations" in this document.

We also work closely with third-party solution business partners, which primarily consist of system integrators, and leverage their understanding of the end users' demand, thereby developing solutions to better serve the latter's needs. For details, see "– Customers and Customer Support" in this section.

Pricing

We price our solutions primarily with cost-based method by taking into consideration factors such as (i) the number and complexity of the technological segments that the customer request to be enabled within the solution that it purchased. Our pricing policies are designed generally to scale proportionately with the number and comprehensiveness of the specific functional modules required. As the number of such functional modules increases, the overall complexity and efforts involved in building and delivering the solution accordingly escalates; (ii) the number and types of hardware component and/or terminal devices that we need to procure as elements of our solutions, and their costs. For solutions that involve hardware components such as servers, mobile phones and other edge devices, our pricing takes into account the volume of equipment required. Additionally, we also consider the complexity of integrating these devices into the specific on-site infrastructure environment, which may necessitate tailored configurations and deployment support; and (iii) the extent of incidental technological functions that require customization and/or maintenance, and the value created. For instance, if there is any request for customization or adjustment on top of the standardized solutions, we will evaluate and assess the complexity of such customization. Specifically, when incidental technological functions or customizations are required, we formulate the budget based on the number of hours needed for our research and development team to perform tailored software development, in order to accurately estimate the development efforts involved. As an alternative, in certain cases where we determine that outsourcing specific accessory technologies or components to be a more cost-effective and efficient option in the short term, we will also evaluate the feasibility of integrating third-party technologies into solution offerings on top of our core technologies. We believe it is crucial to provide our solutions at competitive prices for our continued success, and it is thus one of our pricing strategies to conduct market research and evaluate the existing competitors in the markets for similar application scenarios, comparable offerings and assess the technological sophistication and advantages of our own solutions.

Our solutions are primarily offered in an outright purchase nature negotiated on a case-by-case basis. While we try to remain scalable and flexible in our pricing practices, we will also consider our historical profit margin levels, such as that during the Track Record Period, as a valuable benchmark for the anticipated level of profitability from each comparable project to be carried out. Under certain circumstances, especially when we are exploring into new application scenarios for our solutions, we may price such on a project-by-project basis by taking into account factors including our expected procurement costs on completing the project, pricings of our competitors as well as the possibilities of entering into new solution offering areas.

Marketing

We believe that our solutions speak for themselves. We are dedicated to creating value for enterprise-level users of our solutions as we ultimately share their success, which at the same time allows us to leverage the word-of-mouth referrals by our existing customer and business partners to achieve organic customer acquisition and to expand our market presence in a cost-efficient manner.

Our go-to-market strategies start at collaborations with early adopters, such as our launch customers, in certain end-customer industry we target to enter, which allows us to accumulate industry expertise and demonstrate the value of our solutions through one or a few entry projects. Once our value has been proven, we are then able to expand our presence quickly to cover other quality customers and further penetrate the end-customer industry, without incurring significant sales and marking expenditures, by leveraging our enriched understanding of the industry, our reputation established through collaborating with the launch customers, and our strengthened ecosystem. As such, we have effectively expanded our solution offerings in different end-customer industries. Simultaneously, our launch customers' local and global positioning allows us to expand into the different geographical markets in which they operate.

In addition, we enhance the awareness of new and existing solutions through various channels, including participation in industry seminars, conferences, forums and salons to showcase our technological advancements, as well as development of relationships with industry participants. Furthermore, the various awards, honors and recognitions that we received from industry organizations and business partners for our technology and commercialization achievements and sales and marking capabilities also raise our profile with our potential customers. For details, see "– Awards and Recognitions" in this section.

CUSTOMERS AND CUSTOMER SUPPORT

During the Track Record Period, our customers ranged over different end-customer industries and we did not rely on customers from any specific end-customer industries. We mainly had two categories of customers: (i) solution partner customers, who were primarily third-party system integrators that embedded our solutions into their offerings to cater to enterprise-level users' needs; and (ii) enterprise-level users purchasing and using our solutions directly. Contingent upon the essence of their needs and the scenario-specific deliverables, certain end users of our solutions use system integrators when selecting suppliers or service providers to benefit from the various services and/or products integrated by such system integrators without the necessity of directly negotiating with a large number of such suppliers or service providers. Such end users typically lay out the goals they plan to achieve and the budget for their projects and engage third-party system integrators, instead of engaging us directly. While system integrators do not specialize in developing their own solutions, they procure hardware and/or software solutions from companies like us, and implement software plus hardware solutions for end users with uniform standards. System integrators usually provide various types of assistance in project implementation, such as selecting suppliers, integrating the work products of different suppliers and managing the implementation. According to iResearch, it is an industry norm for end users to engage system integrators to implement their projects. There are no differences in pricing and other material terms between our contracts entered into with system integrators and that entered into with enterprise-level users.

With respect to payment from system integrators, there is not any contractual term under our agreements with them providing that they would only settle with us after receiving payment from their end customers or otherwise establishing a direct correlation or dependency between the two payment streams. Rather, we have the absolute entitlement to payment from the system integrators within the agree-upon payment terms and conditions once we recognize revenue upon acceptance thereby. Yet still, the pace at which the system integrators settle with us could be factually contingent upon the timing of when they receive payments from their end customers as a matter of commercial consideration and market practice driven by the cash flow dynamics and operational realities within the value chain. According to the iResearch Report, since system integrators normally have significant upfront costs associated with integrating, customizing and deploying their offerings to their end customers, their ability and tendency to settle timely with their upstream suppliers like us could be impacted by their receipt of payments from their end customers, which is in line with common practice in the industry.

Given the potential trade receivables collection pressure arising from the abovementioned business model of selling to system integrators, we have adopted a number of measures to specifically manage and mitigate this impact, which include that:

- we have implemented rigorous credit evaluation processes for system integrators to assess their creditworthiness and payment histories. Establishing credit terms based on the credit risk profile of each system integrator, we regularly monitor and review their credit exposures and payment performance. We also regularly consult publicly available information to gather their information and engage in direct dialogue therewith to stay informed about their operational status;

- we have adopted a detailed due diligence procedure to thoroughly evaluate the system integrators that we conduct business with to gain better visibility into the creditworthiness of their end customers. By assessing their customer base, we verify their track record, reputation, and ability to secure contracts with financially solid end customers, as well as ensure that they primarily serve large public-sector entities supported with reliable funding sources and good credit status, well-established enterprises, or end customers with strong credit histories and financial solvency;

- With respect to the system integrators with considerable outstanding historical trade balances, we also plan to negotiate more favorable payment terms and consider requiring partial upfront payments to reduce credit exposure to the extent possible; and

- we have also been actively diversifying our own customer portfolio by pursuing direct relationships with enterprise-level users, where appropriate, and reduce any reliance on a limited number of system integrators, which can further help mitigate concentration risk and exposure to specific payment practices.

In addition to the above, our policies and measures to manage our trade receivables apply to our customer who are system integrators by nature equally. For details, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this document. By implementing a combination of these measures, we proactively manage the trade receivables collection pressure arising from the business model of selling to system integrators, so as to help improve cash flow management, mitigate credit risks, and ensure a steady liquidity position.

Although a portion of our customers are our solution partners, which mainly are system integrators and not the end users, we do not believe that our business model is a distributorship model, primarily because: (i) as discussed above, solution partners are not distributors that we engage to broaden our sales channels; instead, they are selected by our end users to implement their projects, and the ultimate decisions as to which service provider to choose are primarily made by the end users; and (ii) regardless of whether our contracts were entered into directly with our end users or with system integrators, there are no material disparity in contract terms and the scope of our services. Based on the foregoing, we do not believe that system integrators are our distributors, and we do not believe that our business relationships with them raise any concern in relation to inventory risk, channel stuffing or cannibalization. Rather, system integrators' extensive industry resources and know-how, as well as strong sales capabilities contribute efficiently to the end users' deployment of our solutions, and, through cooperating with system integrators, we can better focus on providing standardized solutions by leveraging our core technologies. In light of the growing customer base and increasing number of system integrators therein, our Director confirm that we are not reliant on any particular system integrators for our revenue growth. The total number of direct customers with whom we entered into contractual relationships during the Track Record Period amounted to 65, 120 and 199 as of December 31, 2021, 2022 and 2023, respectively.

The value of our contracts with our customers can vary substantially from customer to customer, depending on their business needs. The salient terms and conditions of our agreements with customers are set out below:

Deliverables	With respect to our software only solutions, we provide software systems that can be readily installed onto enterprise-level users' hardware equipment. With respect to our software plus hardware solutions, we also provide hardware equipment and/or network and other telecommunication resources in addition to our software systems bundled as total solution offerings.
Pricing	For more details, see "– Sales and Marketing – Pricing" in this section.

