Haizhi Technology (2706 HK)

Leading graph-based enterprise AI solution provider in China

BUY (Initiate)

Target Price	**HK$84.50**
Up/Downside	**38.1%**
Current Price	**HK$61.20**

Beijing Haizhi Technology Group Co., Ltd. Inc. (Haizhi) is one of the leading enterprise AI companies in China, which focuses on integrating knowledge graphs and LLMs to develop enterprise AI solutions. Haizhi ranked fifth among industry-level AI agent providers in China (2.8% market share by revenue) in 2024, as per Frost & Sullivan. We forecast Haizhi's total revenue to grow at a CAGR of 29% over FY25-28E and reach RMB1.3bn in FY28E, mainly driven by the robust growth of Atlas AI Agent business. Supported by improved GPM and operating efficiency, we expect adjusted net margin to rise from 4% in FY25 to 8% in FY28E. Initiate with BUY. Our target price of HK$84.5 is based on 34x FY26E PS, which is on par with the global enterprise AI solution companies.

- **One of the leading enterprise AI companies in China**. Haizhi's total revenue was up by 23% YoY to RMB621.1mn in FY25, with an adjusted net income of RMB24.1mn. Haizhi's AI solutions mainly consist of 1) Atlas graph solutions (77% of total revenue in FY25), which include DMC Intelligent Data Platform, Atlas Knowledge Graph Platform, and AtlasGraph Graph Database; 2) Atlas AI Agent (23% of total revenue in FY25). Based on Haizhi's Graph-LLM integration capabilities, these two solutions work in synergy to empower enterprises with AI agent solutions in different scenarios such as fraud prevention, risk identification, and data governance.
- **Graph computing and graph-LLM integration as key competitive edges**. Compared to other enterprise AI companies, Haizhi's core competitive edges are threefold: 1) graph computing capability: AtlasGraph graph database, Haizhi's self-developed high-performance distributed graph database, supports real-time analysis of trillions of data points, delivering performance that exceeds the industry average; 2) graph-LLM integration technology: Haizhi integrates LLMs with knowledge graphs at various stages (e.g. pre-training stage, the inference stage and the retrieval stage), which improve the accuracy and mitigate the hallucination of LLMs; 3) industry know-how: As of end-2025, Haizhi served over 400 customers and covered over 100 application scenarios, allowing it to accumulate extensive industry experience.
- **China's industry-level AI services market to grow at 45% CAGR over 2025-2029E.** The global and China AI markets represent substantial TAM and growth potential. However, there are still bottlenecks in the deployment of industry-level AI applications like the hallucination in LLM. Leveraging its graph-LLM integration capabilities, Haizhi is well-positioned to address these challenges in AI applications and benefit from the growing enterprise AI market. Per Frost & Sullivan, China's industry-level AI service market is expected to grow at a 2025-2029E CAGR of 44.6% to RMB286.1bn in 2029E, driven by: 1) growing demand from diversified industrial use cases; 2) development of AI agents; 3) favorable policy environment in the AI field.

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue (RMB mn)	503	621	876	1,126	1,342
YoY growth (%)	34.0	23.4	41.1	28.5	19.3
Adjusted net profit (RMB mn)	16.9	24.1	54.3	84.2	104.1
YoY growth (%)	na	42.6	124.9	55.0	23.6
EPS (Adjusted) (RMB cents)	na	6.48	13.56	21.02	25.99
P/S (x)	42.4	34.4	24.4	19.0	15.9

Source: Company data, Bloomberg, CMBIGM estimates

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Stock Data

Mkt Cap (HK$ mn)	24,506.4
Avg 3 mths t/o (HK$ mn)	242.2
52w High/Low (HK$)	NA/NA
Total Issued Shares (mn)	400.4

Source: FactSet

Shareholding Structure

Legend Capital	12.7%
Haikuo Fenxiang	9.9%

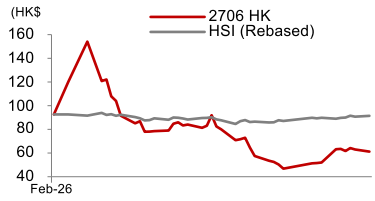
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-23.5%	-26.6%
3-mth	NM	NM
6-mth	NM	NM

Source: FactSet

12-mth Price Performance



Source: FactSet

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Investment Thesis

One of the leading enterprise AI companies in China with a sustainable business model

Haizhi is one of the leading enterprise AI companies in China, which focuses on integrating knowledge graphs and LLMs to develop enterprise AI solutions. According to Frost & Sullivan, Haizhi ranked first among graph-based AI agent service providers in China (c.50% market share by revenue) and fifth among industry-level AI agent providers in China (2.8% market share by revenue) in 2024. Haizhi reported total revenue and adjusted net income of RMB621mn and RMB24.1mn in FY25, with Atlas graph solutions and Atlas AI Agent each accounting for 77% and 23% of total revenue.

Graph computing and graph-LLM integration as competitive edges

Compared to other enterprise AI companies, Haizhi's core competitive edges are threefold: 1) graph computing capability: AtlasGraph graph database, Haizhi's self-developed high-performance distributed graph database, supports real-time analysis of trillions of data points, delivering performance that exceeds the industry average; 2) graph-LLM integration technology: Haizhi integrates LLMs with knowledge graphs at various stages (e.g. pre-training stage, the inference stage and the retrieval stage), which improve the accuracy and mitigate the hallucination of LLMs; 3) industry know-how: as of end-2025, Haizhi served over 400 customers and covered over 100 application scenarios, allowing it to accumulate extensive industry experience.

China's industry-level AI services market to grow at 45% CAGR over 2025-2029E

The global and China AI markets represent substantial TAM and growth potential. However, there are still bottlenecks in the deployment of industry-level AI applications, such as the hallucination problem in LLM, lack of quality and professional knowledge and inability to update in real time. Leveraging its graph-LLM integration capabilities, Haizhi is well-positioned to address these challenges in AI applications, offer customers with comprehensive industry-level AI applications, and benefit from the growing enterprise AI market size. According to Frost & Sullivan, China's industry-level AI service market size reached RMB45.3bn in 2024, and is expected to grow at a 2025-2029E CAGR of 44.6% to RMB286.1bn in 2029E, driven by: 1) growing demand from diversified industrial use cases; 2) development of AI Agents; and 3) favorable policy environment in the AI field.

Total revenue CAGR of 29% over FY25-28E

We expect Haizhi's total revenue to grow by 41%/28%/19% YoY to RMB876/1,126/1,342mn in FY26/27/28E, mainly driven by the robust growth of revenue from Atlas AI Agent (FY25-28E CAGR: 70%), and to a lesser extent, by the growth of revenue from Atlas Graph Solution (FY25-28E CAGR: 10%). Supported by improved GPM and operating efficiency, we expect adjusted net margin to rise from 4% in FY25 to 8% in FY28E.

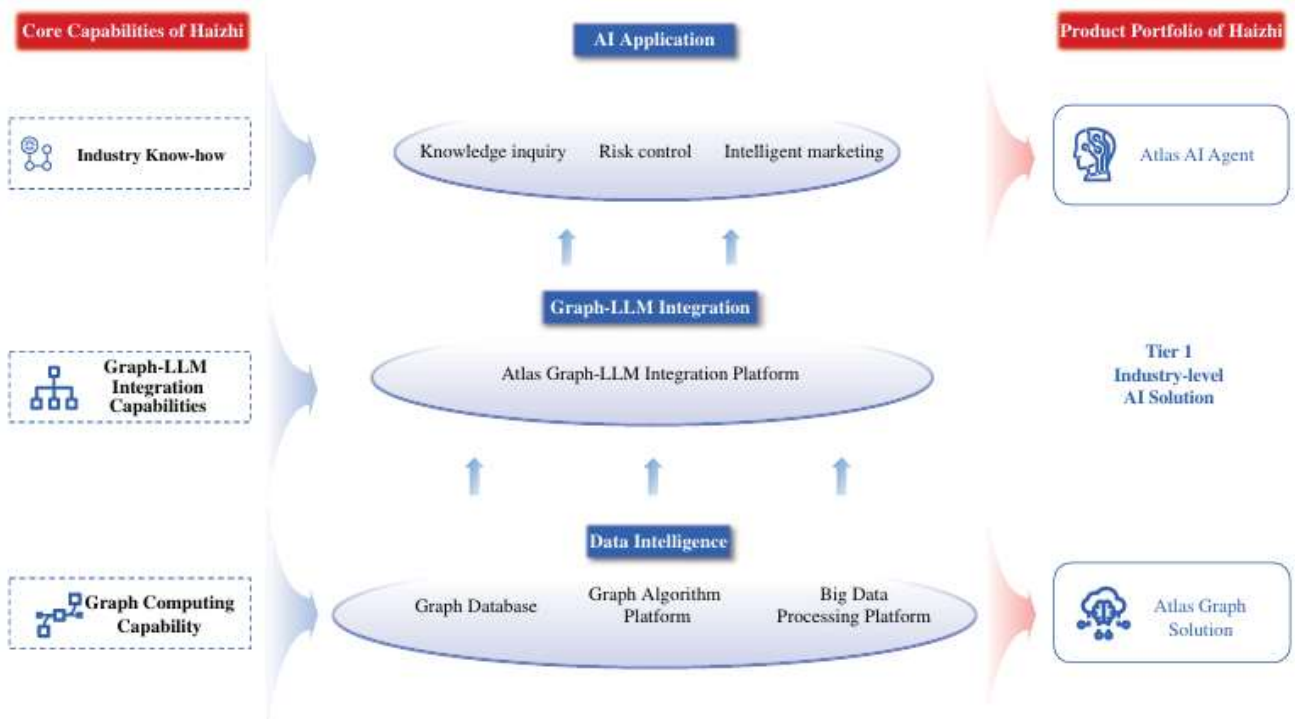
We derive the equity value of Haizhi from the average PS of enterprise AI solution and data intelligence companies. Our target price of HK$84.5 is based on 34x FY26E PS (total valuation of HK$33.8bn), which is largely on par with the average PS of global enterprise AI solution and data intelligence companies.

Company Overview

Haizhi is one of the leading enterprise AI companies in China, which focuses on integrating knowledge graphs and LLMs to develop enterprise AI agent solutions. According to Frost & Sullivan, Haizhi ranked first among graph-based AI agent service providers in China (c.50% market share by revenue) and fifth among industry-level AI agent providers in China (2.8% market share by revenue) in 2024. Haizhi's total revenue was up by 23% YoY to RMB621.1mn in FY25, with an adjusted net income of RMB24.1mn.

