
SUMMARY

OUR VISION

Make AGI accessible and AI CoPilot everywhere.

OUR MISSION

To build a world-leading universal large language model and become a global pioneer in AI CoPilot through integration of AI technology, innovative solution and commercialization capability.

WHO WE ARE

We are a leading AI company with generative AI and voice interaction technologies at the core of our business. According to the CIC Report, we are one of the few AI companies in Asia capable of building universal large language model. We are a first-mover and the largest revenue-generating AI company focusing on AIGC technologies in terms of AIGC solutions revenue in 2022 in China. We are a pioneer in the development of AI CoPilot in Asia, leading the progress of providing personalized AI assistant that helps each user to complete various tasks in work and life.

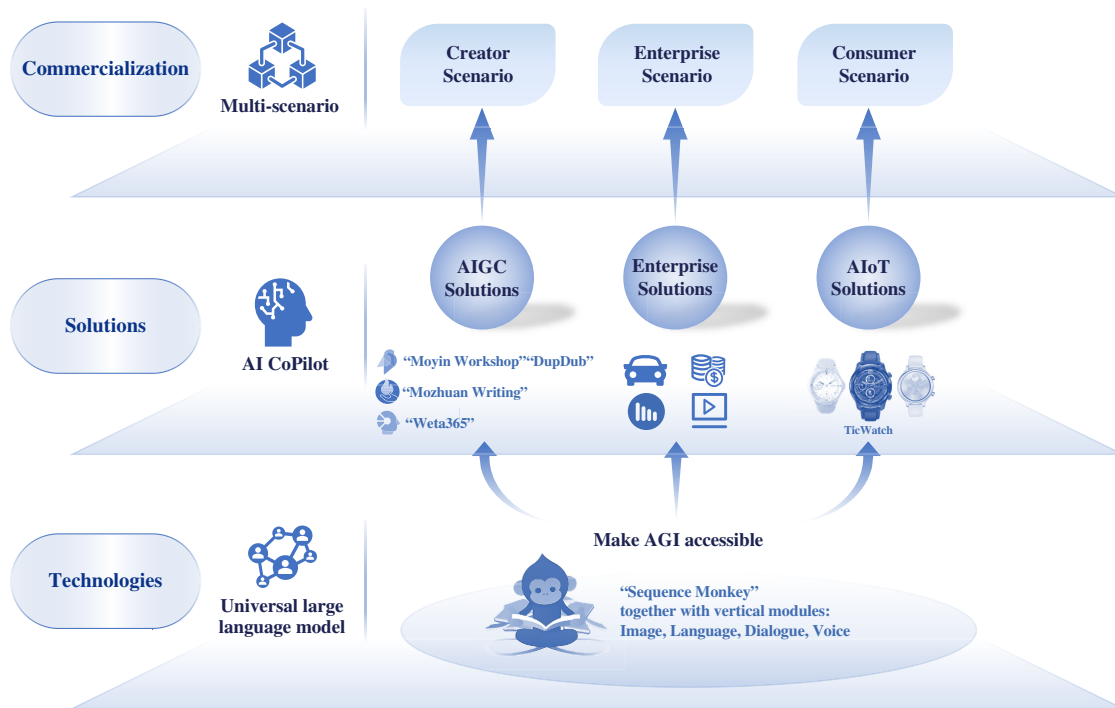
Leveraging our full-stack voice interaction capability and universal large language model capability, we provide AI CoPilot experience through various software and hardware solutions to content creators, enterprises and consumers around the globe. As early as 2020, we developed our universal large language model “UCLAI,” which was subsequently upgraded to “Sequence Monkey” in 2023. As of the Latest Practicable Date, we had served more than ten million users globally since 2020 covering content creators, enterprises and consumers. Under content creators related scenarios, we are dedicated to providing high-quality AI voiceover solutions globally with our AI voiceover assistant, “Moyin Workshop” and its overseas version “DupDub.” As of the same date, we had attracted over six million cumulative registered users for our AIGC solutions worldwide since 2020. Meanwhile, under enterprise related scenarios, we have pre-installed our automotive voice interaction solutions in more than two million vehicles since 2020. Under consumer related scenarios, we have accumulated sales of more than one million pieces of our AIoT smart devices since 2020.