Payment	Our customer usually pays us upon invoice issued after its written acceptance of our delivery, and we may sometimes grant credit terms for certain customers.
Customer Support	We are typically obligated to provide basic maintenance services accessory to our software systems under our contracts with our customers. In very limited circumstances, we charge our customer separately on maintenance and/or upgrading services covering some or all of the solutions purchased under the agreement for the agreed period after the initial sales. For details, see "– Customer Support" in this section.
Termination	Besides natural expiration upon the contractual term, the agreement may be terminated by either party due to the other's uncured breaches or force majeure events.
Compliance	The customer certifies that all solutions and/or services will be used in compliance with all applicable laws and regulations.
Confidentiality	Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and not to disclose to any third parties, which shall supersede the expiration of the agreement.

Top Customers

Sales amount generated from our five largest customers in each year of the Track Record Period amounted to RMB197.8 million, RMB192.0 million and RMB287.1 million, respectively, representing 43.0%, 37.2% and 35.4% of our total sales amount for the same years, respectively; sales amount generated from our largest customer in each year of the Track Record Period amounted to RMB58.5 million, RMB63.0 million and RMB80.2 million, respectively, representing 12.7%, 12.2% and 9.9% of our total sales amount for the same years, respectively.

The following tables set forth the details of our five largest customers in each year of the Track Record Period:

Five Largest Customers for 2021	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer F	A Beijing-based company providing commercial activities related services, and focusing on enterprise information management, customer service, economic information consulting and data processing	RMB80.5 million	System integrator	Enterprise-level solutions in finance industry	Since December 2017	58,543	12.7
Customer A	A Shanghai-based group providing professional and technical services, as well as software and information technology services, and focusing on IoV terminal development and sales, IoV platform and logistics information technology, as well as IoT technology	Approximately RMB17.8 million	System integrator	Enterprise-level solutions in city management and administration and automotive and transportation	Since July 2018	53,825	11.7

Five Largest Customers for 2021	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer G	A Sichuan-based company providing internet infrastructure installation, maintenance and other value-added services, and focusing on computer hardware and software development, system integration and other technical services, as well as sales of computer hardware, software and auxiliary equipment	RMB45 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2019	39,474	8.6
Customer H	A Sichuan-based company providing software and information technology services, and focusing on software technology development, technology consulting and other internet services	RMB10 million	System integrator	Enterprise-level solutions in city management and administration	Since July 2020	23,607	5.1

Five Largest Customers for 2021	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer D	A Shaanxi-based company providing science and technology promotion and application services, and focusing on network and information security software development, as well as computer hardware, software and auxiliary equipment wholesale	RMB10 million	System integrator	Enterprise-level solutions in city management and administration	Since September 2020	22,358	4.9
Total						**197,807**	**43.0**

Five Largest Customers for 2022	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer A	A Shanghai-based group providing professional and technical services, as well as software and information technology services, and focusing on IoV terminal development and sales, IoV platform and logistics information technology, as well as IoT technology	Approximately RMB17.8 million	System integrator	Enterprise-level solutions in city management and administration and automotive and transportation	Since July 2018	62,982	12.2

Five Largest Customers for 2022	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer B	A Shanghai-based company providing software and information technology services, and focusing on technology development, transfer, and consulting services for network information, computers, and system integration technologies	RMB15 million	System integrator	Enterprise-level solutions in telecommunications industry	Since June 2017	50,635	9.8
Customer G	A Sichuan-based company providing internet infrastructure installation, maintenance and other value-added services, and focusing on computer hardware and software development, system integration and other technical services, as well as sales of computer hardware, software and auxiliary equipment	RMB45 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2019	32,402	6.3

Five Largest Customers for 2022	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer I/ Supplier A	A major telecommunications company in China focusing on telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	For details of the principal business of Customer I/ Supplier A, see "– Suppliers and Procurement – Top Suppliers" in this section	Promotion services	Since September 2021	23,351	4.5
Customer J	A Sichuan-based company providing software and information technology services, and focusing on basic and value-added telecommunication services, and technology development, consulting, transfer and other services	RMB30 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2021	22,651	4.4
Total						**192,021**	**37.2**

Five Largest Customers for 2023	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer A	A Shanghai-based group providing professional and technical services, as well as software and information technology services, and focusing on IoV terminal development and sales, IoV platform and logistics information technology, as well as IoT technology	Approximately RMB17.8 million	System integrator	Enterprise-level solutions in city management and administration and automotive and transportation	Since July 2018	80,168	9.9
Customer B	A Shanghai-based company providing software and information technology services, and focusing on technology development, transfer, and consulting services for network information, computers, and system integration technologies	RMB15 million	System integrator	Enterprise-level solutions in telecommunications industry	Since June 2017	59,450	7.3

Five Largest Customers for 2023	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer G	A Sichuan-based company providing internet infrastructure installation, maintenance and other value-added services, and focusing on computer hardware and software development, system integration and other technical services, as well as sales of computer hardware, software and auxiliary equipment	RMB45 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2019	55,394	6.8
Customer L	A Beijing-based state-invested technology company focusing on energy informatization	Approximately RMB230.7 million	Enterprise-level user	Enterprise-level solutions in city management and administration	Since May 2023	54,070	6.7
Customer M	A Shanghai-based state-invested company focusing on radio and television broadcasting and satellite transmission services	Approximately RMB45.3 million	System integrator	Enterprise-level solutions in city management and administration	Since January 2023	38,005	4.7
Total						**287,087**	**35.4**

In each year of the Track Record Period, our five largest customers listed above used bank transfer to pay us. For details of our credit terms granted thereto, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this document. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year of the Track Record Period.

Customer Support

In our ongoing efforts to enhance customer satisfaction and improve service quality, we maintain a dedicated customer support and service team that is focused on real-time problem-solving with the ultimate goal of increasing customer experience and stickiness. In addition, we also gather feedback on how to improve our solutions, respond to customer suggestions, and take a lifecycle approach to customer support, supporting customers from onboarding, deployment, system integration, education and training, through maintenance and upgrades. Our goal is to enable our customers to focus on their business, free from diverting manpower and financial resources to system maintenance.

Given the highly standardized nature of our solutions, we rely on the expertise of our project teams and our rigorous quality control procedures to ensure that our solutions are properly examined before being sold. We are typically obligated to provide basic maintenance services accessory to our software systems under our contracts with our customers without any standalone contractual considerations or amounts specifically delineated as part of our total solution offerings. Moreover, system integrators as our direct customers normally do not anticipatorily procure from us upgrading services in relation to our software systems under the contracts pursuant to which we provide such software systems, but rather tend to procure the upgraded software systems themselves, if any, through entering into new contracts in future. In very limited circumstances, the contracts provide that our customers will specifically purchase from us maintenance and/or upgrading services for a minimum period of 12 months, from which we generated de minimis amounts of revenue that accounted for less than 1% of our total revenue during the Track Record Period. Our customer support and service team provides remote customer service 24 hours a day, and our engineers provide both remote and on-site technical support depending on the complexity of the issue. For issues caused by third parties, we assist customers with troubleshooting and coordinate with third parties to resolve the identified issues as fast as we can. Pursuant to the agreement with our third-party vendors who supply us with certain hardware components that we integrate into our solutions, our third-party vendors for quality maintenance in case of product defects and typically offer us full warranty for replacement on the hardware products affected. Such full warranty coverage typically runs for one to two years from the time of purchase by us. During the Track Record Period and up to the Last Practicable Date, we had not experienced any complaints that had any material adverse effect on our brand, business or results of operations, or any material sales returns or refunds.

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers consisted primarily of (i) providers of hardware components such as communication devices, servers and computers that were or are to be integrated into our solutions; (ii) telecommunications companies with whom we cooperated for providing network and other telecommunication resources; (iii) providers of certain non-core and less sophisticated research and development programs; (iv) providers of cloud services; and (v) our business partners whose software/services were embedded into our solutions.

We typically engage reputable suppliers to ensure the quality of our solutions. We have established a set of internal measures on the evaluation and selection of suppliers by taking into account various factors, which primarily include (i) technological expertise and capabilities; (ii) quality of their products/services; (iii) commercial terms offered; (iv) business background, qualifications, credentials and market reputation; and (v) our project-specific demand. For the principal hardware components that we need for our software plus hardware solutions, we generally enter into an agreement with each supplier. The table below sets forth the salient terms of our typical procurement agreements:

Relationship with Supplier	Independent Third Parties and not that of a principal and an agent.
Purchasing Amount and Pricing	The purchasing amount and pricing for each type of products are subject to negotiation and stipulated in each agreement.
Transportation and Delivery	The specific delivery method is at our choice among shipment, picking up, etc., subject to our acceptance of the delivered products.
Payment	We usually make payment made and before delivery.
Product Quality	Suppliers are subject to standard quality control terms specified in each agreement.