Compared to other AI companies, Haizhi's core competitive edges are threefold: **1) graph computing capability:** AtlasGraph database, Haizhi's self-developed high-performance distributed graph database, supports real-time analysis of trillions of data points, delivering performance that exceeds the industry average, as per Frost & Sullivan; **2) Graph-LLM integration technology:** Haizhi integrates LLMs with knowledge graphs at various stages (e.g. pre-training stage, the inference stage and the retrieval stage), which improve the accuracy and mitigate the hallucination of LLMs; **3) industry know-how:** as of end-2025, Haizhi served over 400 customers and covered over 100 application scenarios, allowing it to accumulate extensive industry experience.

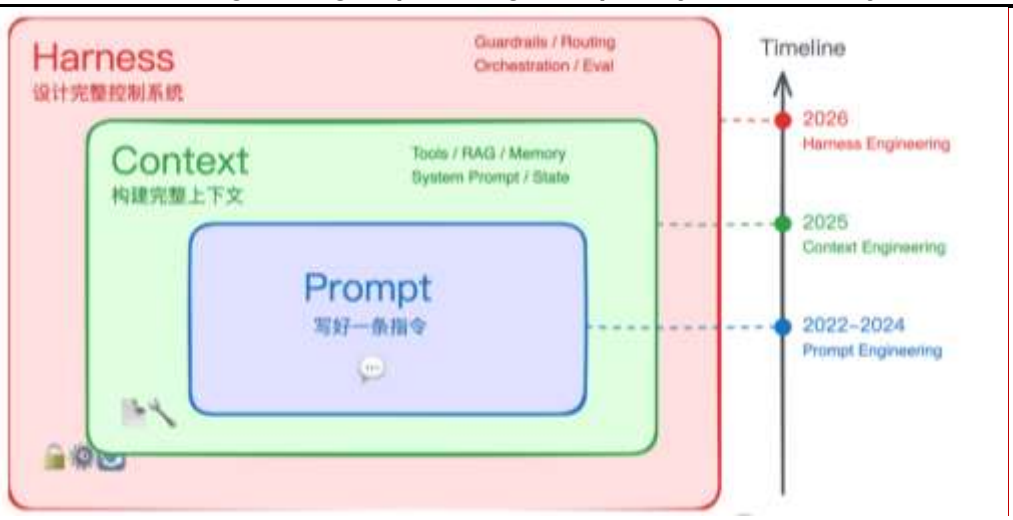
Figure 1: Haizhi: business overview



Source: Company data, CMBIGM

Leveraging its Graph-LLM integration capabilities, Haizhi plays an important role in the era of Harness Engineering (i.e., offers AI agents an environment with guardrails, orchestration, tools/skills and context), in our view. LLM on its own hardly solves real-world tasks without tools and professional knowledge, but all of which can be offered by Haizhi with its Graph-LLM integration, data governance and agent deployment capabilities.

Figure 2: Harness engineering: improves agent capability and autonomy



Source: AGI Hunt, CMBIGM

Haizhi's AI solutions mainly consist of 1) Atlas graph solutions (77% of FY25 total revenue), which include DMC Intelligent Data Platform, Atlas Knowledge Graph Platform, and AtlasGraph Graph Database; 2) Atlas AI Agent (23% of FY25 total revenue). Based on Haizhi's Graph-LLM integration capabilities, these two solutions work in synergy to empower enterprises with AI agent solutions in different scenarios such as fraud prevention, risk identification, data governance and smart manufacturing.

Figure 3: Haizhi: business solutions

Segment	Financials (FY25)	Solution	Features	Use cases
Atlas Graph Solutions	Revenue: RMB475mn GPM: 40.3% No. of customers: 172	DMC Intelligent Data Platform	1) Processing of heterogeneous data from multiple sources 2) Capable of data integration, cleansing, governance and cross-regional processing 3) Integration of graph computing, data intelligence and model visualization technologies	Fraud prevention, relationship analysis, risk identification, data governance and smart manufacturing
		Atlas Knowledge Graph Platform	1) Rapid building of knowledge graphs tailored to different industries 2) In-depth analysis of data correlations, risk propagation and customer profiling	Fraud prevention, intelligent marketing, intelligent operations, risk identification, data governance and smart manufacturing
		AtlasGraph Graph Database	1) Real-time storage of trillions of data records 2) Relationship analysis of ten degrees of separation 3) Multi-hop queries in milliseconds 4) Dynamic visual modeling 5) Compatible with standardized graph query languages	Fraud prevention, knowledge inquiry, data inquiry, report generation, intelligent customer service, intelligent marketing, intelligent operations, auditing, risk control, data governance and smart manufacturing
Atlas AI Agent	Revenue: RMB146mn GPM: 53.2% No. of customers: 40	Atlas AI Agent	1) Complex reasoning 2) Accurate AI-generated output 3) User-friendly interface	Fraud prevention, risk identification, data governance and smart manufacturing

Source: Company data, CMBIGM

Established in 2013, Haizhi primarily focuses on big data, data computation and the AI applications. Since then, the Company has been expanding its product offerings which encompass graph computing and AI. Haizhi launched DMC Intelligent Data Platform & Atlas Knowledge Graph Platform in 2017, and AtlasGraph Graph Database in 2021. AtlasGraph Graph Database became one of the world's leading graph databases, and exceed the world record by 45% in terms of throughout measured by queries per second, achieving the highest overall performance score in the Linked Data Benchmark Council tests in 2023.

Figure 4: Haizhi: key milestones

Year	Milestone
2013	Haizhi was established in the PRC with a focus on the collection, aggregation, and governance of big data, data computation, as well as the application of artificial intelligence.
2015	Haizhi established a subsidiary Haizhi Xingtu to further expand its technological footprint.
2017	Haizhi launched DMC Intelligent Data Platform and Atlas Knowledge Graph Platform.
2019	Haizhi was honored with the Commercial Bank Data Service Pioneer Award.
2021	Haizhi successfully launched AtlasGraph Graph Database, a high-performance graph database platform.
2022	Haizhi was honored with the Digital Economy Industry Innovation Achievements Award.
2023	AtlasGraph Graph Database broke the world record by 45% in terms of throughout measured by queries per second, achieving the highest overall performance score in the Linked Data Benchmark Council tests.
2024	Haizhi has been included in the Beijing General Artificial Intelligence Industry Innovation Partner Program.

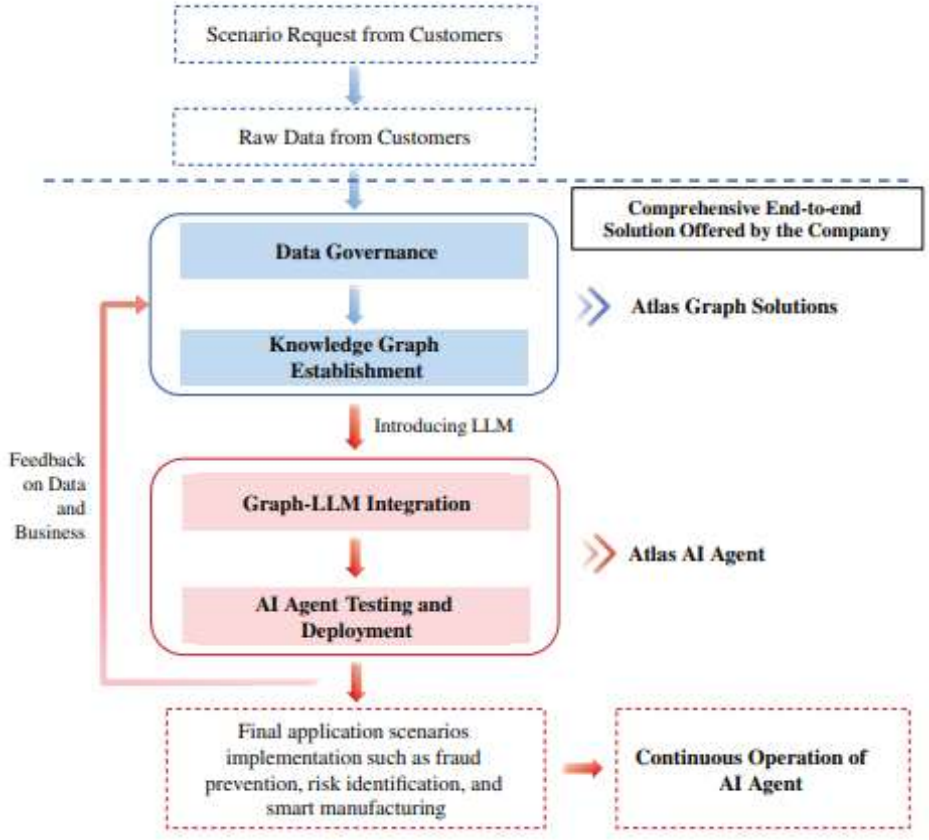
Source: Company data, CMBIGM

Business model

Haizhi adopted a project-based business model. The Company offered customers with a comprehensive set of solutions ranging from data governance to intelligent agent, based on customer needs. A typical project flow is as follows: 1) Haizhi begins by performing data governance on the raw data accumulated by customers and organize it using knowledge graphs, transforming it into structured, high-quality and AI-ready information that can be readily utilized for AI applications with minimal engineering effort; 2) if the customers desire to leverage LLMs to empower their business operations and data-driven decision-making processes, Haizhi can offer them its Atlas AI agent which is developed on Haizhi's graph-LLM integration platform; 3) following the successful completion and acceptance of a project by a customer, Haizhi typically offers a maintenance period of 1-3 years, during which its technical team continues to provide responsive customer services.

The pricing is based on a number of factors including: 1) the cost structure, such as the cost of software and hardware components and R&D expenses; 2) the level of customization and technical requirements of each solution; and 3) comparable market prices.

Figure 5: Haizhi: business model flow chat



Source: Company data, CMBIGM

The four solutions offered by Haizhi were typically sold on a standalone basis or in combination, depending on the business needs and IT infrastructure of customers. In 2024, solutions sold on a standalone basis/in combination accounted for 73.8%/26.2% of total revenue.