WHAT MAKES US DIFFERENT

We have accumulated deep understanding and foresight on the frontier of AI technologies. Leveraging our self-developed universal large language model, we empower global content creators, enterprises and consumers with modularized AI CoPilot technologies. This creates a user-in-the-loop AI ecosystem enabling reinforcement learning from human feedback. We feed our technology modules with high-quality human-machine interaction generated from users, especially paying users, which empowers us to achieve high-quality and rapid iteration of our model “Sequence Monkey” and other vertical modules, thereby ultimately attracting a broader range of users.

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The following diagram illustrates our technologies, solutions and commercialization capabilities that backbone our competitive edges:



Technologies: With our universal large language model at the core of our underlying technological structure, we are capable of providing constant support and upgrade to our solutions. Our advanced full-stack voice interaction and image generation technologies enable us to provide the AI solutions well-tailored to different scenarios.

Solutions: We are capable of providing full suites of AI-empowered solutions designed to meet a broad range of needs from content creators, enterprises and consumers. As of the Latest Practicable Date, our AIGC solutions, including “Moyin Workshop” and other solutions, had successfully attracted approximately 400 thousand cumulative paying users and achieved over one million payments since the launch of the solutions. TicWatch E3, one of our AIoT smart devices, has been awarded the 2021 Platinum Winner of the Muse Design Awards. Our TicWatch S2, TicWatch E2 and TicWatch C2, have also been awarded the 2019 reddot award.

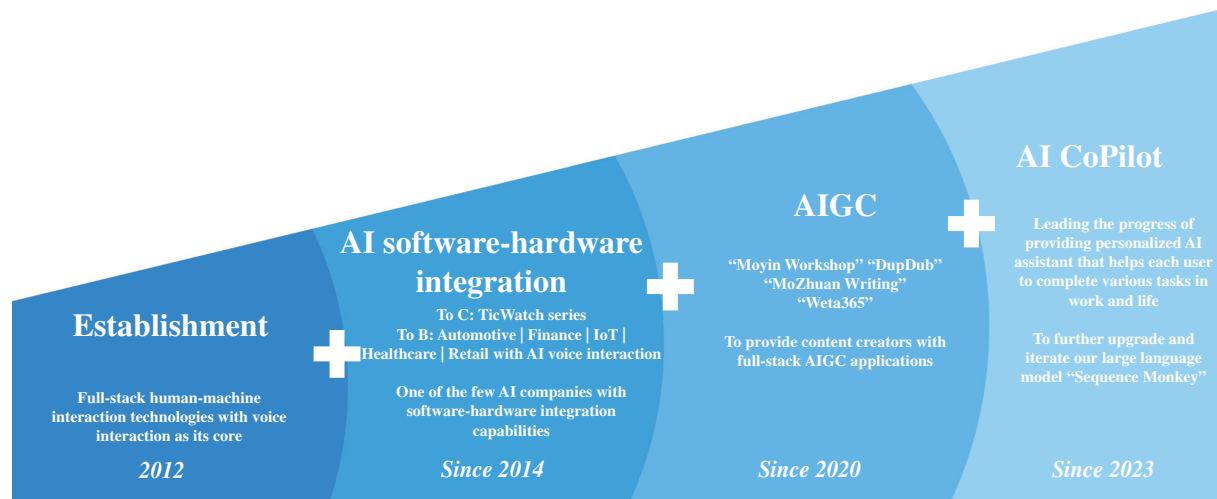
Commercialization: We have a deep understanding of the commercialization of AI technologies. As an AI company, apart from project-based revenue generating model, we have developed various revenue generating formats, such as subscription, IP arrangements and software-hardware integrated solutions. Leveraging our user-in-the-loop AI ecosystem, we focus on the iteration of our solutions and aim to achieve product-led growth instead of through traditional marketing campaigns.