For details of our long-term procurement agreement on network resources entered into with a major telecommunications company in China, see "– Top Suppliers" in this section.

The salient terms of our agreements with our third-party technology service providers during the Track Record Period are set out below:

Deliverables	Our third-party technology service providers are typically required to complete a technological development project based on our specific requirements and goals as set forth in the respective agreement. They shall complete the project within the prescribed time period, and deliver all relevant research and development work products and accompanying documents and materials to us, after which we are generally entitled to technical support and other auxiliary services.

Pricing	The price of technology services in each contract shall be determined through arm's lengths negotiations between us and our third-party technology service providers, based on the complexity of the project, the time necessitated for completing the project and the amount of human and other resources involved, etc.
Payment	We typically pay the technology service fees in instalments based on the progress of the relevant project or pay in full once.
Termination	Our technology service agreements may typically be terminated upon mutual consent between the parties, uncured breach by either party or force majeure events.
Attribution of IP results and other equipment, devices or materials	We are typically entitled to all intellectual properties conceived and developed during such technological development process, and have the exclusive right to commercialize or transfer any of such intellectual properties, including but not limited to the design drawings, technological secrets, technical materials, documents, source codes and applications. We are also entitled to all the equipment, devices or materials purchased or generated in such process, if any.
Confidentiality	Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and not disclose to any third parties, which shall typically supersede the expiration or termination of the respective agreement.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulties in procuring our major hardware components and/or other equipment and had not experienced significant fluctuations in the prices of our supplies. To the best knowledge of our Directors, there had been no breach of our procurement agreements with our suppliers during the Track Record Period. While we believe that we have established stable relationships with our key suppliers, we cannot assure that we will be able to maintain our working relationships with our major suppliers on similar terms, if at all, and are thus subject to risks associated with a shortage of qualified equipment and/or services. For risks associated with our suppliers, see "Risk Factors – Risks Relating to Our Business – Our arrangements with third-party business partners in our operations reduce our control over the quality, development and deployment of our solutions and could harm our business" in this document.

Top Suppliers

Purchase amount from our five largest suppliers in each year of the Track Record Period amounted to RMB279.0 million, RMB336.0 million and RMB308.0 million, respectively, representing 72.6%, 65.9% and 63.0% of our total purchase amount for the same years, respectively; purchase amount from our largest supplier in each year amounted of the Track Record Period to RMB152.6 million, RMB136.7 million and RMB148.4 million, respectively, representing 39.7%, 26.8% and 30.4% of our total purchase amount for the same years, respectively. For details related thereto, see "Risk Factors – Risks Relating to Our Financial Position and Need for Additional Capital – We had a concentration of suppliers during the Track Record Period" in this document.

The following table shows the details of our five largest suppliers in each year of the Track Record Period:

Five Largest Suppliers for 2021	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier A/ Customer I	A major telecommunications company in China. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	Telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing	Network resources and communication devices	Since September 2018	152,621	39.7
Supplier B	A Guangdong-based company providing integrated mobile phone services. Supplier B is the wholly-owned subsidiary of a Shenzhen Stock Exchange listed company	RMB1.2 billion	Telecommunications, radio and television broadcasting, and satellite transmission services	Communication devices	Since December 2017	43,452	11.3
Supplier D	A Jiangsu-based company focusing on the technological development, retail and after-sales of electronic products	RMB50 million	Software and information technology services	Communication devices	Since June 2020	31,024	8.1

Five Largest Suppliers for 2021	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier F	A Hunan-based company focusing on the research and development, sales and services of computers and related products. Supplier F is the subsidiary of a Shanghai Stock Exchange listed company	RMB20 million	Software and information technology services	Hardware, software and/or other services	Since September 2021	26,419	6.9
Supplier E	A Guangdong-based company focusing on rental and sales of electronic products. Supplier E is the subsidiary of a Shenzhen Stock Exchange listed company	RMB50 million	Wholesale	Communication devices	Since June 2020	25,505	6.6
Total						**279,021**	**72.6**

Five Largest Suppliers for 2022	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier A/ Customer I	A major telecommunications company in China. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	Telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing	Network resources, communication devices and other services	Since September 2018	136,682	26.8

Five Largest Suppliers for 2022	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier F	A Hunan-based company focusing on the research and development, sales and services of computers and related products. Supplier F is the subsidiary of a Shanghai Stock Exchange listed company	RMB20 million	Software and information technology services	Hardware, software and/or other services	Since September 2021	58,199	11.4
Supplier G	A Shandong-based company providing supply chain management and technical development and consulting services	RMB50 million	Warehouse loading and unloading services	Servers	Since September 2021	56,142	11.0
Supplier H	A Tianjin-based company focusing the sales of electronic products	RMB200 million	Retailing	Communication devices	Since July 2020	53,416	10.5
Supplier I	A Jiangsu-based company providing advertisements design, agency, production and publication, and public relations services	RMB10 million	Commercial services	Promotion services	Since October 2020	31,530	6.2
Total						**335,969**	**65.9**

Five Largest Suppliers for 2023	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier A/ Customer I	A major telecommunications company in China. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	Telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing	Network resources, communication devices and other services	Since September 2018	148,414	30.4
Supplier E	A Guangdong-based company focusing on rental and sales of electronic products. Supplier E is the subsidiary of a Shenzhen Stock Exchange listed company	RMB50 million	Wholesale	Communication devices	Since June 2020	57,803	11.8
Supplier B	A Guangdong-based company providing integrated mobile phone services. Supplier B is the wholly-owned subsidiary of a Shenzhen Stock Exchange listed company	RMB1.2 billion	Telecommunications, radio and television broadcasting, and satellite transmission services	Communication devices	Since December 2017	37,107	7.6
Supplier S	A Shandong-based company focusing on the construction of industry internet infrastructure and digitalization of the manufacturing industry	RMB200 million	Research and testing development services	Servers and other services	Since June 2023	36,870	7.5

Five Largest Suppliers for 2023	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier Q	A Shanghai-based company focusing on the research and development, sales and services of computers and related products	RMB10 million	Software and information technology services	Communication devices and servers	Since December 2020	27,773	5.7
Total						**307,967**	**63.0**

Our largest supplier in each year of the Track Record Period, Supplier A, is a major telecommunications company in China, from which we procured network resources, WiFi coverage and related services for our city management and administration projects. We entered into a long-term procurement agreement with Supplier A, the salient terms of which are set out below:

Term	8 years from 2018 to 2026
Purchase Amount	Approximately RMB850.0 million
Payment	By 19 installments from 2018 to 2026
Termination	Besides natural expiration upon the contractual term and termination upon mutual consent, the agreement may be terminated by either party due to the other's uncured breaches

City management and administration projects usually involve the establishment of an intelligent town cluster where the infrastructure, administration, and various businesses of hundreds of towns are being unified and integrated into one cloud-based platform. Network resources are fundamental resources for enterprise-level participants in city management and administration projects. Our long-term cooperation with Supplier A provides us with large-scale and stable network resources at favorable rates. We use the network resources to empower our solution offerings and facilitate other enterprises' participation and cooperation with us in city management and administration projects. We also benefit from such network resources in the acquisition of new customers in city management and administration.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with Supplier A relating to the performance of the above procurement agreement, and we expect to maintain close and stable cooperation relationship with Supplier A in the foreseeable future. Upon expiration of the procurement agreement, we will discuss future cooperation with Supplier A based on our then business needs, and we believe that we can acquire similar network services at comparable costs in the future. Our Directors are of the view that we would be able to engage similar suppliers at comparable costs if the aforementioned procurement agreement with Supplier A was terminated or expired, given the network resources transacted thereunder being available from other similar telecommunications companies, as well as our large-volume need for the same.

During the Track Record Period, our aforementioned procurement of network resources from Supplier A took up most of our purchase amount therefrom, which amounted to RMB152.6 million, RMB136.7 million and RMB148.4 million in each year, in addition to procurement of hardware devices integrated into our solutions under separate procurement agreements. While such purchase amount was summarized by payment amount stipulated by the terms of the aforementioned long-term procurement agreement, the relevant procurement costs were expensed into our cost of revenue on a straight-line basis according to our accounting policies. It is primarily due to such reason that the network and other telecommunication resource costs under our cost of revenue remained largely the same from 2021 to 2023, but our purchase amount from Supplier A fluctuated during the same years. For details of the breakdown of our cost of revenue by nature, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Cost of Revenue" in this document.