Figure 6: Haizhi: different scenarios for standalone/combined purchase

Solution	Standalone purchase scenario	Combined purchase scenario
DMC Intelligent Data Platform	When customers require unified governance and management of diverse data types (e.g., tabular, text) to achieve comprehensive data integration, governance, and analytics.	**DMC + Atlas Knowledge Graph Platform:** For existing customers with a graph database who also need knowledge graph construction and analysis.
Atlas Knowledge Graph Platform	When customers already have an in-house graph database and want to build and analyze knowledge graphs, integrating with their existing database for storage and computation.	**Atlas Knowledge Graph Platform + AtlasGraph Graph Database:** For customers who lack a knowledge graph platform but already have some graph-related infrastructure and need both graph construction and storage.
AtlasGraph Graph Database	When customers require a high-performance, secure, and scalable graph database for knowledge graph storage or computation, or for querying graph data via code. AtlasGraph Graph Database supports industry-standard graph query languages and integrates with third-party platforms or custom applications.	**DMC Platform + Atlas Knowledge Graph Platform + AtlasGraph Graph Database:** For customers with no or very limited graph-related infrastructure, requiring a complete end-to-end solution from data governance to graph storage and analytics. **DMC + AtlasGraph Graph Database:** Rare scenario, typically when customers need unified data governance plus a robust graph database backend without requiring a graph platform.

Atlas AI Agent	When customers require intelligent automation and scenario-specific execution to meet advanced analytics needs across all data types.	Typically purchased as a standalone solution

Source: Company data, CMBIGM

Atlas Graph Solutions

1) DMC Intelligent Data Platform

DMC intelligent data platform integrates graph computing, data intelligence and model visualization technologies to create a comprehensive and efficient one-stop big data analysis platform. It can accommodate heterogeneous data from multiple sources and enable enterprises to efficiently manage data integration, cleansing, governance and cross-regional processing, supporting a wide range of application scenarios.

Uses case: Customer V, the Market Supervision and Administration Department of a province, collaborated with Haizhi to leverage advanced data analytics and knowledge management tools for more effective market supervision, risk identification and regulatory enforcement. Through utilizing the DMC intelligent data platform, Customer V achieved: 1) enhanced decision-making capabilities for Customer V's personnel through access to comprehensive, contextualized data; 2) improved efficiency in identifying and addressing risks through searches for and analysis of relevant historical cases; 3) more proactive risk management through the early detection of potentially problematic enterprises and their networks; and 4) streamlined regulatory processes by leveraging historical case data and searches for similar case scenarios.

Figure 7: Haizhi: DMC Intelligent Data Platform

Source: Company data, CMBIGM

2) Atlas Knowledge Graph Platform

Atlas knowledge graph platform enables rapid building of knowledge graphs tailored to different industries. Integrated with specific business scenarios, Atlas knowledge graph platform assists customers in efficiently and flexibly extracting valuable information from massive datasets. Haizhi's advanced graph algorithms conducts in-depth analysis of data correlations, risk propagation and customer profiling, providing robust support for precise marketing, risk prevention, and control and operational optimization.

Uses case: Customer W, the credit center of a Shenzhen-based prominent financial institution, collaborated with Haizhi to leverage its knowledge graph technology to build a loan applicant network graph for the swift identification of fraudulent loan applicants and delineation of fraud rings. In the first quarter of deployment of Atlas knowledge graph platform, Customer V achieved: 1) reduced the time that Customer W spent on daily collection tasks by approximately 25% while identifying and reconnecting Customer W with 20% more lost customers; 2) helped Customer W successfully identify more than 800 suspected fraudulent loan applications, representing a 20% increase as compared to the previous month; and 3) helped Customer W increased its customer reach by almost 20%.

Figure 8: Atlas Knowledge Graph Platform

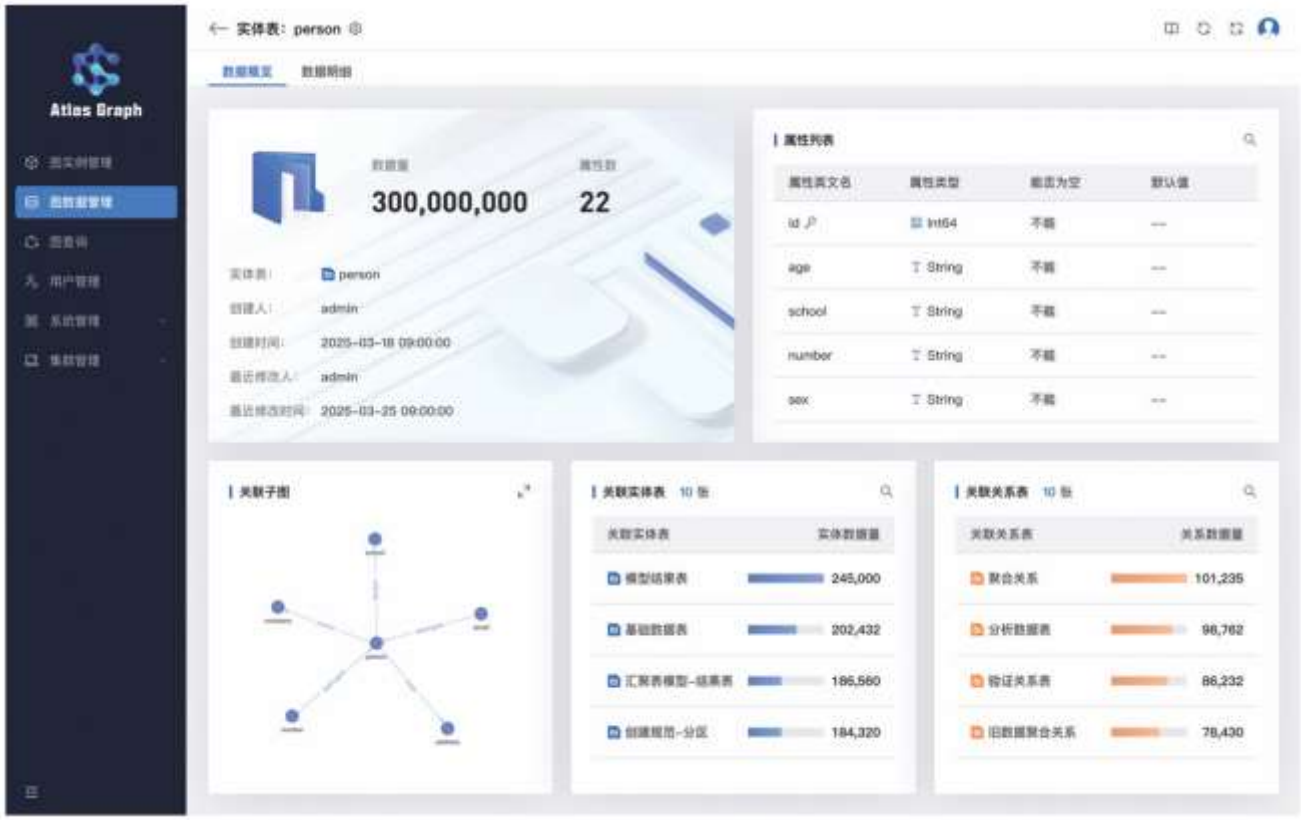
Source: Company data, CMBIGM

3) AtlasGraph Graph Database

AtlasGraph graph database is a first-of-its-kind cloud-native distributed graph database built on Rust. Leveraging Haizhi's proprietary storage engines and distributed architecture, AtlasGraph graph database's full-stack capabilities primarily include 1) real-time storage of trillions of data records; 2) relationship analysis of ten degrees of separation; 3) multi-hop queries in milliseconds; and 4) dynamic visual modeling. It is also compatible with standardized graph query languages, such as OpenCypher and GQL, effectively addressing the performance bottlenecks of traditional databases in complex relational scenarios.

Uses case: Customer X, a Beijing-based leading telecommunications operator in China, collaborated with Haizhi to leverage graph database technology for in-depth applications in areas such as business insight development, real-time analysis of operational scenarios, real-time user permission management and telecommunication fraud prevention. Through AtlasGraph graph database, Customer X achieved: 1) enabled Customer X to process queries of hundreds of millions of phone numbers; and 2) supported Customer X to manage its mobile phone users across ten provinces in eight types of application scenarios, such as fraud prevention and data lineage analysis.

Figure 9: AtlasGraph Graph Database



Source: Company data, CMBIGM

Atlas AI Agent

Atlas AI Agent empowers LLMs with knowledge graphs to perform complex reasoning by combining the structured reasoning capabilities of knowledge graphs with the semantic understanding and generative power of LLMs. They enable

precise knowledge-based Q&A and in-depth risk assessment, assisting customers in extracting valuable insights from complex datasets.

Through integration of knowledge graph and LLMs, Haizhi can significantly improve the performance and accuracy of LLMs and its AI Agents. According to Haizhi's internal evaluation based on open-source datasets and widely recognized multi-hop question-answering benchmarks, such as HotpotQA, 2WikiQA and MuSiQue, graph-LLM integration achieves higher fulfillment score compared to other AI agent solutions (e.g. pure LLM or Vector RAG).