WHERE WE CAME FROM

Since our establishment, we put in place a core technology research and development team that is committed to defining the next generation of human-machine interaction. In 2013, as one of the pathfinders in China, we developed a voice search engine from scratch, which entailed the development of ASR (automatic speech recognition), TTS (text-to-speech) and NLP (natural language processing), being the early form of AI CoPilot. Over the years, with our leading voice

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recognition technologies, distinctive voice-based software-hardware integration capability and robust AI research and development abilities, we developed our AIoT smart devices to provide AI interactive experience for consumers. We have then further expanded the application of our generation technologies to enterprise scenarios by providing AI CoPilot experience with voice interaction and content generation technologies at its core to enterprises in automotive, finance, IoT, healthcare and retail industries. In the meantime, we have accurately captured opportunities presented by the latest global AI trends to iterate and upgrade our core technologies. We are amongst the first companies to identify the trend of large language model. As early as 2020, we developed our universal large language model and vertically optimized technology modules, and subsequently developed leading AIGC technologies and application specifically for our global content creators and enterprises. In 2023, we further upgraded our large language model “UCLAI” to “Sequence Monkey,” and are committed to serving global content creators, enterprises and consumers.



WHAT DO WE OFFER

AI Software Solutions

To content creators:

We are dedicated to empowering content creation by providing one-stop AIGC solutions around the world. As of the Latest Practicable Date, we had attracted approximately 400 thousand cumulative paying users for our AIGC solutions and achieved over one million payments since the launch of the solutions. As of the Latest Practicable Date, we had built our AIGC solution matrix enabling content creators to achieve efficient content generation:

- *AI voiceover assistant:* “Moyin Workshop” and its overseas version “DupDub” — provide high-quality AI voiceover solutions, serving millions of users, especially video creators, worldwide as of the Latest Practicable Date.
- *AI writing assistant:* “Mozhuan Writing” — offer distinguished AI written content generation solutions.
- *AI avatar:* “Weta365” — provide one-stop AI video generation and virtual live streaming solutions.

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To enterprises:

Leveraging our strong software-hardware integration capability and voice interaction technologies, we are able to customize full-stack AI Software Solutions for enterprises from automotive, finance, IoT, healthcare and retail industries, for instance:

- *AI voice interaction solutions:* With full-linked interaction as foundation, we offer humanized and intelligent AI voice interaction solutions to various industries including automotive and finance industry. Software solutions include voice-interacted in-car control which help achieve phone call answering, navigation, weather checking, hotel booking functions, through default or personalized hot words, and AI anti-fraud solution to the enterprises we serve to prevent theft and falsification. Additionally, enterprise solutions may also be provided to enterprises with AI software-embedded hardware to further cater to the highly customized demand for software-hardware integrated solution of the enterprises we serve.
- *Intelligent customer service solutions:* We apply intelligent voice interaction technologies into customer service scenarios to reduce costs and increase operating efficiency. For instance, our intelligent customer service solutions can perform AI customer service, make callbacks and provide humanoid responses.