In each year of the Track Record Period, we used bank transfer to pay our five largest suppliers listed above, and they settled with us on a delivery upon receipt of payment basis. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year of the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Our largest supplier in each year of the Track Record Period, Supplier A, was also one of our five largest customers in 2022. During the Track Record Period, purchase amount from Supplier A in each year amounted to RMB152.6 million, RMB136.7 million and RMB148.4 million, respectively, representing 39.7%, 26.8% and 30.4% of our total purchase amount for the same years, respectively; sales amount generated from Supplier A in each year amounted to RMB3.1 million, RMB23.4 million and RMB10.3 million, respectively, representing 0.7%, 4.5% and 1.3% of our total sales amount for the same years, respectively. During the Track Record Period, we primarily purchased from Supplier A network resources for our city management and administration projects, as well as communication devices and other services integrated into our solutions. Our sales to Supplier A during the Track Record Period were primarily in relation to the promotion services that we provided for it. For details, see "Business – Our Solution Offerings" in this document.

According to the iResearch Report, it is not uncommon for the enterprise-level conversational AI solution market in China to have overlapping customer-supplier relationships, considering that major participants within the enterprise-level conversational AI industry value chain, such as telecommunications companies and automobile companies, not only act as the primary suppliers for hardware components including communication devices, computers, network resources and vehicles, etc., necessary for offering integrated conversational AI solutions, but are also in need of enterprise-level conversational AI solutions themselves to improve their internal operational efficiency or empower users of their services and/or products. Our Directors confirm that each of our sales to and our purchases from the aforementioned overlapping customers-supplier were negotiated and conducted separately under normal commercial terms. Our Directors are of the view that such arrangements are mutually beneficial, given that we transacted with such customers-suppliers on an arm's-length basis. To the best knowledge and belief of our Directors, the aforementioned overlapping customers-supplier is an Independent Third Party. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who to the best knowledge of our Directors had owned more than 5% of our issued capital) had any interest in the aforementioned overlapping customers-supplier. Save as disclosed above, to the best knowledge of our Directors, we did not have any other overlap between our major customers and suppliers, during the Track Record Period.

LOGISTICS AND INVENTORIES MANAGEMENT

With respect to our solutions that combine software and hardware, the hardware components are typically directly delivered by the hardware component vendors to us, which are then configured and tested by us before delivering the software plus hardware solutions.

During the Track Record Period, our inventories primarily included communication devices, servers and computers, and perception equipment and accessories that were or are to be integrated into our solutions. As of December 31, 2021, 2022 and 2023, we had inventories of RMB112.5 million, RMB95.3 million and RMB6.2 million, respectively. We adopt a strict inventories control policy in place to monitor our stock levels and regularly track our inventories to keep them at a level sufficient to fulfill the orders. Our personnel responsible for supply management review the ageing of our inventories, prepare aging reports routinely and take necessary actions to minimize risks of obsolescence. In addition, we will from time to time review and make sufficient provisions if needed. Nevertheless, we may from time to time be subject to risks relating to the level of our inventories that we maintain. For details, see "Risk Factors – Risks Relating to Our Financial Position and Need for Additional Capital – We face risks of overstocking or under-stocking inventories" in this document. During the Track Record Period, we did not procure hardware that was sourced from the U.S. and/or consisted of components which had embedded technologies originated from the U.S., other than consumer goods used internally or integrated into our solutions, including mobile phones, laptops, smart watches, tablets, and accessories (earphones, power adapters, etc.), as well as ordinary computer hardware including random-access memory (RAM) and servers. Our directors confirm that we would not face difficulty in procuring such consumer goods from origins other than the U.S., and there are plenty of alternatives of the same originated from the PRC and

other overseas countries to which we have access. Our access to such products and/or costs in procuring the same may be impacted by the trade war between the U.S. and other countries. For details, see "Risk Factors – Risks Relating to Our Business – The changes in international political relationships, trade policies and trade barriers, or the escalation of trade tensions, may have an adverse effect on our business operations" in this document.

QUALITY CONTROL

We are committed to providing our solutions of consistently high quality. In compliance with industry standards, we have established a quality management system and formulated a set of quality control measures to closely monitor and standardize our full research-to-production cycle, including supervising the solution design process, managing solution requirement documents, specifying design and technology requirements for solution research and development, and handling solution defects. Our quality control and risk control staff closely monitor our operation process so as to make sure that our quality control measures are effectively implemented and we will keep upgrading our quality control system in course of future developments of our solutions. In addition, we have obtained multiple professional qualifications, which laid a solid foundation for the consistent delivery of high-standard solutions. We have registered ISO9001 (Quality Management System) and have been appraised at Capability Maturity Model Integration (CMMI V2.0) Level 3 Maturity for Development.

COMPETITION

We face competition especially in China's full-stack enterprise-level conversational AI solution market from other solution providers, in which the competition is primarily centered upon the providers' one-stop service capability, application-scenario expansion capability, service depth, delivery selectability, cost efficiency realized for users, and device compatibility. We face competitions from other companies that have transitioned from communication technology services to AI research and development and thus have full-stack service capabilities, traditional communication technology service companies, intelligent speech and semantic companies, and general AI companies. In addition, new and enhanced technologies may further increase competition in our industry. For details of the competitive landscape of the market in which we compete, see "Industry Overview – Market of IT Solutions Empowered by Conversational AI & UC in China – Market of Full-Stack Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China – Competitive Landscape" in this document. Leveraging our technologies, we believe we are well positioned in such market competition. For details, see "– Our Competitive Strengths" in this section.

With the introduction of new technologies and entry of new market participants, we expect the competition that we face to continue to intensify in the future. Moreover, some of our competitors may have greater resources, longer corporate operating history, or broader customer base and relationships than us. For details of the risks relating to the fierce competition that we face, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – As the industry in which we operate is highly competitive, our results of operations could be harmed if we do not effectively compete against our current or future competitor, which may particularly include

major technology giants and cloud service companies" in this document. In addition, we also face competition for highly skilled personnel, including management, software engineers and other research and development and sales and marketing staff with in-depth industry know-how. Our growth depends in part on our ability to retain our existing personnel and attract additional highly ones. For details, see "Risk Factors – Risks Relating to Our Business – Our business depends substantially on continuing efforts of our senior management, core technical personnel and other key staff, as well as a competent pool of talents supporting our existing operations and further growth. If we are unable to retain, attract, recruit and train such personnel, our business and future prospects may be materially and adversely affected" in this document.

INTELLECTUAL PROPERTY

Our intellectual property is critical to our innovation which underpins our success. We rely on a combination of patents, copyrights, trademarks, domain names, trade secrets and other proprietary rights protection laws, as well as contractual provisions, to protect our intellectual property. We have designed and adopted comprehensive measures to protect our intellectual property. For instance, we strive to make timely registrations, filings and applications for our intellectual property rights. Further, we require our employees to enter into standard employment contracts that include confidentiality clauses and intellectual property ownership clauses stipulating that all patents, trademarks and any other intellectual property developed by them during their employment with us are our properties. For details of our material intellectual property rights, see "Appendix VI – Statutory and General Information – Further Information about The Business of The Company – 2. Our Material Intellectual Property Rights" to this document.

As of the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement upon third parties' intellectual property rights. Notwithstanding the fact that we intend to protect our intellectual property rights vigorously, there can be no assurance that our efforts will be successful. Unauthorized use of our intellectual properties by third parties and expenses incurred to protect our intellectual property rights may materially and adversely affect our business and operations. For details, see "Risk Factors – Risks Relating to Our Business – We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies" in this document. Moreover, third parties may from time to time initiate litigations or other legal proceedings against us alleging infringement of their proprietary rights or otherwise challenging the validity of our intellectual property rights. For details, see "Risk Factors – Risks Relating to Our Business – We may be subject to intellectual property infringement claims, which could be time-consuming and costly to defend and may result in diversion of our financial and management resources" in this document.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Making a positive environmental, social and governance ("**ESG**") impact on our communities is an integral part of our business and essential to our sustainable development. We are committed to being a responsible corporate citizen, abiding by applicable laws and generally accepted ethical principles, and increasing the wellness of the society. As we vision ourselves to provide solutions that catalyze progression of society and facilitate communications among various enterprises, organizations and individuals, we attach great importance to ESG matters. Leveraging our technologies, we thrive for creating sustainable value for our business partners, customers, investors, employees and society, hence building a healthy, vibrant and sustainable ecosystem.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance in relation to health, work safety or environmental laws and regulations and had not had any accident, or received any claim for personal or property damage made by our employees which had materially and adversely affected our financial condition or business operations. During the Track Record Period and up to the Latest Practicable Date, as confirmed by our PRC Legal Adviser, we had complied with the applicable PRC laws, regulations and rules relating to resources consumption and environmental protection in all material respects. Our Directors considered that the annual costs for compliance with the applicable health, work safety or environmental laws and regulations were not material during the Track Record Period and we do not expect such costs to be material going forward.