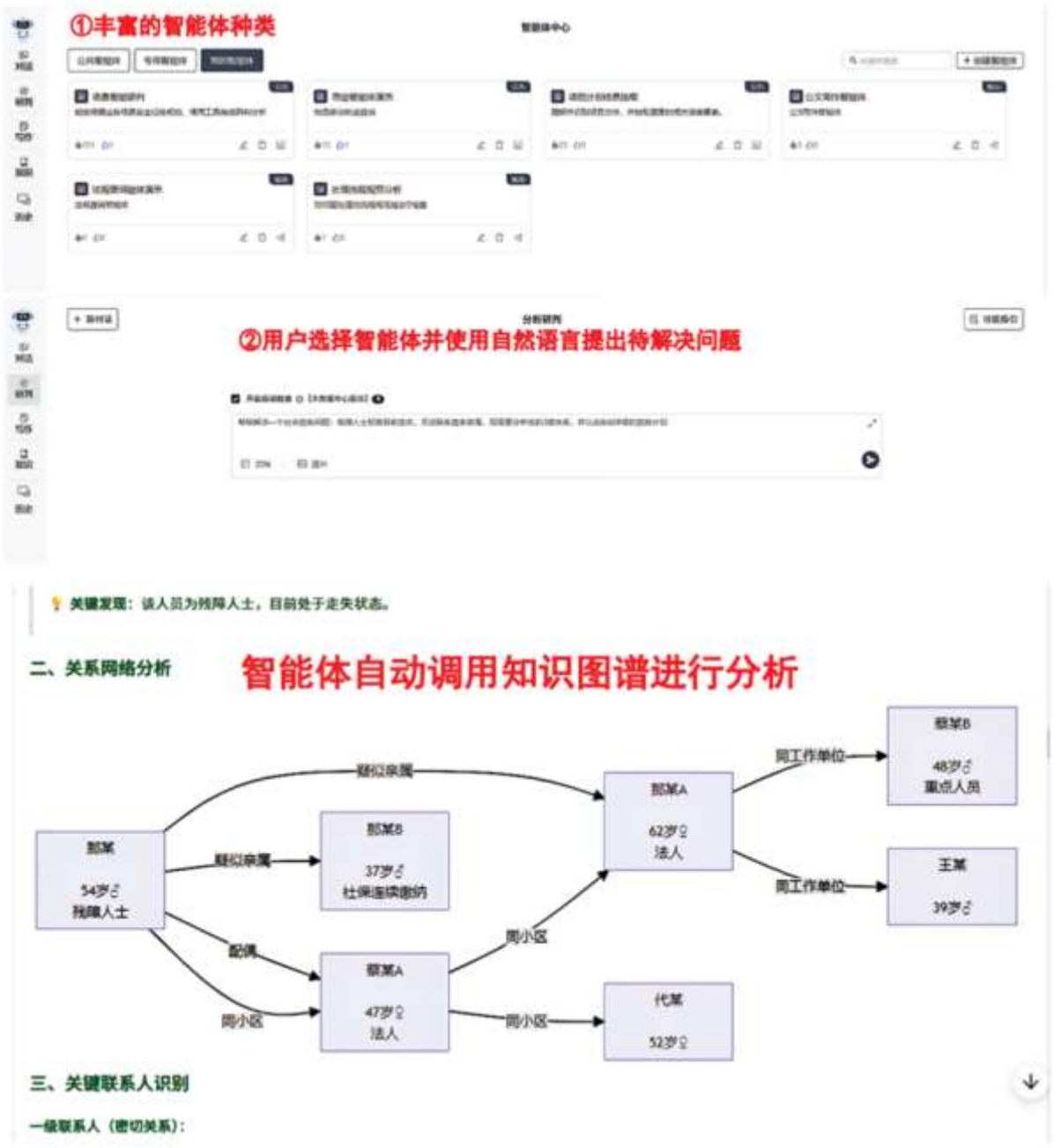
Figure 10: AI agent deployment method: fulfilment score across benchmarks

Method	HotpotQA	2WikiQA	MuSiQue
LLM (baseline)	Less than 40%	Less than 40%	Less than 10%
Vector RAG	Less than 75%	Less than 60%	Less than 40%
Graph-LLM Integration	Above 80%	Above 80%	Above 50%

Source: Company data, CMBIGM
Note: Hotpot QA is to test basic multi-hop reasoning and evidence extraction; 2WikiQA is to test structured knowledge integration; MuSiQue is to test long logical chain reasoning and hallucination resistance.

Uses case: Customer Y, a provincial government body in China, collaborated with Haizhi to develop a data center capable of integrating, processing and analyzing raw data from the databases, IT systems and resource libraries of different departments across both the provincial and municipal governments to foster intelligent and data-driven governance. Through Atlas AI Agent, Customer Y achieved: 1) integration of massive, multi-tiered data from various sources to fully unlock the value of its data; 2) Atlas AI agent empowered Customer Y to achieve multi-faceted interactive analysis and rapidly generate analytical results; and 3) addressed the challenges of interactive analysis across multiple systems, applications and data sources, enabling Customer Y to make data-driven decisions with greater efficiency and accuracy.

Figure 11: Atlas AI agent



Source: Company data, CMBIGM

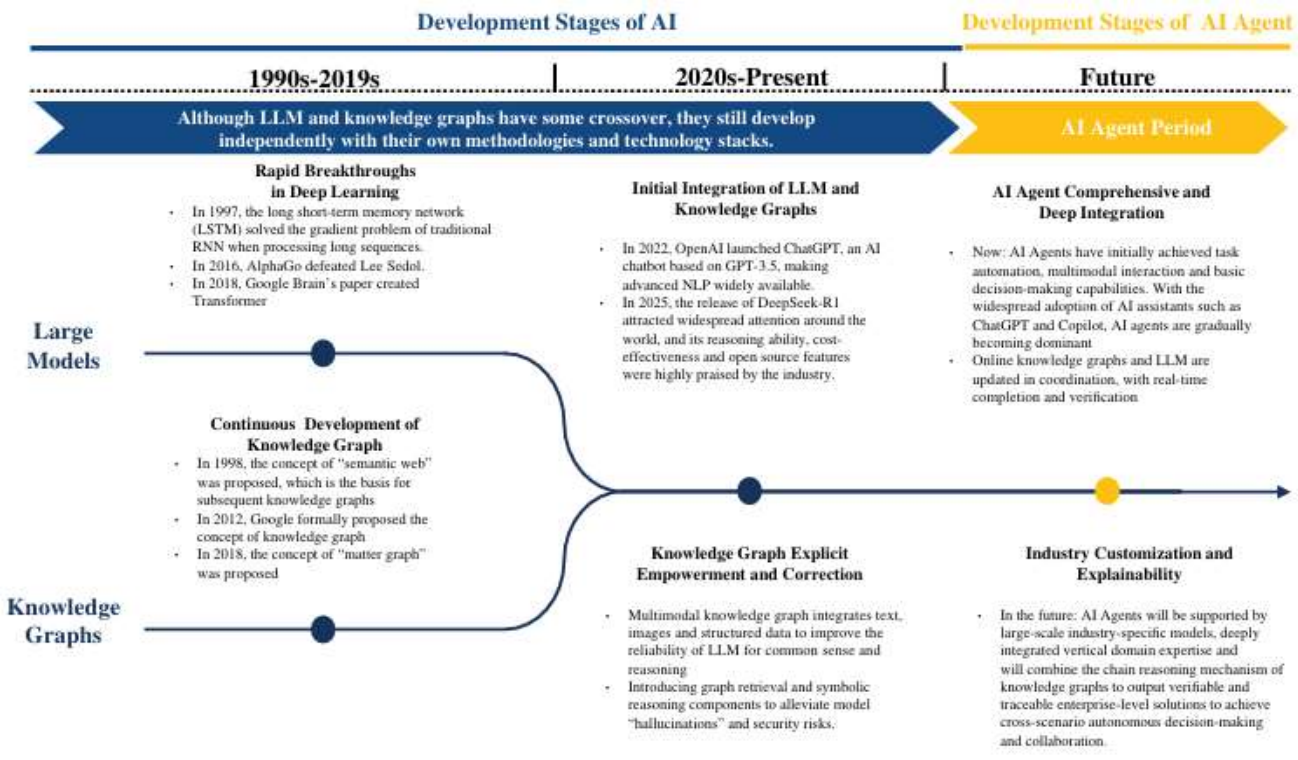
Industry analysis

The global and China AI markets represent substantial TAM and growth potential. However, there are still bottlenecks in the deployment of industry-level AI applications, such as the hallucination problem in LLM, lack of quality and professional knowledge and inability to update in real time. Leveraging its graph-LLM integration capabilities, Haizhi is well-positioned to address these challenges in AI applications, offer customers with comprehensive industry-level AI applications, and benefit from the growing enterprise AI market size.

AI market

Since the launch of ChatGPT in 2022, both LLM and knowledge graphs have experienced rapid development. The improvement in reasoning capability and cost effectiveness of LLMs has made AI applications and AI agents more available for enterprises. AI Agents have initially achieved task automation, multimodal interaction and basic decision-making capabilities, but currently still face certain issues like the hallucination. Looking ahead, with the integration of industry models and knowledge graphs, AI agents will be able to output verifiable and traceable enterprise-level solutions to achieve cross-functional autonomous decision-making and collaboration.

Figure 12: Development of LLM and Knowledge Graphs in the AI field



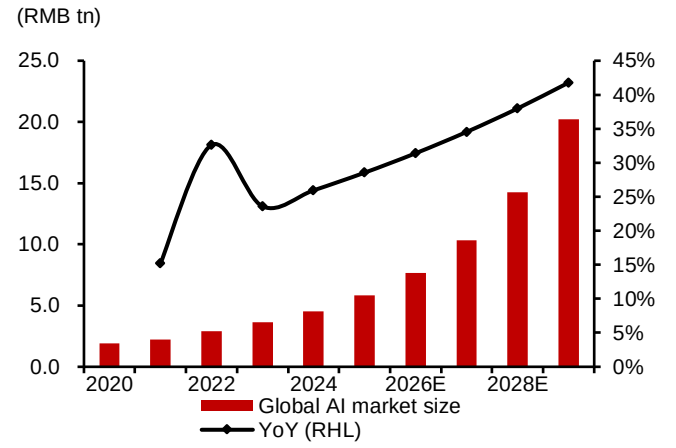
Source: Frost & Sullivan, CMBIGM

According to Frost & Sullivan, the global AI market size reached RMB4.55tn in 2024, representing a CAGR of 24.2% over 2020-2024, mainly driven by the rapid AI development, surging AI investment, and expanding AI use cases across various industries.

China is one of the largest AI markets, with a market size of RMB733bn in 2024 and a CAGR of 22.5% over 2020-2024, as per Frost & Sullivan. Looking ahead, driven by the surging demand for enterprise AI and AI agents, China's AI market size is expected to

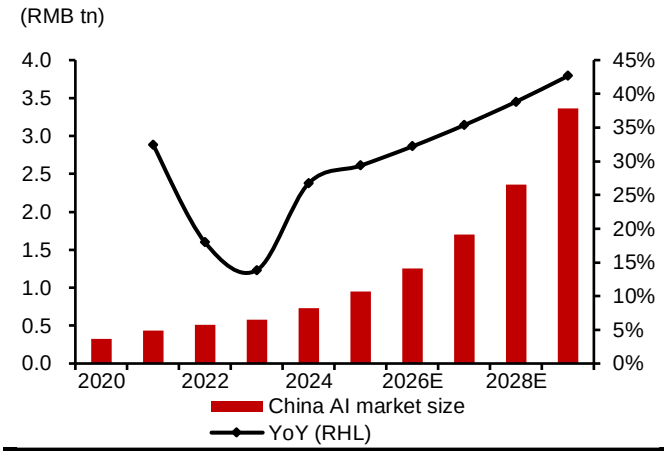
reach RMB3,360bn in 2029 and represent a CAGR of 37.2% over 2025-2029, according to Frost & Sullivan.