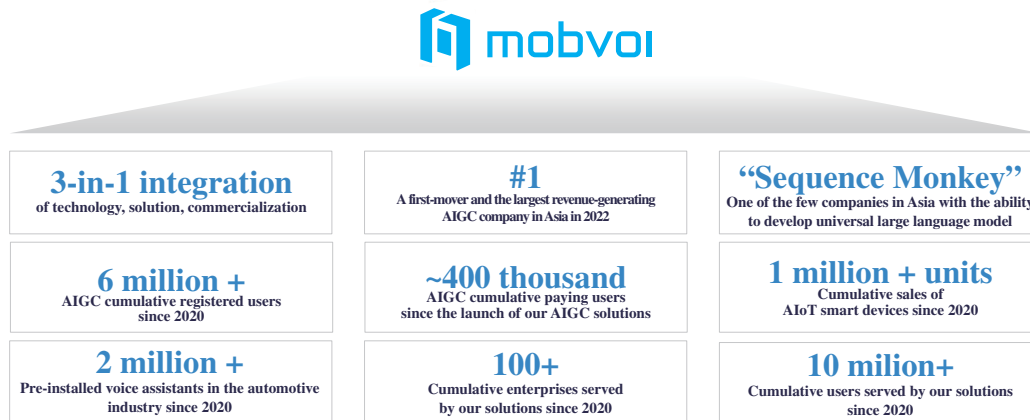
AIoT Solutions

We have launched various AIoT smart devices, such as AI smart watch — TicWatch series, AI smart treadmill — Mobvoi Home Treadmill Incline. We have gradually applied advanced AI technology in three major human-machine interaction life scenarios of “wearable, automotive and smart homes” through software-hardware integrated devices. Our relevant AIoT smart devices can be interconnected by our full-scenario covered personal virtual assistant — “Xiaowen:”

- *User experience:* Our TicWatch series have been highly recognized with numerous international awards, such as the 2021 Platinum Winner of the Muse Design Award, the 2019 reddot award, the 2019 Good Design Award and the 2019 iF Design Award.
- *Strategic cooperation:* We have established in-depth strategic cooperation with a world-leading multinational technology company focusing on search engine technology and a multinational technology corporation that creates semiconductors, software, and services related to wireless technology. Benefiting from the long-term cooperation on multiple projects, we have effectively improved our technological and solution capabilities. As a result, we have developed and maintained a global top-tier research and development team.
- *Design and algorithms:* Our sport, health algorithms and sensors feed the human-machine interaction to the relative technology modules to achieve constant optimization and efficient iteration. Our iconic “dual-screen and dual-system” design resolves the two major pain points of smart watches: low battery life and low visibility under high bright outdoor conditions.

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The following graph sets forth our operating highlights as of the Latest Practicable Date:



OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will continue to drive our growth in the future:

- Strong universal large language model capabilities and vertical module technologies;
- Well-established solution matrix of AI-empowered, voice-enabled, end-to-end and software-hardware integrated solutions to serve diverse customer groups;
- Solid commercialization capabilities of our AI technologies and sustainable user-in-the-loop ecosystem;
- Well-positioned worldwide business exposure with international vision; and
- Visionary management team and innovative corporate culture.

For details, please refer to the paragraph headed “Business — Our strengths” in this document.

OUR STRATEGIES

To achieve our mission and further solidify our leadership, we intend to pursue the following strategies:

- Continuously improve and enrich our solution matrix;
- Continuous investment in research and development and optimize capabilities of our universal large language model;
- Further strengthening our commercialization capabilities;
- Expand our international reach; and
- Pursue strategic cooperation, investments and acquisitions.

For details, please refer to the paragraph headed “Business — Our strategies” in this document.

OUR CUSTOMERS AND SUPPLIERS

Our customers

Our customers primarily consist of (i) content creators who purchase our AIGC solutions; (ii) enterprises to whom we sell our AI enterprise solutions; (iii) consumers who purchase our AIoT smart devices; and (iv) online and offline distributors to whom we sell our AIoT smart devices. For the years ended December 31, 2020, 2021 and 2022, our revenue generated from our five largest customers accounted for 22.4%, 37.0% and 62.8% of our revenue, respectively. For details, please refer to the paragraph headed “Business — Our customers” in this document.