Governance on ESG Matters

Our ESG policies primarily focus on areas such as environmental impacts, employment safety and social responsibilities, and we believe we have adequate policies ensuring compliance with laws and regulations thereon. Our Board of Directors has the collective responsibility for formulating, adopting and reviewing our ESG vision, policies and targets, and regularly evaluating, determining and addressing our ESG-related risks and opportunities. Under the oversight of our Board of Directors, our management actively identifies and monitors the actual and potential impact of ESG-related risks and opportunities on our business, strategy and financial performance, and incorporates such consideration thereinto. Our management will assess the likelihood of ESG-related risks occurring and the estimated magnitude of any potential impact. Our management may engage independent third party(ies) to evaluate our ESG-related risks and review our existing strategy, target and internal controls, and improvement will then be implemented to mitigate the risks. As part of our efforts to promote corporate social responsibility and sustainable development, we are in the process of optimizing our ESG policies and plan to establish an ESG working group responsible for overseeing and guiding our ESG initiatives pursuant to our internal control policies. We aim to officially adopt our ESG policies and establish our ESG working group upon the [**REDACTED**]. When necessary, we may also identify, assess, manage and mitigate ESG-related risks by setting up dedicated project task forces that will report to our ESG committee regularly. Moreover, we may engage professional external ESG consultants to help us establish and improve our ESG policies and standards.

Environmental Impacts and Protection

Given that we operate our business primarily in the office, we do not operate any production facilities but instead conduct a majority of our operations online, which we believe does not impose material threats to the environment or the climate. Therefore, we are not subject to significant environmental risks, and do not expect that we will incur any material liabilities in this regard that would have any material adverse impact on our business and results of operations.

Nonetheless, we have made significant efforts towards environmental protection and energy efficiency. We intend to develop solutions aiming to help enterprises and other organizations across various end-customer industries enhance the effectiveness for communications and thereby enable greater sustainability.

Metrics and Targets

We have assessed quantitative information that reflects our management of ESG-related risks, which primarily includes greenhouse gas ("**GHG**") emissions and energy consumption. While our GHG emissions and energy consumption increased during the Track Record Period along with the growth of our business scale, we do not involve in material emissions or consumption due to our business nature. Besides, given that substantially all of our operations are carried out in the office, the individual water consumption wherein by our employees from office facilities are generally included in the management fee or complimentary, and there were thus no available records during the Track Record Period. Considering the sporadic nature of water consumption in association of our operations, our Directors are of the view that the wastewater generated therefrom is relatively limited. We adhere to and appreciate the importance of integrating green development into daily operation, aiming at conducting our business in an environmentally friendly manner. To move forward with the goals, we will adopt resource conservation management policies and encouraging resource consumption efficiency and saving behaviors among our employees during our daily operations to further reduce water consumption.

Our GHG emissions are consisted principally of scope 1 direct GHG emissions resulting from burning of fuels in vehicles, scope 2 indirect GHG emissions resulting from purchased electricity and scope 3 other indirect emissions resulting from business travel by employees. The following table sets forth the breakdown of our estimated GHG emissions in each year of the Track Record Period:

	Year ended December 31,		
	2021	**2022**	**2023**
GHG emissions			
Scope 1 direct emissions (tonnes CO_2 equivalent)	6.3	5.7	4.3
Scope 2 indirect emissions (tonnes CO_2 equivalent)	32.6	43.3	74.0
Scope 3 other indirect emissions* (tonnes CO_2 equivalent)	22.4	15.0	56.3
Total GHG emissions (tonnes CO_2 equivalent)	61.3	64.0	134.6
Overall GHG emissions intensity (tonnes CO_2 equivalent/revenue RMB'000)	0.000133	0.000124	0.000166

Note:

* Best estimates based upon air travel made by our employees that were job-related according to our internal booking record

The following table sets forth the breakdown of our energy consumption in each year of the Track Record Period:

	Year ended December 31,		
	2021	**2022**	**2023**
Energy consumption			
Electricity consumption (kWh)	53,465.0	71,034.4	121,318.2
Electricity consumption intensity (kWh/revenue RMB'000)	0.12	0.14	0.15

Our electricity consumption and electricity consumption intensity increased significantly during the Track Record Period, primarily due to the incorporation of various subsidiaries under our Group and thus our expanded operational scales, which also contributed to the significant increase in our total GHG emissions and overall GHG emissions intensity during the same years. Our GHG emissions resulting from business travel by employees increased in 2023 as compared with 2022, which was in line with the expansion of our business presence into wider geographical areas and hence the greater travel needs. The decrease in such emissions in 2022 in comparison with 2021 was mainly a result of the impact of COVID-19. We will make continuous efforts in effectively managing the level of our annual GHG emissions and energy consumption. Our Board will set targets at the beginning of each

financial year in accordance with the disclosure requirements of Appendix C2 to the [**REDACTED**] Rules and other relevant rules and regulations upon the [**REDACTED**]. The relevant targets will be reviewed on an annual basis to ensure that they remain appropriate to our needs. In setting the ESG-related targets, we will take into account not only our historical discharge or consumption levels, but also our future business expansion in a thorough and prudent manner with a view of balancing business growth and environmental protection to achieve sustainable development. Specifically, we aim to continuously manage the level of our energy consumption which contributed primarily to our GHG emissions during the Track Record Period, ultimately towards the target of limiting the increase in our GHG emissions by not more than 20% in 2025 as compared to our overall GHG emissions intensity in 2022. In addition, we also aim to implement sustainable and environment-friendly practices to reduce the carbon emission, energy consumption and other environmental impacts arising from our business operations, including: (i) conducting trainings and remainders for our employees on electricity and paper saving, such as turning off unnecessary air conditioning, lighting and power equipment in a timely manner when the devices are not in operation and before they leave the premises, and waste classification and recycling; (ii) arranging daily inspections of office areas to save electricity energy; (iii) encouraging low-carbon and environmentally friendly travel; (iv) actively digitalizing our business and promoting a paperless office where double-sided printing is encouraged with respect to documents that must be printed; and (v) setting up waste sorting containers separately so as to recycle and/or re-use used batteries and papers, among other work wastes, to the extent possible. We are dedicated to enhancing the efficiency of electricity and water consumptions in our operations to fulfill our environmental and social responsibility.

By the end of December 2023, our AI empowerment computing center had run online through certain third-party provider of server hosting services, and the power consumption therefrom was insignificant during the Track Record Period. However, in anticipation of the increase in such power consumption to enable the required computing needs, we have been formulating plans on energy-saving and environmental protection, which will be implemented once the computing center is being formally operated. Specifically, we will implement energy-saving power consumption systems to set energy-saving targets regularly. For instance, we will use "power usage effectiveness" (PUE) to evaluate the energy consumption efficiency of the computing center, which equals the total energy consumption from the operation of the computing center divided by energy consumption generated from IT equipment. As a PUE figure closer to one indicates less non-IT equipment related energy consumption and thus higher efficiency, we currently expect an average PUE around 1.3977 annual at the computing center. We will strive to achieve such targets through various measures to optimize the use of equipment and other facilities via technologies on waste heat recovery, indirect evaporative cooling and improvement of heat dissipation system, etc. We will also encourage our employees to adopt energy-saving practices comprehensively. In addition, we expect to use renewable energy as much as possible to power the operation of the computing center. We will actively seek out opportunities to source electricity from clean energy sources such as solar energy to reduce our carbon footprint. Same as other ESG-related risks and opportunities, our management will conduct regular environmental impact assessments to identify potential risks related to the operation of the computing center and implement measures to mitigate them, so as to ensure that it is being operated in an environmentally responsible manner.

Employment Safety

We do not operate any production facilities, and are therefore not subject to significant health, work or safety risks. To ensure compliance with applicable laws and regulations, our human resources team would, if necessary, adjust our human resources policies from time to time to accommodate material changes to relevant labor and safety laws and regulations. Furthermore, as we believe that having a balanced lifestyle is crucial to achieving a good mindset at work, we encourage employees to maintain good mental and physical health by participating in sports and recreational activities. With respect to our safety policy, we require all employees to follow our safety rules and receive safety training, which includes fire drills and videos on evacuation as well as other fire safety measures.

Social Responsibilities

Corporate social responsibility is viewed as part of our core growth philosophy that will be pivotal to our ability to create sustainable value by embracing diversity and public interests. In respect of social responsibility policies, we are committed to cultivating a collaborative company culture that inspires teamwork. We value the contribution of each employee in different roles and strive to provide a fair and balanced compensation scheme that offers proper incentives. We also encourage our employees to treat each other with care and respect and to feel cared and respected. We will continue to foster a positive working atmosphere while enhancing equal job opportunities for all.