Figure 13: Global AI market size



Source: Frost & Sullivan, CMBIGM

Figure 14: China AI market size



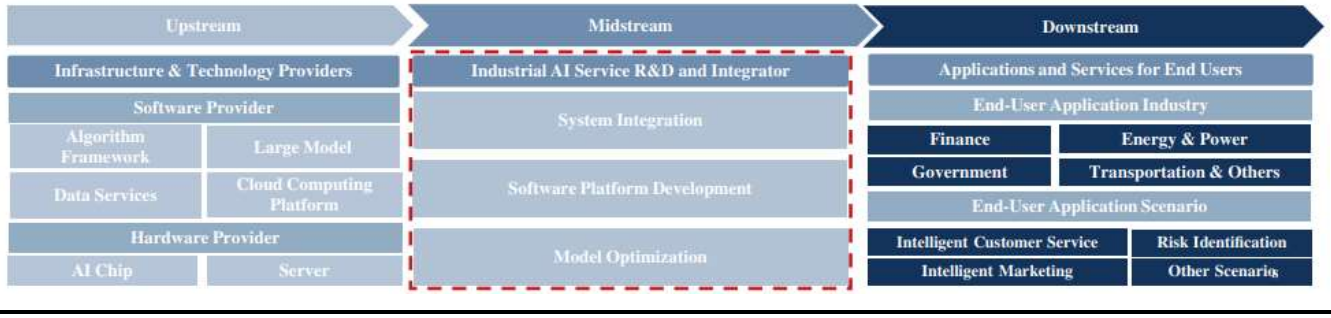
Source: Frost & Sullivan, CMBIGM

Industry-level AI services

Industry-level AI service refers to a service form that deeply integrates AI technologies with hardware devices, software systems and service systems to provide diversified solutions for various industries, governments and institutional clients.

The industry-level AI service market has formed a complete industry chain. 1) Upstream infrastructure and technology suppliers include hardware manufacturers such as chip companies, and software manufacturers such as cloud computing platforms, LLM & data cloud vendors. 2) Midstream platforms are industry-level AI service providers, which provide diversified AI services to downstream industrial clients at the core of the midstream of the industrial chain, through comprehensive capabilities in system integration, software development and model training optimization. 3) Downstream application market includes various sectors such as finance, government, energy, and transportation.

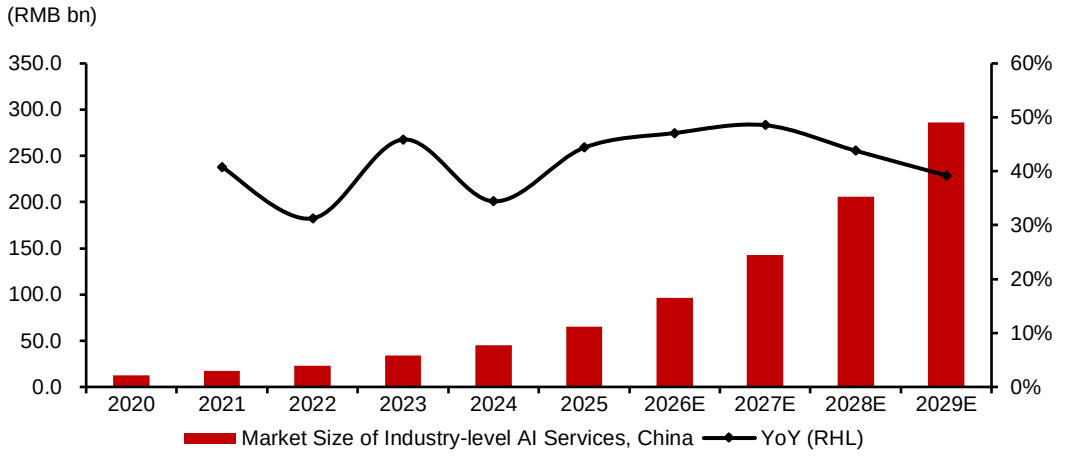
Figure 15: Industry-level AI service: industry chain



Source: Frost & Sullivan, CMBIGM

China's industry-level AI service market size reached RMB45.3bn in 2024, according to Frost & Sullivan. And the market is expected to grow at a 2025-2029E CAGR of 44.6% to RMB286.1bn in 2029E, driven by a number of factors: 1) growing demand from diversified industrial use cases; 2) development of AI agents; 3) favorable policy environment in the AI field.

Figure 16: China: Industry-level AI service market size



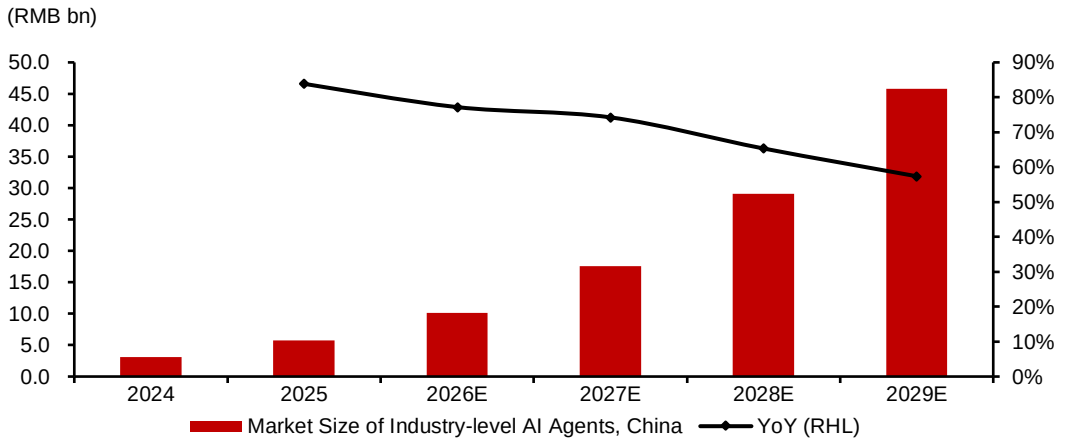
Source: Frost & Sullivan, CMBIGM

Industry-level AI agent market

An industry-level AI agent is an intelligent AI solution built upon LLM to serve industrial applications. We expect industry-level AI agents to drive the digital transformation and intelligent upgrades across sectors in the coming years.

According to Frost & Sullivan, China's industry-level AI agent market size is expected to grow from RMB3.1bn in 2024 to RMB45.8bn in 2029, representing a CAGR of 71.3%. The rapid growth will be driven by the acceleration of enterprise digital transformation, the deployment of industry-vertical AI applications and the maturing of computing power and LLM technologies.

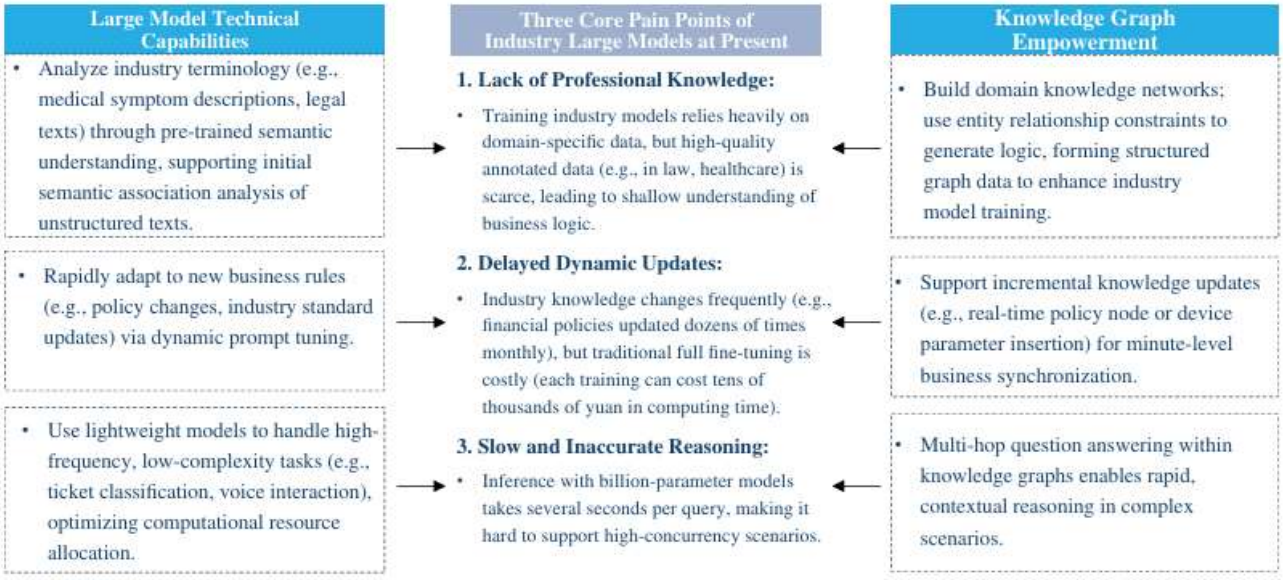
Figure 17: China: Industry-level AI agent market size



Source: Frost & Sullivan, CMBIGM

In the deployment of industry-level AI agents, there are several key bottlenecks that can be addressed by knowledge graph: 1) Graph-LLM Integration technology can optimize LLM training data, improve model evaluation & monitoring, and apply post-processing & strategy optimization approaches, to effectively eliminate hallucination; 2) knowledge graph can build domain knowledge networks, use entity relationship constraints to generate logic, and form structured graph data to enhance industry model training; 3) knowledge graph can support incremental knowledge updates for minute-level business synchronization; 4) multi-hop question answering within knowledge graphs enables rapid, contextual reasoning in complex scenarios.

Figure 18: Graph-LLM Integration to empower industry-level AI agents



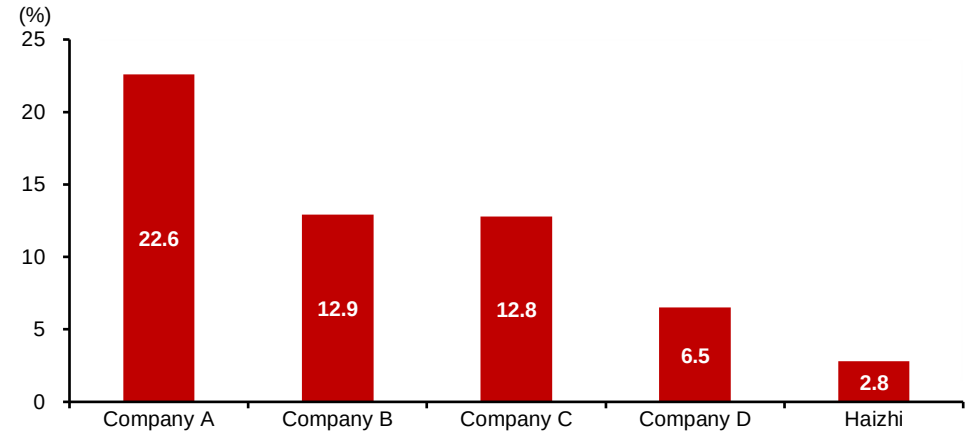
Source: Frost & Sullivan, CMBIGM

Competitive landscape

According to Frost & Sullivan, Haizhi ranked fifth in China's industry-level AI agent market in terms of revenue in 2024, with a 2.8% market share. More specifically, Haizhi led the market in terms of revenue from graph-centric solutions. The Company ranked the top in the industry-level graph-based AI agent market by revenue in 2024.