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Our suppliers

Our suppliers primarily consist of suppliers of hardware components and raw materials, contract manufacturers, providers of cloud services and servers, suppliers of data sources, and service providers of warehouse and logistic services. Our major suppliers are mostly situated in China. For the years ended December 31, 2020, 2021 and 2022, our purchases from our top five suppliers accounted for 23.0%, 32.7% and 24.3% of our costs of sales, respectively. For details, please refer to the paragraph headed “Business — Our suppliers” in this document.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to invest in our Shares. The following is a non-exhaustive list of some of the major risks we face:

- The competitiveness of our solutions is based on our research and development capabilities. If we fail to continuously develop and upgrade our solutions with technological innovation, we may not be able to retain existing customers, attract new customers or maintain our leading position in the industry;
- We face fierce competition in the AI industry and we may suffer from loss of customers and our business, results of operations, financial conditions or business prospects could be materially and adversely affected as a result;
- Any actual or perceived misuse of AI technologies committed by us or by other third parties intentionally or inadvertently, could materially and adversely affect our business, results of operations, financial conditions and business prospects;
- Our solutions may experience unexpected system failure, interruption, inadequacy or data leakage. Our brand reputation, results of operations, financial conditions or business prospects may be materially and adversely affected by solution failure, or our failure to timely and effectively identify and rectify the problems;
- Any failure to comply with the PRC laws and regulations relating to data security, privacy and personal information protection may subject us to legal or administrative proceedings, which may materially and adversely affect our reputation and business operations;
- Our historical performance during the Track Record Period may not be indicative of our future prospects;
- We have been and will continue investing in research and development, which may adversely affect our profitability and operating cash flow in the short term and may not generate the results we expect to achieve; and
- The continuous and collaborative efforts of our senior management and key employees are crucial to our success, and our business may be harmed if we lose their services.

For details, please refer to the paragraph headed “Risk Factors” in this document.

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SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of our results of operations for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Continuing operations			
Revenue	264,534	397,914	500,194
Cost of sales	(184,862)	(248,718)	(164,043)
Gross Profit	79,672	149,196	336,151
Research and development expenses	(97,093)	(91,505)	(118,663)
Selling and marketing expenses	(74,528)	(105,938)	(97,120)
Administrative expenses	(52,238)	(48,701)	(55,169)
Other incomes and losses, net	8,933	35,650	7,584
Impairment loss on trade receivables	(80)	(461)	(1,195)
(Loss)/profit from operations	(135,334)	(61,759)	71,588
Finance costs	(2,619)	(1,008)	(1,003)
Share of losses of a joint venture	(29,809)	(18,567)	(9,362)
Gain on disposal of interest in a joint venture	—	—	28,999
Changes in fair value of financial assets	—	—	1,179
Changes in the carrying amount of contingently redeemable preferred shares and ordinary shares	258,289	(98,893)	(775,084)
Profit/(loss) before taxation from continuing operations	90,527	(180,227)	(683,683)
Income tax	(54)	(1,753)	(1,296)
Profit/(loss) for the year from continuing operations	90,473	(181,980)	(684,979)
Discontinued operations			
(Loss)/profit for the year from discontinued operations	(34,327)	(94,316)	15,174
Profit/(loss) for the year	56,146	(276,296)	(669,805)
Other comprehensive income for the year (after tax):			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of financial statements	97,411	35,877	(195,647)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of overseas subsidiaries	97,137	35,272	(120,100)
Other comprehensive income for the year	194,548	71,149	(315,747)
Total comprehensive income for the year attributable to equity shareholders of the Company	250,694	(205,147)	(985,552)

NON-IFRS MEASURE

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net (loss)/profit (non-IFRS measure) as additional financial measure, which are not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of item that our management does not consider to be

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indicative of our operating performance. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net (loss)/profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under IFRS.

We define “adjusted net (loss)/profit” (non-IFRS measure) as loss for the year from continuing operations excluding changes in the carrying amount of contingently redeemable preferred shares and ordinary shares, share-based compensation and [REDACTED] expenses. Our contingently redeemable preferred shares and ordinary shares will be automatically converted into ordinary shares upon completion of the [REDACTED]. Share-based compensation for [REDACTED] Share Option Scheme purposes relates to the share rewards we offered to our employees, which is a non-cash expense.