We hire employees based on their merits and it is our corporate policy to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics, and provide training programs to keep our employees abreast of industry and regulatory developments. We will also continue to invest in the training and career development of our employees covering corporate culture, employee rights and responsibilities, job performance, technical skills and safety management.

In addition, we are committed to corporate responsibility projects through charitable endeavors. For instance, in 2021, we made donations to an elderly care home in Shanghai through a charitable organization for upgrading its shower facilities so as to fulfill our social responsibilities for the underprivileged in our local communities. Also, we participated in an east-west collaboration initiative between Minhang District, Shanghai and Yun County, Yunnan, and have made donations to the villages within the county since 2021, which were used for constructions of the living, production and recreational equipment and facilities there. Our fulfilling social responsibilities also lies in our empowerment of various city administrative projects that help improve social life and security. For details, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration" in this section.

Climate Change

Due to the nature of our business, we had not experienced any material impact on our business operations, strategies or financial performance as a result of climate-related incidents as of the Latest Practicable Date. However, we recognize the importance of the identification and mitigation of significant climate-related issues and are committed to managing the potential climate-related risks which may impact our business activities.

Specifically, we have identified potential risks from the climate change that may have potential implications on our business and general operations. For instance, our business may potentially be negatively impacted under extreme weather events as the safety of our employees will be threatened and the power grid or communication infrastructures may be damaged, which will expose us to risks associated with nonperformance or delayed performance of our solutions. Extreme weather may also cause disruptions for our suppliers, which may in turn adversely impact our ability to provide on-premises deployment or technical support for our customers. To minimize the potential risks and hazards, our management will actively respond to the relevant policies of local governments, make contingency plans to ensure the safety of our staff. In the case of acute physical risks such as direct damage to assets and indirect impacts from supply chain disruption as a result of extreme weather events, we will also make the corresponding disaster preparedness plans. In any event, we will explore emergency plans to further reduce our venerability to extreme weather events in order to enhance business robustness.

In addition, we expect changes of the regulatory, technological and market landscape in the course of achieving the global vision on carbon neutrality, due to climate change, including the tightening of national policies and applicable listing rules and the emergence of environmentally related taxes. Stricter environmental laws and regulations may expose us to higher risks of claims and lawsuits, which might incur additional compliance costs and affect our reputation. In anticipation of the potential policies and legal risks as well as the reputational risks, our management constantly monitors any changes in laws or regulations and national and international trends on climate change to avoid cost increments, non-compliance fines or reputational damages due to delayed response.

EMPLOYEES

As of December 31, 2023, we had 319 full-time employees, the majority of which were based in our headquarter in Shanghai. The following table sets forth the number of our full-time employees by function as of December 31, 2023:

Function	Number of Employees	% of Total
Management	6	1.9
Research and Development	215	67.4
Marketing, Finance, General Administrative, Project Implementation and Solution Support	98	30.7
Total	319	100.0

Our success depends on our ability to attract, recruit, retain and motivate qualified personnel, and we believe that our high-quality talent pool is one of our core strengths. We adopt high standards and strict procedures in our recruitment to ensure the quality of new hiring and use various methods for our recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through executive search, to satisfy our demand for different types of talents.

We provide regular and specialized training tailored to the needs of our employees in different departments. Our employees can also improve their skills in the course of the research and development and commercialization of our solutions and through mutual learning among colleagues. New employees will receive pre-job training and general training. In addition, we regularly evaluate the performance of our employees and reward those who perform well with higher compensation or promotion.

In compliance with the relevant PRC labor laws, we enter into standard employment contracts with our employees covering matters such as terms, wages and bonuses, employee benefits, confidentiality obligations and grounds for termination. We are required under the applicable PRC laws and regulations to contribute to employee social insurance and housing provident funds at specified percentages of the salaries, bonuses and certain allowances of our employees up to a maximum amount specified by the local governments from time to time. As advised by our PRC Legal Adviser, if any of the relevant social insurance authorities is of the view that we have failed to make full social insurance contributions for our employees in accordance with the relevant laws and regulations, it may order us to pay outstanding amounts within a prescribed time limit and subject us to a late charge at the daily rate of 0.05% on the outstanding amounts from the date on which such amounts are payable. If such payment is not made within the prescribed period, the relevant authorities may further impose a fine one to three times the amount of any overdue payment. In addition, if any of the relevant housing provident fund authorities is of the view that we have failed to make full housing reserve fund contributions for our employees in accordance with the relevant laws and regulations, it may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement.

We had historically engaged third-party human resource agencies to make contributions to social insurance and housing provident funds for our employees during the Track Record Period. Based upon the fact that we obtained official written letters from the competent social insurance and housing fund authorities, confirming that no administrative penalty had been imposed on us for violating any applicable laws or regulations during the Track Record Period, our PRC Legal Adviser is of the view that our historical contributions to the relevant employees' social insurance and housing provident funds through third-party human resource agencies had not violated the relevant PRC laws and regulations in material aspects, considering that (i) we had undertaken to timely rectify in the event that we were ordered to pay social insurance and housing provident funds for our employees through our own accounts; (ii) starting from November 2023, we have fully rectified the matter by entering into termination agreements with the relevant third-party human resource agencies and making

contributions to employee social insurance and housing provident funds completely by ourselves going forward; (iii) the employees for whom we paid social insurance and housing provident funds through third-party human resource agencies have confirmed that they agree with such arrangements and will not claim any responsibility against us; and (iv) we had not received any notice from any relevant government authorities, as of the Latest Practicable Date, requiring us to rectify or subjecting us to any penalties for engaging third-party human resource agencies.

As of the Latest Practicable Date, our employees were not represented by any labor union. We believe that we maintain a good working relationship with our employees, and, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes with our employees.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance, as required by PRC laws and regulations, and we also purchase supplemental commercial medical insurance for our employees. In addition, we maintain property insurance for our machines, equipment and furniture, among other fixed assets, as well as public liability insurance.

In line with general market practice, we do not maintain any business interruption insurance, key man life insurance or insurance policies covering damages to our network infrastructures or information technology systems which are not mandatory under PRC laws or regulations. For details, see "Risk Factors – Risks Relating to Our General Operations – Our insurance coverage may be limited and expose us to significant costs and business disruption" in this document.

PROPERTIES

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice and Chapter 5 of the Listing Rules, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of December 31, 2023, none of the properties leased by us had a carrying amount of 15% or more of our total assets.

Our corporate headquarter is located in Shanghai, China. As of the Latest Practicable Date, we did not own any properties, and leased ten properties in Shanghai, Shandong, Jiangsu, Chongqing, Beijing, Hainan and Sichuan, with an aggregate gross floor area of approximately 13,103.22 sq.m.. The following table sets forth the details of properties leased by us as of the Latest Practicable Date:

No.	Location	Usage	Leased Area	End of Lease Term
			(Approximate sq.m.)	
1.	Shanghai	Office, R&D	1,099.13	March 14, 2027
2.	Zibo, Shandong	Office, R&D	855.71	June 30, 2027
3.	Suzhou, Jiangsu	R&D	410.00	February 28, 2025
4.	Nanjing, Jiangsu	Office	118.51	May 31, 2026
5.	Chongqing	Office	236.00	June 5, 2025
6.	Shanghai	Office, R&D	186.50	April 30, 2026
7.	Beijing	Office	15.00	April 27, 2025
8.	Zibo, Shandong	Office	9,551.47[(1)]	February 22, 2025
9.	Haikou, Hainan	Office	501.44	June 30, 2024[(2)]
10.	Chengdu, Sichuan	Office	129.46	July 23, 2025

Notes:

(1) As of the Latest Practicable Date, we planned to use the building as a facility for customer services pursuant to our cooperation with the local governmental entity. For details, see "– Our Technologies – AI Technologies – AI Empowerment Computing Center" in this section.

(2) While the lease agreement was entered into in May 2023, we only started to use the leased property after August 2023 by staffing our personnel on-site.

In the event that any of our leases expire after the end of their respective lease term, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations, and we thus do not rely on the existing leases for our business operations. For details of the risks with respect to our leased properties, see "Risk Factors – Risks Relating to Our General Operations – Failure to renew our current leases at reasonable terms or to locate desirable alternatives for our offices and facilities could materially and adversely affect our business and results of operations" in this document.

