

THE OIC GROUP

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Monthly Report

March 2026



OIC Research Group | Analyst Group Report

Director: Varrel Wijaya Analysts: Shierina Sayogo & Tiffany Joyceliem

March 2026

Beijing Haizhi Technology Secures HK\$758M (US\$97M) Through Hong Kong IPO

Transaction Summary

IPO Date	February 13, 2026
Issuance Platform	HKEX
Listing Structure	Initial Public Offering (IPO)
Offered Price	HK\$27.06 (US\$3.46)
Opening Price	HK\$82.30 (US\$10.53)
Closing Price	HK\$92.60 (US\$11.85)
Current Price	HK\$78.00 (US\$9.98)
Offer Size	28,030,200 Shares
IPO Allocation	Hong Kong Offer Shares (10%) International Offer Shares (90%)
Cornerstone Investors	<ul style="list-style-type: none"> JSC International Jingsheng Hengxing Infini Capital / Infini (Wuji Capital) Mega Prime
Bookrunners	<ul style="list-style-type: none"> CMB International Capital BOC International (BOCI) Shenwan Hongyuan Capital (Hong Kong)

Use of Funds

- **Research and Development (45%)**: Enhancement of graph-model fusion technology and further development of the company's AI capabilities.
- **Atlas Intelligent Agent Platform Development (20%)**: Optimization and continuous improvement of the Atlas intelligent agent platform.
- **Market Expansion and Client Development (15%)**: Expanding application scenarios, strengthening cooperation with existing customers, and developing markets in Hong Kong and Singapore.
- **Strategic Investments and Acquisitions (10%)**: Pursuing potential strategic investments, mergers, and acquisitions to support long-term growth.
- **Working Capital and General Corporate Purposes (10%)**: Supporting daily operations and other general corporate needs.

Expected Dilutive Effect

- Following the IPO, the total number of outstanding shares increased to approximately **400.43 million shares**, resulting in **ownership dilution for existing shareholders** due to the issuance of new shares to the public. However, the capital raised from the IPO is expected to support the company's future growth and business expansion.

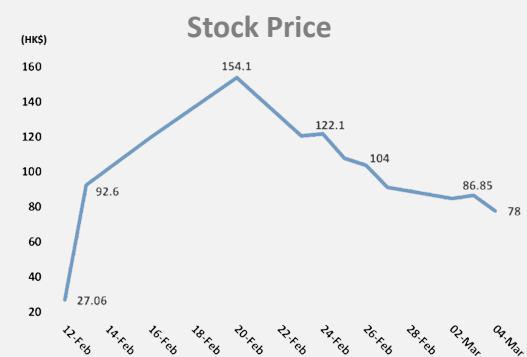
Company Overview



Beijing Haizhi Technology Group Co Ltd (HKEX: 2706)

Beijing Haizhi Technology Group Co., Ltd. is an artificial intelligence (AI) company based in Beijing, China, specializing in **knowledge graph technology and data intelligence solutions**. The company develops AI-powered platforms that help organizations analyze large volumes of data and generate actionable insights. Haizhi's products are mainly used by enterprises and institutions across industries such as **financial services, government, internet platforms, and manufacturing**, supporting applications like **risk management, fraud detection, and business analytics**.

Founded Year	2013
HQ	Beijing, China
Sector	Artificial Intelligence
Market Cap	HK\$31.23B (US\$ 3.99B)
LTM Revenue	RMB540.41M (US\$75.1M)
LTM EBITDA	-RMB29.14M (-US\$4.05M)
LTM EV/EBITDA	-1,445.6x
LTM EV/sales	54.7x



Product / Services

Beijing Haizhi Technology provides **AI-powered data intelligence solutions** based on **knowledge graph technology**, including the Atlas Graph Solution and Atlas Intelligent Agent, to help enterprises analyze complex data and improve **decision-making**.

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Revenue Breakdown

Product Segments

- **Atlas Graph Solutions** is the company's **largest revenue contributor**, accounting for the majority of total revenue. The platform includes a **graph database, knowledge graph platform**, and related data analytics tools that enable enterprises to analyze complex relationships within large datasets. It is widely used across industries such as financial services, government, manufacturing, and internet platforms for applications including risk management, fraud detection, data governance, and intelligent decision-making. In **FY2024**, Atlas Graph Solutions generated approximately **RMB416.6M (US\$58.324M)**, representing about **82.8% of the company's total revenue**.
- **Atlas Intelligent Agent** is the company's **second key revenue stream**, an AI platform that integrates **knowledge graph technology with large language models (LLMs)** to help enterprises automate tasks, enhance data analysis, and improve operational efficiency. As a newer product line with strong growth potential, it generated approximately **RMB86.6M (US\$12.124M) in FY2024**, contributing about **17.2% of total revenue**.

Geographic Revenue Distribution

- Geographically, the company's revenue is highly concentrated in **Mainland China**, which accounts for almost all of its sales. In **FY2024**, about **RMB501.3M (US\$70.182M)**, or roughly **99.6% of total revenue**, came from Mainland China, while **Hong Kong contributed only around RMB1.8M (US\$0.252M)**, representing about **0.4%** of revenue.