The following table sets out a reconciliation of our non-IFRS financial measure for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Profit/(loss) for the year from continuing operations	90,473	(181,980)	(684,979)
Adjusted for:			
Changes in the carrying amount of contingently redeemable preferred shares and ordinary shares	(258,289)	98,893	775,084
Share-based compensation	10,806	9,648	17,322
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net (loss)/profit (non-IFRS measure)	(157,010)	(73,439)	108,891

Revenue

The following table sets out a breakdown of our revenues by segments for the years indicated:

	For the year ended 31 December					
	2020		2021		2022	
	RMB'000	%	RMB'000	%	RMB'000	%
AI Software Solutions	44,972	17.0	59,519	15.0	302,888	60.6
— AIGC solutions	496	0.2	6,822	1.7	39,857	8.0
— AI enterprise solutions	44,476	16.8	52,697	13.3	263,031	52.6
AIoT Solutions	219,562	83.0	338,395	85.0	197,306	39.4
Total	264,534	100.0	397,914	100.0	500,194	100.0

Our revenue grew rapidly from RMB264.5 million in 2020 to RMB397.9 million in 2021, and further to RMB500.2 million in 2022. Such increase was generally in line with the growth in AI Software Solutions contributed by (i) the increase in revenue from AIGC solutions due to the increase in paying users for our AIGC solutions; and (ii) the increase in revenue from AI enterprise solutions primarily due to the IP arrangements which was partially offset by the decrease in revenue from AIoT Solutions affected by the delay in launching of new flagship products. For details, please refer to the paragraph headed “Financial Information — Description of major components of our results of operations — Revenue” in this document.

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Summary of consolidated statements of financial position

The following table sets out a summary of our consolidated statements of financial position as of the years indicated:

	As of December 31		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Total non-current assets	280,618	228,265	14,912
Total current assets	427,326	378,191	404,582
Total non-current liabilities	2,755	9,574	2,743
Total current liabilities	3,432,738	3,519,930	3,721,347
Net current liabilities	3,005,412	3,141,739	3,316,765
Net liabilities	2,727,549	2,923,048	3,304,596
Total equity	2,727,549	2,923,048	3,304,596

The following table sets out details of our current assets and liabilities as of the dates indicated:

	As of December 31,		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Current assets			
Inventories	103,859	123,944	94,918
Trade receivables	28,988	45,464	40,024
Prepayments, deposits and other receivables	68,657	48,237	34,368
Financial assets measured at fair value			
through profit or loss	—	7,707	124,119
Time and restricted deposits	10,480	21,081	70,903
Cash and cash equivalents	215,342	131,758	40,250
	427,326	378,191	404,582
Current liabilities			
Trade payables	24,618	29,535	17,694
Other payables and accruals	46,803	54,387	54,224
Contract liabilities	67,464	151,842	60,873
Bank loans	31,752	20,000	20,000
Lease liabilities	9,984	6,336	6,831
Contingently redeemable preferred shares			
and ordinary shares	3,216,535	3,240,626	3,536,115
Current taxation	69	1,781	1,343
Warranty provisions	9,375	15,423	16,467
Deferred income	26,138	—	7,800
	3,432,738	3,519,930	3,721,347
Net current liabilities	(3,005,412)	(3,141,739)	(3,316,765)

We recorded net current liabilities of RMB3,005.4 million, RMB3,141.7 million and RMB3,316.8 million as of December 31, 2020, 2021 and 2022, primarily consisting of contingently redeemable preferred shares and ordinary shares.

Our redeemable preferred shares and ordinary shares issued will be re-designated from liabilities to equity as a result of their automatic conversion into ordinary shares and our position of net liabilities would turn into net assets upon [REDACTED].

For details of our discussion of our financial position, please refer to the paragraph headed “Financial Information — Discussion of certain key consolidated statements of financial position items” in this document.