As of the Latest Practicable Date, our aforementioned leased properties in China had not been registered with the relevant PRC governmental authorities, as the relevant registering procedures require cooperations by the respective lessor. According to our PRC Legal Adviser, the failure to do so does not in itself invalidate the leases, but we may be ordered by the relevant PRC governmental authorities to rectify such non-compliance and, if we fail to do so within a given period of time, we may be subject to fines ranging from RMB1,000 and RMB10,000 for each of our unregistered lease agreements. As such, we estimate that the maximum penalty we might be subject to with respect to these unregistered leased properties as of the Latest Practicable Date would be approximately RMB100,000, which we believe is

immaterial. Our Directors are of the view that such failure to register will not have any material adverse effect on our financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for each of our unregistered lease agreements. For details, see "Risk Factors – Risks Relating to Regulatory Compliance – Our leased property interests may be defective and our right to lease or use the properties may be challenged" in this document.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received various awards, honors and recognitions that have demonstrated our advanced technological and innovative capabilities, which primarily include:

Award, Honor or Recognition	Year	Awarding Entity
Shanghai "Specialized, Refined, Characterized and Innovative" Small and Medium-Sized Enterprise (上海市"專精特新"中小企業)	2021-2022	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)
Selected in "Digital China, You and Me" Information and Communication Industry Innovation and Entrepreneurship Outstanding Entrant Project ("數字中國有你有我"信息通信行業創新創業優秀入庫項目)	2021	China Association of Communication Enterprises (中國通信企業協會)
"Golden Voice" – China Best All Media Intelligent Customer Service Solution Award, 2021 (金音獎 – 2021中國最佳全媒體智能客服解決方案獎)	2021	China Best Customer Contact Center & Customer Experience Selection Committee (中國最佳客戶聯絡中心與卓越客戶體驗評選組委會), 51callcenter (呼叫中心與BPO行業資訊網), 4PS Contact Center International Standards Organization (4PS聯絡中心國際標準組織), China Contact Center & BPO Association (中國呼叫中心與BPO產業聯盟), and China Contact Center Industry Self-Discipline and Supervision Committee (全國呼叫中心行業自律與監督委員會)

Award, Honor or Recognition	Year	Awarding Entity
Second prize, ISCSLP 2022 Conversational Short-Phrase Speaker Diarization Challenge (ISCSLP2022會話短語音說話人日誌挑戰賽亞軍)	2022	Institute of Acoustics, Chinese Academy of Sciences (中國科學院聲學研究所), Northwestern Polytechnical University (西北工業大學), Agency for Science, Technology and Research (新加坡A*STAR信息通信研究所), Shanghai Jiao Tong University (上海交通大學) and Magic Data (北京愛數智慧科技有限公司)
"Golden Voice" – China Best Customer Contact Center Technology Solution of the Year Awards, 2022 (金音獎 – 2022中國最佳客戶聯絡中心技術解決方案獎)	2022	China Best Customer Contact Center & Customer Experience Selection Committee (中國最佳客戶聯絡中心與卓越客戶體驗評選組委會), 51callcenter (呼叫中心與BPO行業資訊網), 4PS Contact Center International Standards Organization (4PS聯絡中心國際標準組織), China Contact Center & BPO Association (中國呼叫中心與BPO產業聯盟), and China Contact Center Industry Self-Discipline and Supervision Committee (全國呼叫中心行業自律與監督委員會)
2021 Shanghai Computer Society Science and Technology Award – Technological Invention Award (2021年度上海市計算機學會科學技術獎 – 技術發明獎)	2022	Shanghai Computer Society (上海市計算機學會)
Information System Construction and Service Capability (CS2) Grade Certificate (信息系統建設和服務能力(CS2)等級證書)	2022	China Federation of Electronics and Information Industry (中國電子信息行業聯合會)
Shanghai Enterprise Technology Center (上海市企業技術中心)	2023	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)

Award, Honor or Recognition	Year	Awarding Entity
Outstanding Innovation Award in the First Science and Technology Innovation Conference of Shanghai Xinzhuang Industry Park (上海市莘莊工業區首屆科技創新大會傑出創新獎)	2023	Shanghai Xinzhuang Industry Park Management Committee (上海市莘莊工業區管理委員會)

During the Track Record Period and up to the Latest Practicable Date, awards, honors and recognitions related to our commercialization achievements, sales and marketing capabilities, as well as recognition from our business partners granted to us or our key personnel primarily included:

Award, Honor or Recognition	Year	Awarding Entity
Contracts Observing and Promises Keeping Enterprise – Class AAA (2021-2024) (AAA級重合同守信用獎杯(2021-2024))	2021	China Business Credit Public Service Platform (中國商務誠信公共服務平台) and Huaxia Zhongcheng (Beijing) International Credit Evaluation Co., Ltd. (華夏眾誠(北京)國際信用評價有限公司)
The 19th China Information Technology Service Intelligent Customer Service Industry Conference – 2020-2021 Best Manager in China* (第十九屆中國最佳客戶聯絡中心及最佳管理人評審 – 2020-2021年度中國最佳管理人)	2021	Customer Contact Center Standard Committee (CCCS客戶聯絡中心標準委員會)
Baidu AI Cloud – Favored Value-Added Sales Partner (百度智能雲 – 優選級增值銷售夥伴)	2021	Beijing Baidu Netcom Science and Technology Co., Ltd. (北京百度網訊科技有限公司)
Guangzhou Unicom Outstanding Partner in 2021 (廣州聯通2021年度優秀合作夥伴)	2022	China United Network Communications Corporation Limited Guangzhou Branch (中國聯合網絡通信有限公司廣州市分公司)
Hunan Unicom Outstanding Partner in 2022 (湖南聯通2022年度優秀合作夥伴)	2023	China United Network Communications Corporation Limited Hunan Branch (中國聯合網絡通信有限公司湖南市分公司)

Note

* Granted to Mr. SUN.

In addition, we and our key personnel received a number of awards, honors and recognitions on corporate governance and general operations during the Track Record Period and up to the Latest Practicable Date, which primarily included:

Award, Honor or Recognition	Year	Awarding Entity
2020 (4th) Boao Enterprise Forum – China (Industry) Leader Enterprise (2020(第四届)博鰲企業論壇 – 中國(行業)領軍企業)	2021	China Business Herald (中國商報社) and CEN.CN (中國企業網)
2020 (4th) Boao Enterprise Forum – China (Industry) Leader Entrepreneur* (2020(第四届)博鰲企業論壇 – 中國(行業)領軍人物)	2021	China Business Herald (中國商報社) and CEN.CN (中國企業網)
2021 Outstanding Enterprise Award (2021年度優秀企業奬)	2022	Shanghai Xinzhuang Industry Park Management Committee (上海市莘莊工業區管理委員會)
Top Companies to Watch for Investors in 2022 (2022年度最受投資人關注企業)	2023	Shanghai Equity Exchange (上海股權託管交易中心)

Note

* Granted to Mr. TANG.

LICENSES AND PERMITS

As confirmed by our PRC Legal Adviser, as of the Latest Practicable Date, we had obtained all material requisite licenses, permits and approvals from the relevant government authorities for our operations in the PRC, and such licenses, permits and approvals remained in full effect. The following table sets forth the details of the material licenses and permits necessary for our operations held by us as of the Latest Practicable Date:

License/Permit	License/ Permit No.	License/ Permit Holder	Grant Date	Expiration Date
High and New Technology Enterprise Certificate (高新技術企業證書)	GR202131004988	Company	December 23, 2021	December 22, 2024
Quality Management System Certificate ISO9001 (質量管理體系認證證書ISO9001)	00922Q10023R3M	Company	January 10, 2022	January 9, 2025
VAT License (增值電信業務經營許可證), covering internet access services business	B1-20235473	Sichuan Voicecomm Zhishi	November 14, 2023	November 14, 2028

Sichuan Voicecomm Zhishi will apply for a renewal of the existing VAT License with the certificate number of "B1-20235473" after the [**REDACTED**], and will continue to hold a VAT License which includes ISP services (for internet users only), being a qualification required for our business operations. We will conduct ISP services (for internet users only) through Sichuan Voicecomm Zhishi. In accordance with current laws and regulations of the PRC, ISP services do not fall within the types of value-added telecommunication services subject to restrictions on foreign investment access in the PRC. Moreover, according to the *Opinions on Further Opening Up Value-Added Telecommunication Services in the China (Shanghai) Pilot Free Trade Zone* (《關於中國(上海)自由貿易試驗區進一步對外開放增值電信業務的意見》) issued on January 6, 2014 and the *Special Management Measures for Foreign Investment Access in Free Trade Pilot Zones (negative list)* (《自由貿易試驗區外商投資准入特別管理措施(負面清單)》) issued on December 27, 2021, the foreign shareholding ratio for ISP services (for internet users only) in the China Pilot Free Trade Zone could exceed 50%. Considering that Sichuan Voicecomm Zhishi is registered in the China (Sichuan) Pilot Free Trade Zone, as a qualified company, and would hold a VAT License which includes ISP services (for internet users only) after the [**REDACTED**], the foreign shareholding ratio therefor may exceed 50%. In addition, based on the consultation with relevant authority, our PRC Legal Adviser confirmed that, after the [**REDACTED**], Sichuan Voicecomm Zhishi holding a VAT License which includes ISP services (for internet users only) will continue to comply with relevant foreign investment access policies and regulations of the PRC with respect to ISP services.