- **Company A:** A private company, founded in 2020 and headquartered in Beijing, China. It provides enterprise-level cloud computing and AI services, focusing on data analytics and intelligent solutions for digital transformation.
- **Company B:** A listed company, founded in 2014 and headquartered in Beijing, China. It specializes in industrial AI platforms, delivering AI tools for industrial decision-making and operational optimization.
- **Company C:** A private company, founded in 2018 and headquartered in Beijing, China. It operates in fintech services, such as AI credit management and AI wealth management, etc.
- **Company D:** A listed company founded in 2014 and headquartered in Beijing, China. It provides financial institutions with AI solutions, such as intelligent risk control and customer acquisition services, using AI and big data analytics.

Figure 19: China: Industry-level AI agent market share breakdown (2024)



Source: Frost & Sullivan, CMBIGM

Financial forecast

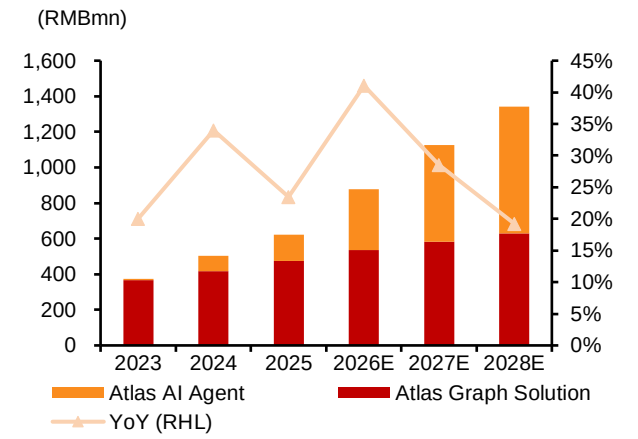
Income statement

Revenue

We expect total revenue to grow by 41%/28%/19% YoY to RMB876/1,126/1,342mn in FY26/27/28E, mainly driven by the robust growth of revenue from Atlas AI Agent (FY25-28E CAGR: 70%), and to a lesser extent, by the growth of revenue from Atlas Graph Solution (FY25-28E CAGR: 10%).

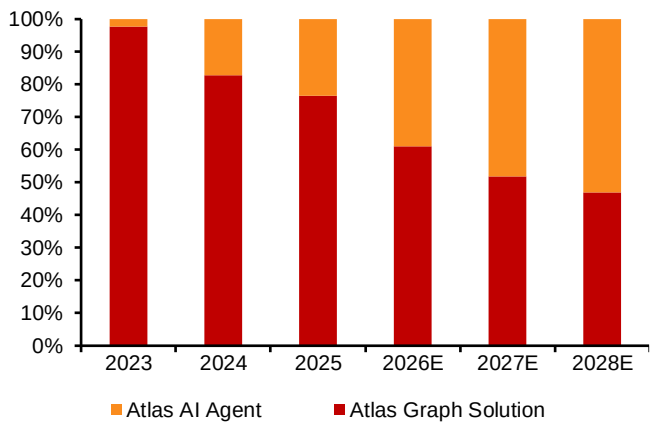
By segment, Atlas AI Agent/Atlas Graph Solution will account for 53%/47% in FY28E based on our estimate (vs. 23%/77% in FY25), as the company allocates more resources to support the development and sales of its AI agent solutions.

Figure 20: Haizhi: revenue forecast



Source: Company data, CMBIGM estimates

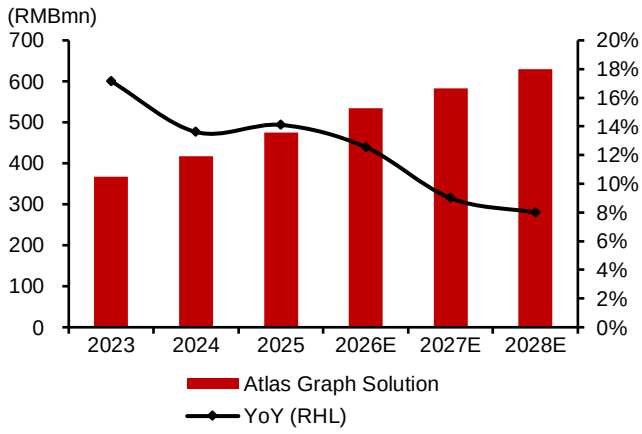
Figure 21: Haizhi: revenue breakdown



Source: Company data, CMBIGM estimates

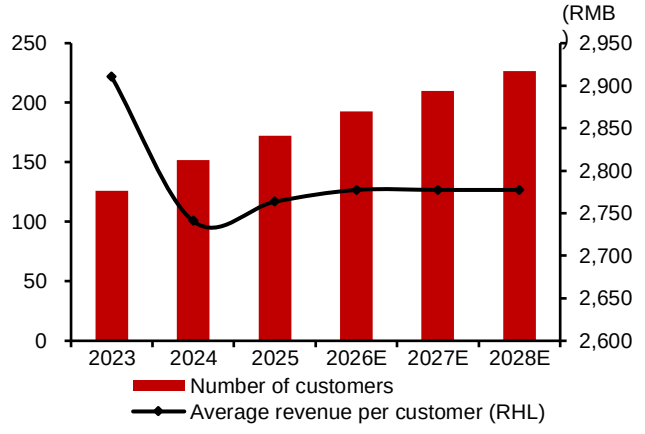
1) Atlas Graph Solution: we estimate revenue from Atlas Graph Solution to deliver a steady CAGR of 10% over FY25-28E, mainly driven by the growth of the number of customers (FY25-28E CAGR of 10%), as Haizhi continues to expand its product offerings and customer reach. The average revenue per customer will remain largely steady at RMB2.78mn in FY28E (vs. FY25: RMB2.76mn), based on our estimates.

Figure 22: Atlas Graph Solution: revenue forecast



Source: Company data, CMBIGM estimates

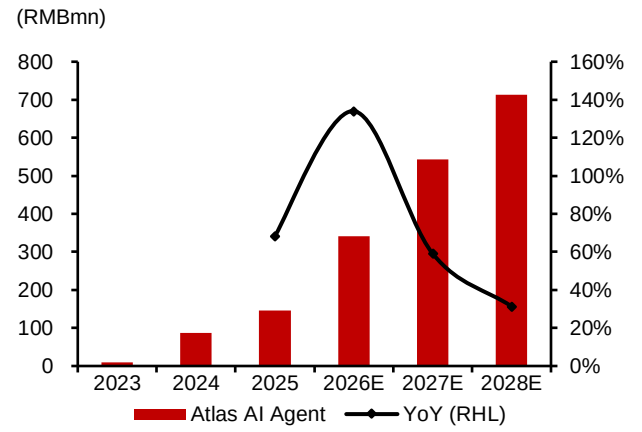
Figure 23: Atlas Graph Solution: customer forecast



Source: Company data, CMBIGM estimates

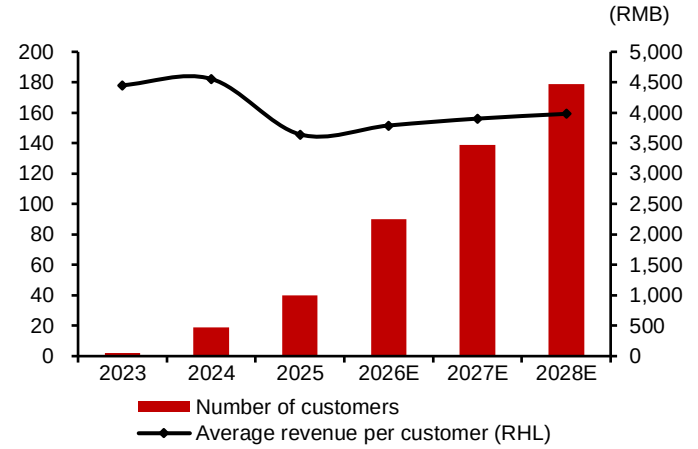
2) Atlas AI Agent: we forecast revenue from Atlas AI Agent to increase by 134%/59%/31% YoY to RMB341/543/713mn in FY26/27/28E, mainly driven by 1) increasing adoption of AI Agent solution by existing customers: we expect the number of Atlas AI Agent customers transferred from existing graph solution customers to increase from 20 in FY25 to 79 in FY28E; 2) acquisition of new AI Agent customers: we expect the number of new Atlas AI Agent customers to grow from 20 in FY25 to 100 in FY28E as the company steps up effort in the R&D and S&M of its AI Agent solutions.

Figure 24: Atlas AI Agent: revenue forecast



Source: Company data, CMBIGM estimates

Figure 25: Atlas AI Agent: customer forecast

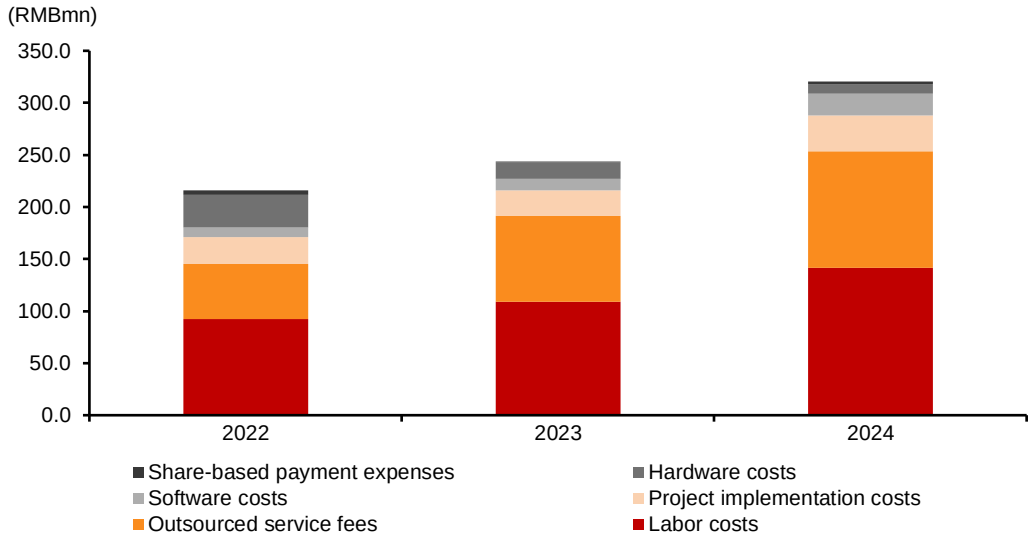


Source: Company data, CMBIGM estimates

Cost structure

Haizhi's cost of sales mainly comprises: 1) labor costs (44% of cost of revenue in 2024) which represents the salaries to the employees directly involved in solution development and service delivery; 2) outsourced service fees (35% of cost of revenue in 2024) which are the service fees paid to outsourced service providers for project implementation; 3) project implementation costs (11% of cost of revenue in 2024) representing traveling expenses and accommodation expenses during project implementation; 4) software and hardware costs (6% and 3% of cost of revenue in 2024), mainly representing the software and hardware procured from third parties.