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Summary of consolidated statements of cash flows

	Year ended December 31,		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Operating cash flows before movement in working capital	(121,323)	(70,654)	109,971
Changes in working capital	97,393	33,457	(35,867)
Tax paid	(144)	(41)	(1,669)
Net cash (used in)/generated from operating activities	(24,074)	(37,238)	72,435
Net cash generated from/(used in) investing activities	53,584	(21,889)	(40,447)
Net cash (used in) financing activities	(40,190)	(22,116)	125,737
Net decrease in cash and cash equivalents	(10,680)	(81,243)	(93,749)
Cash and cash equivalents as of January 1	237,188	215,342	131,758
Effect of foreign exchange rate changes	(11,166)	(2,341)	2,241
Cash and cash equivalents as of December 31	215,342	131,758	40,250

For details, please refer to the paragraph headed “Financial Information — Liquidity and capital resources — Cash flow” in this document.

Key financial ratios

	For the year ended December 31		
	2020	2021	2022
Revenue growth	N/A	50.4%	25.7%
Gross profit growth	N/A	87.2%	125.3%
Gross profit margin ^(note 1)	30.1%	37.5%	67.2%
Adjusted net (loss)/profit margin (non-IFRS measure) ^(note 2)	(59.4)%	(18.5)%	21.8%

Notes:

- (1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.
- (2) Adjusted net (loss)/profit margin (non-IFRS measure) equals adjusted net (loss)/profit (non-IFRS measure) divided by revenue for the year and multiplied by 100%.

For details, please refer to “Financial information — Year-to-year comparison of results of operations” in this section for discussion of the factors affecting our results of operations during the respective years.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Save as otherwise disclosed below, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2022, being the latest date of our consolidated financial statements as set out in Appendix I to this document, and there is no event since December 31, 2022 that would materially affect the information as set out in the Accountants’ Report included in Appendix I to this document.

As of the Latest Practicable Date, we had upgraded our large language model “UCLAI” to “Sequence Monkey.” Also, we have two pipeline AIGC solutions including: Yan Zhi Hua (言之畫) — an AI painting assistant capable of performing text-to-image, image-to-image and image-to-text functions; and Qi Miao Wen (奇妙文) — an AI writing assistant built on the capabilities of our large language model, Sequence Monkey, capable of more efficient content creation which is an upgraded version of our Mozhuan Writing. These pipeline AIGC solutions are still at the testing stage and had not generated any revenue as of the Latest Practicable Date. In addition, we had launched our new TicWatch flagship product, the 5th generation TicWatch-TicWatch Pro 5, in late May 2023.

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LEGAL PROCEED AND COMPLIANCE

As of the Latest Practicable Date, none of the legal, arbitral or administrative proceed to which we were a party, individually or in aggregate, would have a material and adverse effect on our business, financial condition or results of operations, and we were not aware of any potential or threatened legal, arbitral or administrative proceed against us or our Directors that could, individually or in the aggregate, have a material and adverse effect on our business, financial condition and results of operations. During the Track Record Period, we were involved in non-compliance incidents in relation to the contribution to employees’ social insurance and housing provident funds and labor dispatch in the PRC. For further details, please refer to the paragraph headed “Business — Legal proceed and compliance — Non-compliance incidents” in this document.

[REDACTED] STATISTICS

	Based on the minimum indicative [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on the maximum indicative [REDACTED] of HK\$[REDACTED] per [REDACTED]
Number of [REDACTED]	[REDACTED]	[REDACTED]
Number of [REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED] HK\$
[REDACTED] ^(Note 1)	HK\$[REDACTED]	[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to the equity shareholders of the Company per Share ^(Note 2)	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised). The calculation is based on the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED].
- (2) The unaudited [REDACTED] adjusted consolidated net tangible asset of the Group attributable to the owners of the Company per Share is calculated based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised). The calculation is based on the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED]. Please refer to “Unaudited [REDACTED] Financial Information” set out in Appendix II to this document for details.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Based on the mid-point of the indicative [REDACTED] range and assuming (i) the [REDACTED] is not exercised; and (ii) each Preferred Share is converted into one Share, without taking into account any Shares that may be issued under the [REDACTED] Share Option Scheme, the total estimated [REDACTED] expenses in relation to the [REDACTED] is RMB [REDACTED]. During the Track Record Period, [REDACTED] expenses of RMB[REDACTED] were incurred of which RMB[REDACTED] were charged to our consolidated statements of profit or loss and other comprehensive income and RMB[REDACTED] were recognized to our consolidated statements of financial position. We estimate that we will further incur [REDACTED] expenses of RMB[REDACTED] of which RMB[REDACTED] will be charged to our consolidated statements of comprehensive income and RMB[REDACTED] is expected to be accounted for as a deduction from equity upon the completion of the [REDACTED].