We intend to apply for renewal of our key licenses and permits, the procedures for which is expected to be initiated timely prior to their respective expiration date. The successful renewal of our existing licenses, permits and approvals will be subject to our fulfillment of relevant requirements. As of the Latest Practicable Date, our Directors were not aware of any reason that would cause or lead to the non-renewal of our existing licenses, permits and approvals. Our PRC Legal Adviser confirmed that, as of the Latest Practicable Date, there was no substantial legal impediment for us to renew our existing licenses, permits and certificates as long as we would comply with the relevant legal requirements.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, financial condition, results of operations, reputation or compliance. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any non-compliance incidents which would, individually or in aggregate, have a material adverse effect on our business as a whole. As confirmed by our PRC Legal Adviser, our business operations had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

From time to time, we may be involved in legal proceedings, investigations, administrative penalties or other claims or disputes arising in the ordinary course of our business. For risks and uncertainties relating thereto, see "Risk Factors – Risks Relating to Our General Operations – We may be involved in legal proceedings and commercial disputes, which could have a material adverse effect on our business, financial condition and results of operations" in this document.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks for our operations so risk management is important for our business. For details of the various operational risks we face, see "Risk Factors" in this document. In addition, we are also exposed to various financial risks, such as credit and liquidity risks that arise in the normal course of our business. For details, see "Financial Information – Risk Disclosures" in this document. In order to identify, assess, and control the risks that may cause impediments to our business, we have established and implemented comprehensive risk management and internal control systems consisting of policies and procedures that we consider appropriate for various aspects of our business operations, and are dedicated to continuously improving these systems.

Our Board of Directors is collectively responsible for the establishment and updating of our risk management and internal control systems, while our management proactively monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional teams, and also conducts periodic review of the implementation thereof, to ensure their effectiveness and sufficiency. Risks identified by our management will be analyzed on the basis of likelihood and impact, and properly followed up, mitigated and rectified, and reported to our Board of Directors. Specifically, we have adopted and implemented the following risk management and internal control policies and protocols.

Operational Risk Management

We are faced with operational risks relating to our daily operations, which primarily arise from inadequate or failed internal processes, human errors, IT system failures or external events. We consider these operational risks to be the key risks in our business and believe that, with adequate operational policies and procedures, these inherent risks can be controlled and mitigated. We take a comprehensive approach with regard to operational risk management, and implement mechanisms with detailed and decentralized responsibilities and clear rewards and punishment systems. Different departments are collectively responsible for ensuring the compliance of our daily operations with our internal procedures. We also reiterate the importance of adherence to our operational protocols and procedures to our employees and, in particular, new employees, to ensure effective implementation of our operational protocols and procedures.

We also developed a robust risk management system monitoring and addressing risks in our daily operations such as through the management of our internal financial records, company chops, seals and signatures, key properties and business files. In the event of a major adverse event, the matter will be escalated to our CEO and the Board of Directors to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing the same to reduce potential losses. To ensure the continuity of our business, we have also put in place contingency plans for detecting and responding to emergency incidents. In the event of an emergency incident, our contingency plans set out prescribed response protocols applicable to our various department. We continue to assess the effectiveness of our contingency plans, and would perform reviews after each emergency incident to identify potential areas for improvement. We also conduct regular emergency response drills to ensure our employees are familiar with our response protocols.

Legal and Compliance Risk Management

Our business is subject to the regulation and supervision by national, provincial and local government authorities with regard to our business operations, which may be subject to changes. For further details on the applicable laws and regulations in relation to our business operations, see "Regulatory Overview" in this document. We have designed and adopted strict internal procedures to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations. We maintain

internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and conduct regular reviews to monitor the status and effectiveness of such licenses, permits and approvals. We obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities, within the prescribed regulatory timelines. We have also in place detailed internal procedures to ensure that our in-house legal personnel review our solutions, including upgrades to existing solutions, for regulatory compliance before they are made available to the general public. In addition, we strengthen our legal and compliance risk management by monitoring legal updates, including updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, and accordingly updating our internal protocols and procedures in a timely manner.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial reporting management policy, budget management policy, treasury management policy, financial statements preparation policy, and finance staff management policy. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

Intellectual Property Risk Management

We have implemented a set of comprehensive measures to protect our intellectual property. For instance, our legal personnel will ensure that all necessary applications, renewals or filings for trademark, copyright and patent registrations have been timely made to the competent authorities. Moreover, we conduct uniform and centralized intellectual property management, which requires that any application, implementation, authorization or transfer of our intellectual property rights will need to be subject to the approval of our management. In addition, any of our intellectual property rights, as long as it is owned by one of our subsidiaries, can be shared among our Group members for usage, sales or promise to sell relevant solutions.

Anti-Bribery and Anti-Corruption Risk Management

We have in place anti-bribery and anti-corruption policies to safeguard against any bribery, corruption and fraud in violation of applicable anti-corruption and anti-bribery laws and regulations within our Group, which prohibits any bribery or corruption activities by the employees, either for the pursuit of improper personal benefits or improper interests of our Group. The policies provide guidance on anti-corruption and anti-bribery practices, and explain potential bribery and corruption conduct and our anti-bribery and corruption measures. We keep accurate books and records that reflect the substance of transactions and asset dispositions in reasonable details, and will not approve a transaction or payment if the books and records do not reflect the substance thereof. We conduct routine trainings for our

employees regarding our anti-bribery and anti-corruption policies to facilitate better implementation. We make our internal reporting channel open and available for our staff to report any suspicious bribery and corruption acts, which may be anonymous. Any reported incidents and personnel will be investigated and handled in a prompt, independent and fair manner, and appropriate measures will be taken.

Information System and Data Security Risk Management

We have established an information system and data security risk management framework, including relevant internal control policies and risk management mechanisms to ensure information and data security, which primarily consists of:

- internal authentication and authorization systems that set forth confidentiality categorization and control access to data, so that confidential and data with importance can only be accessed for authorized use and limited purposes, and by authorized personnel;

- procedures for regular data backup, encryption and desensitization to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data;

- adoption of multiple layers of safeguards, including both internal and external firewalls and anti-virus software, to identity and protect us against security attacks;

- procedures for regular system check, password policy and data recovery test to safeguard our information assets and ensure the proper data management;

- information security incident management policies that evaluate critical risks and set forth emergency plans for data security incidents;

- provision of information security training to our employees from time to time;

- security audits to be performed periodically and on an as-needed basis so as to strengthen our security measures based on results thereof, which may include vulnerability scanning and intrusion detection, data inspection and risk identification, and security evaluation of idle equipment, etc.; and

- engagement of if necessary external legal counsel to review and update our internal policies and ensure continuous compliance with all applicable laws and regulations;

Human Resources Risk Management

We have established risk management and internal control policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training sessions tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date, enabling them to better meet customers' needs. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We have in place an employee handbook and a code of conduct approved by our management and have distributed the same to all our employees. The handbook contains internal rules and guidelines regarding work ethics, and fraud, negligence and corruption prevention mechanisms. We monitor the implementation of internal risk management and internal control policies on a regular basis to identify, manage and mitigate internal risks in relation to potential incompliance with our code of conduct and violations of our internal policies or illegal acts at all levels of our Group.

Investment Risk Management

As we may invest in or acquire businesses that are complementary to ours and aligned with our overall growth strategies, such as businesses that can expand our solution offerings and strengthen our technological capabilities, we have established investment project evaluation and approval processes. Our management will review and determine all new investments and major disposals. Specifically, it will be responsible for our investment project sourcing, screening, due diligence, risk assessment, valuation, execution and post-investment monitoring in accordance with our investment strategies. Each investment is assessed with consideration of strategic values, risks, business synergies and potential return of the project to be invested.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [**REDACTED**], we have also adopted or will adopt, among other things, the following risk management and internal control measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. For details of the qualifications and experiences of these committee members as well as a detailed description of the responsibility of our audit committee, see "Directors, Supervisors and Senior Management – Board Committees – Audit Committee" in this document;

- the appointment of Mr. Wenzhao ZHANG as our chief financial officer and Ms. Yihan LIU and Mr. Willie Kai Cheong CHEUNG as our joint company secretaries to ensure the compliance of our operations with relevant laws and regulations. For details of their biographies, see "Directors, Supervisors and Senior Management" in this document;

- the appointment of Maxa Capital Limited as our compliance advisor upon the [**REDACTED**] to advise us on compliance with the Listing Rules; and

- the engagement of external legal advisers to advise us on compliance with the Listing Rules and to ensure our compliance with the relevant regulatory requirements and applicable laws, where necessary.