Figure 26: Haizhi: cost of sales

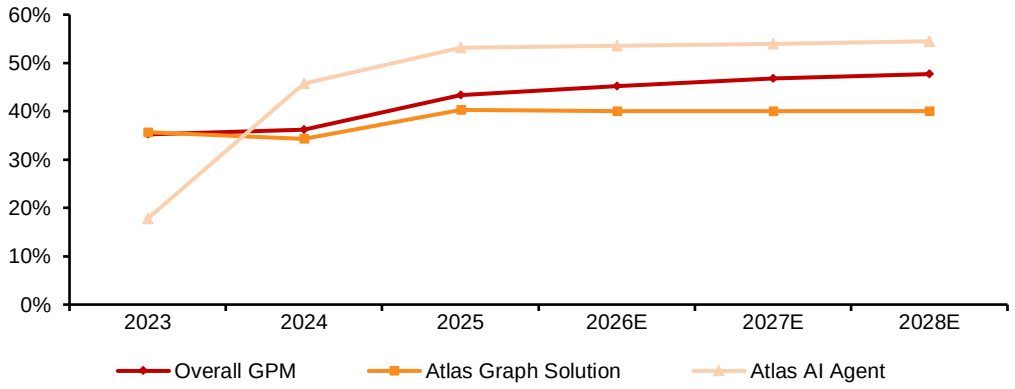


Source: Company data, CMBIGM

Haizhi's overall gross margin improved from 30.9% in 2022 to 43.3% in FY25, primarily attributable to: 1) improved efficiency of project deployment; 2) increased revenue contribution from higher-margin Atlas AI Agent solutions. And we expect gross margin to further rise to 45.3%/46.7%/47.7% in FY26E/27E/28E.

1) **Atlas Graph Solution:** We forecast Atlas Graph Solution's gross margin to remain largely stable at 40.0% over FY26-28E.
2) **Atlas AI Agent Solution:** We expect Atlas AI Agent Solution's gross margin to improve from 53.2% in FY25 to 53.5%/54.0%/54.5% in FY26/27/28E, mainly thanks to the product standardization and efficiency improvement. The company will leverage LLM to enhance the efficiency and reduce the costs of project deployment.

Figure 27: Haizhi: gross profit margin by segment



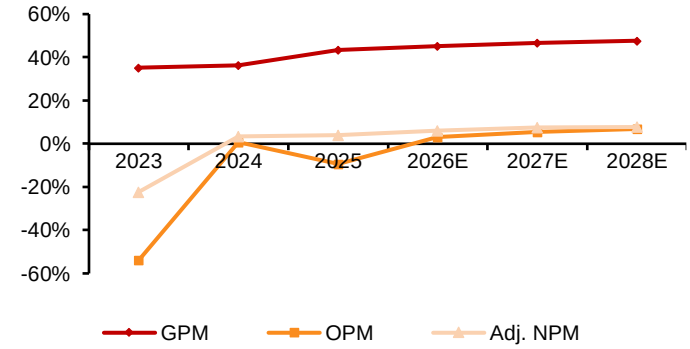
Source: Company data, CMBIGM estimates

Operating expenses

Total operating expense ratio was down from 88.0% in FY22 to 50.0% in FY25, primarily thanks to the operating leverage and improved operating efficiency. We expect total opex ratio to further decline to 41.5%/41.0%/40.5% in FY26/27/28E, as the company continues to optimize G&A expenses, while increasing investment in R&D and S&M to drive product innovation and customer acquisition.

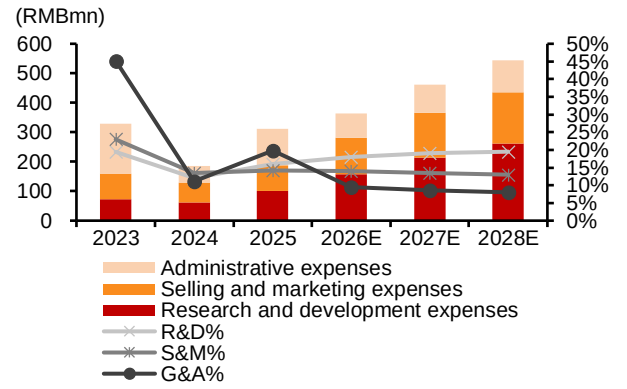
Supported by improved GPM and operating efficiency, we expect adjusted net margin to rise from 3.9% in FY25 to 7.8% in FY28E.

Figure 28: Margin profile



Source: Company data, CMBIGM estimates

Figure 29: Opex breakdown and expense ratio



Source: Company data, CMBIGM estimates

Figure 30: Summary of key assumptions

(RMB000)	2023	2024	2025	2026E	2027E	2028E
1. Atlas Graph Solution	**366,670**	**416,576**	**475,334**	535,036	583,189	629,844
Growth - YoY	*17.1%*	*13.6%*	*14.1%*	*12.6%*	*9.0%*	*8.0%*
As % of total revenue	97.6%	82.8%	76.5%	61.1%	51.8%	46.9%
2. Atlas AI Agent	**8,903**	**86,553**	**145,747**	341,048	542,532	712,629
Growth - YoY		*872.2%*	*68.4%*	*134.0%*	*59.1%*	*31.4%*
As % of total revenue	2.4%	17.2%	23.5%	38.9%	48.2%	53.1%
Revenue	**375,573**	**503,129**	**621,081**	**876,084**	**1,125,721**	**1,342,473**
Growth - YoY	*20.0%*	*34.0%*	*23.4%*	*41.1%*	*28.5%*	*19.3%*
Gross profit	**132,260**	**182,393**	**268,994**	**396,475**	**526,243**	**640,320**
Research and development expenses	(72,706)	(60,681)	(99,860)	(157,695)	(213,887)	(261,782)
As % of total revenue	19.4%	12.1%	16.1%	18.0%	19.0%	19.5%
Selling and marketing expenses	(86,292)	(67,796)	(87,605)	(122,652)	(151,972)	(174,522)
As % of total revenue	23.0%	13.5%	14.1%	14.0%	13.5%	13.0%
Administrative expenses	(169,839)	(55,976)	(123,115)	(83,228)	(95,686)	(107,398)
As % of total revenue	45.2%	11.1%	19.8%	9.5%	8.5%	8.0%
Profit/(Loss) from operations	**(202,312)**	**3,336**	**(57,283)**	**28,520**	**60,194**	**91,920**
Profit/(loss) for the year	**(265,650)**	**(93,733)**	**(205,322)**	**23,652**	**50,407**	**77,228**
Adjusted net (loss)/profit	**(83,704)**	**16,932**	**24,147**	**54,315**	**84,179**	**104,078**
Margins						
Gross margin (%)	35.2%	36.3%	43.3%	45.3%	46.7%	47.7%
OPM (%)	-53.9%	0.7%	-9.2%	3.3%	5.3%	6.8%
Adjusted NPM (%)	-22.3%	3.4%	3.9%	6.2%	7.5%	7.8%

Source: Company data, CMBIGM estimates

Valuation

We derive the equity value of Haizhi from the average PS of enterprise AI solution and data intelligence companies. Our target price of HK$84.5 is based on 34x FY26E PS (total valuation of HK$33.8bn), which is largely on par with the average PS of global enterprise AI solution and data intelligence companies.

Figure 31: Valuation assumptions

	Unit	FY26E
FY26E sales	RMBmn	876
Target PS	(x)	34.0
Equity value	RMBmn	29,787
Equity value	**HK$mn**	**33,849**
Number of shares	mn	400
Target price	**HK$**	**84.5**

Source: Company data, CMBIGM estimates
Note: RMB0.88 = HK$1

Figure 32: Enterprise AI & data solution: peer valuation

Companies	Ticker	Price	Mkt cap	PS		Sales YoY (%)		Sales CAGR
		(LC)	(US$mn)	2026E	2027E	2026E	2027E	2025-2027E
Haizhi	2706 HK	61.2	3,129	24.5	19.1	41%	28%	35%
Palantir	PLTR US	145.9	348,922	48.5	33.6	61%	44%	52%
Xunce	3317 HK	322.6	13,045	39.0	25.4	85%	54%	68%
Mininglamp	2718 HK	230.0	4,287	16.0	12.5	35%	28%	31%
Average				**34.5**	**23.8**			