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [REDACTED] of HK\$[REDACTED] (RMB [REDACTED]) from the [REDACTED] based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that (i) the [REDACTED] is not exercised; and (ii) each Preferred Share is converted into one share, without taking into account any shares that may be issued under the [REDACTED] share Option Scheme. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

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- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for continuously enhancing our modeling technology to carry out model training, vertical optimization on our underlying foundation model and improvement on our existing program algorithm of our solutions by introducing world-leading technologies and talents;
- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]), for solution development and marketing;
- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be allocated to pursue strategic alliances, investments and acquisitions to implement our long-term growth strategies for solution development; and
- Approximately [REDACTED]% or HK\$[REDACTED] (RMB[REDACTED]) will be used for working capital and general corporate purposes.

For details, please refer to the section headed “Future Plans and [REDACTED]” in this document.

DIVIDENDS

We as of the Latest Practicable Date do not have any predetermined dividend payout ratio. No dividends had been declared or paid by our Company during the Track Record Period. Subject to the Cayman Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium. Our Directors may from time to time pay to the members of the Company such interim dividends as appear to our Directors to be justified by the profits of the Company. Our Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment. For details, please refer to the paragraph headed “Summary of the Constitution of the Company and Cayman Companies Act — Summary of Cayman Islands Company Law and taxation — 4. Dividends and distributions” in Appendix III to this document.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders, Dr. Li, Ms. Li and Dr. Lei and their respective wholly-owned investment holding companies (namely, Mobvoi Limited, CMWW Limited and Amberlei Limited), is a group of persons and entities acting in concert with each other. Following the completion of the [REDACTED] (assuming (i) no exercise of the [REDACTED]; and (ii) each Preferred Share is converted into one Share, without taking into account any Shares that may be issued under the [REDACTED] Share Option Scheme), the Single Largest Group of Shareholders will be interested in [REDACTED]% of the enlarged issued share capital of our Company, comprising (i) the Shares representing [REDACTED]% of the issued share capital of our Company directly held by Mobvoi Limited; (ii) the Shares representing [REDACTED]% of the issued share capital of our Company directly held by CMWW Limited; and (iii) the Shares representing [REDACTED]% of the issued share capital of our Company directly held by Amberlei Limited. For more details, please refer to the section headed “Relationship with Our Single Largest Group of Shareholders” in this document.

[REDACTED] INVESTORS

Since our inception, we have attracted a number of reputable and influential institutional or corporate investors to invest in our Company. For details, please refer to the paragraph headed “History, Reorganization and Corporate Structure — [REDACTED] Investments” in this document.

CONTINUING CONNECTED TRANSACTION

We have entered into and are expected to continue with a transaction after the completion of the [REDACTED] which will constitute our partially exempt continuing connected transaction under Chapter 14A of Listing Rules upon the [REDACTED]. See the sections headed “Connected Transaction” and “Waivers from Strict Compliance with the Listing Rules and Exemption from the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver in respect of Partially Exempt Continuing Connected Transaction” for further details.

SHARE INCENTIVE SCHEMES

We have adopted the [REDACTED] Share Option Scheme and conditionally adopted the [REDACTED] RSU Scheme. The principal terms of such share incentive schemes are summarized in the section headed “Statutory and General Information — D. Share Incentive Schemes” in Appendix IV to this document.