Source: Bloomberg, CMBIGM
Note: Price as of market close on 20 Apr

Appendix: Company profile

Management background

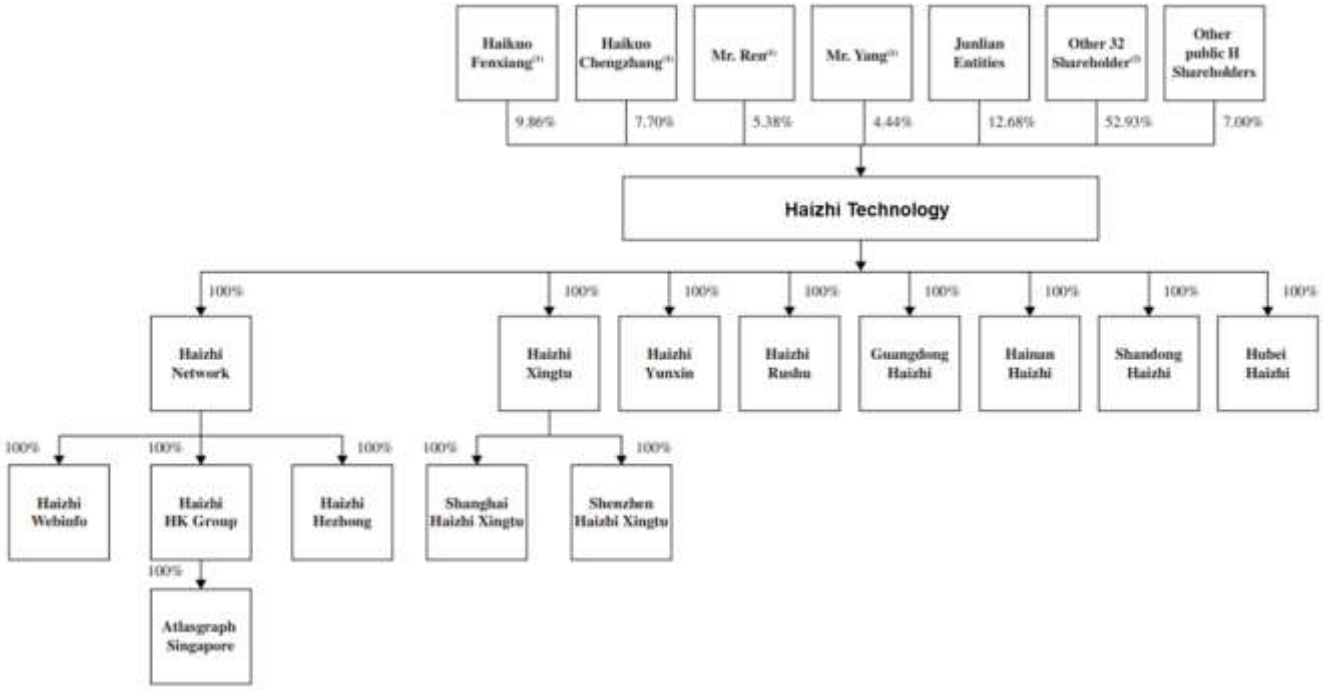
Figure 33: Management background

Name	Position	Age	Background
Mr. Ren Xuyang (任旭阳)	Co-founder, executive director and chairman of the board	51	Mr. Ren joined the Group on August 23, 2013 and was appointed as the chairman of the Board of the Company on July 4, 2023. He was re-designated as the executive Director on June 14, 2025. As the chairman, he provides strategic direction and guidance to the Group. Besides the position in the Group, Mr. Ren worked consecutively at Baidu Inc, a NASDAQ-listed company (stock code: BIDU) from 2001 to 2010 with his last position as vice president. He was primarily responsible for mergers and acquisitions, public relations and marketing, new business development, and strategic partnerships. Since 2020, he has founded Verity Ventures and has served as its chairman and managing partner, focusing on co-building new companies through a venture studio model. Mr. Ren received his master's degree of science in management from Stanford University's Graduate School of Business in June 2011 in the United States.
Mr. Yang Zaifei (杨再飞)	Chief executive officer	51	Mr. Yang joined the Company on April 20, 2019 and was appointed as the Director on the same day. He was re-designated as the executive Director on June 14, 2025. He is primarily responsible for the overall strategic planning, business direction and operational management of the Group. Prior to joining the Group, Mr. Yang worked as a journalist at China Central Television from October 1994 to August 2000, assisting in the production of programs. He then served as the executive director, the supervisor and the general manager at Beijing Hengchengfeihong Trade Co. Ltd. from September 2005 to November 2020. Since April 2019, he has served as a Director at the Company, and since May 2021, he has additionally held the role of Director and chief executive officer.
Ms. Yang Juan (杨娟)	Executive director and deputy general manager	46	Ms. Yang joined the Group on February 9, 2015 and was appointed as the Director on May 26, 2021 and re-designated as the executive Director on June 14, 2025. She is primarily responsible for the operational management and overseas business management of the Group. Prior to joining the Group, she worked as an advisory architect from February 2004 to July 2011 and as a client technical architect from March 2013 to January 2015 at IBM (China) Company Limited. She served as a vice president of Haizhi Network from February 2015 to March 2018. From April 2018 to March 2022, she worked at Haizhi Xingtu. Subsequently, she held the position of vice president at Hainan Haizhi from April 2022 to August 2023. Since September 2023, she has been the general manager of Haizhi Xingtu, responsible for coordinating all company operations. Ms. Yang received her bachelor's degree in computer and application and master's degree in computer application technology, both from Fudan University in July 1999 and July 2002 respectively in the PRC. She received her master's degree in business administration from Hult International Business School in July 2012.
Mr. Wan Pengjiang (万澎江)	Executive director and deputy general manager	41	Mr. Wan joined the Group on June 1, 2015 and was appointed as the Director on July 4, 2023 and re-designated as the executive Director on June 14, 2025. He is primarily responsible for the marketing strategies and operational management of the Group. Prior to joining the Group, Mr. Wan worked at Cognos from July 2005 to April 2008. From May 2008 to May 2015, he worked as a client technical specialist in software development at IBM China, responsible for providing solutions, implementing projects, and driving marketing sales for IBM China's business analytics software. Mr. Wan received a bachelor's degree in computer science and technology from School of Electronic and Computer Engineering (currently known as Beijing Information Science and Technology University) in June 2005 in the PRC. He received a master's degree in business administration from China Europe International Business School in November 2024 in the PRC.

Source: Company data, CMBIGM

Shareholding structure

Figure 34: Shareholding structure following the IPO



Source: Company data, CMBIGM

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Revenue	**376**	**503**	**621**	**876**	**1,126**	**1,342**
Cost of goods sold	(243)	(321)	(352)	(480)	(599)	(702)
Gross profit	**132**	**182**	**269**	**396**	**526**	**640**
Operating expenses	**(335)**	**(179)**	**(326)**	**(368)**	**(466)**	**(548)**
Selling expense	(86)	(68)	(88)	(123)	(152)	(175)
Admin expense	(170)	(56)	(123)	(83)	(96)	(107)
R&D expense	(73)	(61)	(100)	(158)	(214)	(262)
Others	(6)	5	(16)	(4)	(5)	(5)
Operating profit	**(202)**	**3**	**(57)**	**29**	**60**	**92**
Gain/loss on financial assets at FVTPL	0	0	2	0	0	0
Interest expense	(1)	(0)	(1)	(1)	(1)	(1)
Others	(69)	(98)	(147)	0	0	0
Pre-tax profit	**(272)**	**(95)**	**(203)**	**28**	**59**	**91**
Income tax	6	1	(2)	(4)	(9)	(14)
After tax profit	**(266)**	**(94)**	**(205)**	**24**	**50**	**77**
Net profit	**(266)**	**(94)**	**(205)**	**24**	**50**	**77**
Adjusted net profit	**(84)**	**17**	**24**	**54**	**84**	**104**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Current assets	**1,022**	**597**	**887**	**1,580**	**1,710**	**1,841**
Cash & equivalents	198	176	443	1,064	1,156	1,283
Restricted cash	3	105	22	22	22	22
Account receivables	113	201	292	330	339	323
Inventories	127	75	78	107	133	156
Prepayment	558	18	26	30	30	29
Contract assets	23	21	25	29	29	28
Non-current assets	**41**	**36**	**49**	**57**	**65**	**73**
PP&E	3	2	7	12	19	27
Right-of-use assets	17	7	11	12	12	13
Deferred income tax	15	16	13	13	13	13
Investment in JVs & assos	0	1	1	1	1	1
Other non-current assets	6	10	17	19	19	19
Total assets	**1,063**	**634**	**936**	**1,638**	**1,776**	**1,914**
Current liabilities	**2,275**	**1,974**	**2,368**	**374**	**428**	**462**
Account payables	73	119	143	195	243	285
Other current liabilities	2,040	1,764	2,130	73	74	71
Lease liabilities	4	3	3	3	3	3
Contract liabilities	158	89	92	104	107	102
Non-current liabilities	**21**	**10**	**20**	**20**	**21**	**21**
Deferred income	8	4	11	11	11	11
Other non-current liabilities	13	5	9	9	10	10
Total liabilities	**2,296**	**1,984**	**2,388**	**395**	**448**	**483**
Share capital	32	33	37	37	37	37
Other reserves	(1,266)	(1,384)	(1,489)	1,206	1,290	1,394
Total shareholders equity	**(1,234)**	**(1,351)**	**(1,451)**	**1,243**	**1,327**	**1,431**
Total equity and liabilities	**1,063**	**634**	**936**	**1,638**	**1,776**	**1,914**

CASH FLOW	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Operating						
Profit before taxation	**(272)**	**(95)**	**(203)**	**28**	**59**	**91**
Depreciation & amortization	5	5	5	1	1	1
Tax paid	0	(1)	0	(4)	(9)	(14)
Change in working capital	(70)	(65)	(82)	(4)	15	30
Others	196	117	224	31	35	28
Net cash from operations	**(140)**	**(39)**	**(55)**	**51**	**101**	**137**
Investing						
Capital expenditure	(1)	(2)	(6)	(6)	(8)	(9)
Others	0	0	(18)	0	0	0
Net cash from investing	**(1)**	**(2)**	**(24)**	**(6)**	**(8)**	**(9)**
Financing						
Proceeds from share issues	251	30	350	577	0	0
Others	6	(11)	(4)	(1)	(1)	(1)
Net cash from financing	**256**	**19**	**346**	**576**	**(1)**	**(1)**
Net change in cash						
Cash at the beginning of the year	81	198	176	443	1,064	1,156
Exchange difference	1	(1)	(0)	0	0	0
Cash at the end of the year	**198**	**176**	**443**	**1,064**	**1,156**	**1,283**

GROWTH	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Revenue	20.0%	34.0%	23.4%	41.1%	28.5%	19.3%
Gross profit	36.5%	37.9%	47.5%	47.4%	32.7%	21.7%
Operating profit	na	na	na	na	111.1%	52.7%
Net profit	na	na	na	na	113.1%	53.2%
Adj. net profit	na	na	42.6%	124.9%	55.0%	23.6%

PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Gross profit margin	35.2%	36.3%	43.3%	45.3%	46.7%	47.7%
Operating margin	(53.9%)	0.7%	(9.2%)	3.3%	5.3%	6.8%
Adj. net profit margin	(22.3%)	3.4%	3.9%	6.2%	7.5%	7.8%
Return on equity (ROE)	na	na	na	na	3.9%	5.6%

GEARING/LIQUIDITY/ACTIVITIES	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Current ratio (x)	0.4	0.3	0.4	4.2	4.0	4.0
Receivable turnover days	35.2	33.4	31.8	30.2	28.7	27.2
Inventory turnover days	3.1	3.1	3.1	3.1	3.1	3.1
Payable turnover days	26.6	26.6	26.6	26.6	26.6	26.6

VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/E	na	na	ns	902.3	423.4	276.3

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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