Target Customer

Customer Industry Distribution

Beijing Haizhi primarily serves **enterprise and institutional clients across data-intensive industries** such as financial services, government, telecommunications, energy, and manufacturing. The company has a **relatively concentrated customer base, with the top five customers accounting for about 32.1% of total revenue as of the first nine months of 2025**, indicating that a significant portion of revenue depends on a small number of large enterprise clients. Overall, Beijing Haizhi has collaborated with **more than 360 enterprise customers across over 100 application scenarios**, including applications such as fraud prevention, risk identification, and smart manufacturing.

Industries served include:

- **Financial institutions (banks, fintech companies):** using AI for fraud detection, risk identification, and anti-money-laundering analysis.
- **Energy companies:** using AI for data governance, risk monitoring, and operational analytics.
- **Intelligent manufacturing enterprises:** using AI for production optimization, equipment monitoring, and predictive maintenance.
- **Transportation and logistics companies:** using AI for route optimization, traffic analysis, and operational efficiency.
- **Healthcare organizations:** using AI for medical data analysis, patient risk identification, and healthcare management.
- **Government and public service institutions:** using AI for data governance, smart city analytics, and public service optimization

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Macro Overview

Geopolitics

- Escalating geopolitical tensions between the **United States and Iran** have increased risks to global energy supply chains, particularly around the **Strait of Hormuz**, a key maritime chokepoint that handles **around 20–25% of global seaborne oil trade**.
- Recent conflict in the region has disrupted tanker traffic and pushed **Brent crude prices up by approximately 13–15% to around US\$84 per barrel**, highlighting the vulnerability of global energy markets to geopolitical shocks.
- Oil price volatility increases uncertainty across global supply chains and **raises operating costs** for energy-intensive industries.

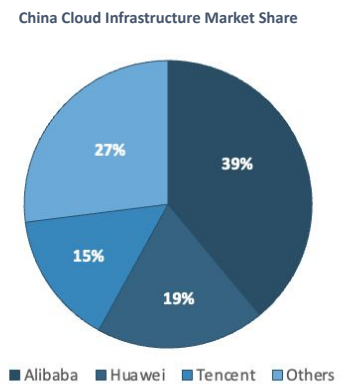
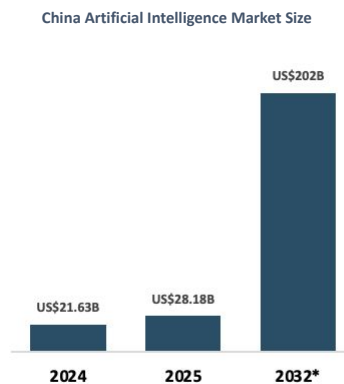
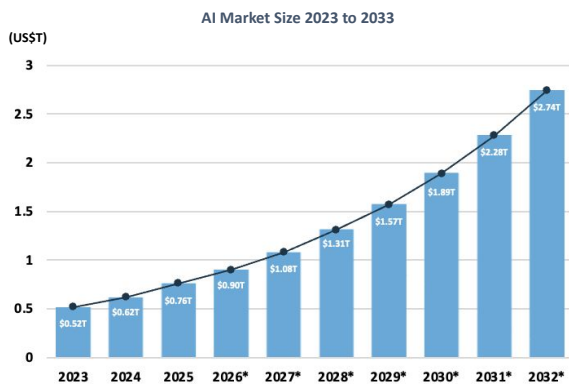
Energy Constraint

- Asia is particularly exposed to disruptions in the Strait of Hormuz, as **more than half of East Asia's oil imports pass through the route**, making countries in the region vulnerable to supply shocks.
- China imported approximately **11.1 million barrels of crude oil per day in 2024**, making it the **largest crude oil importer globally**, with more than **70% of its oil consumption reliant on imports**.
- Rising oil prices may increase **electricity generation costs and energy prices in China**, potentially raising operating costs for electricity-intensive industries.

AI Infrastructure Growth

- The rapid development of artificial intelligence is driving strong growth in data-centre infrastructure, which requires **substantial electricity consumption to support AI** training and inference workloads.
- Global data centres consumed approximately **415 TWh of electricity in 2024**, and electricity demand is projected to increase to around **945 TWh by 2030** as AI adoption accelerates.
- Rising electricity demand from AI infrastructure may **place additional pressure on energy supply and increase operating costs** for data-centre operators.

Industry Overview



Industry Growth Outlook

- The **global artificial intelligence (AI) market** is experiencing rapid expansion, driven by increasing adoption of AI technologies across industries.
- The global AI market was valued at approximately **USD 638 billion in 2024** and is expected to reach **USD757B in 2025**, reflecting strong adoption across sectors.
- The market is projected to continue expanding significantly, reaching **over USD467B in AI software alone by 2030**, supported by enterprise AI adoption and generative AI development.

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Market Profile

- China has emerged as one of the **fastest-growing AI markets globally**, supported by strong government initiatives and digital infrastructure.
- China's AI market was valued at **USD21.63B in 2024** and is projected to grow to **USD202B by 2032**, representing a **CAGR of about 32.5%**.
- The Chinese government aims for the country's AI industry to exceed **RMB1T (US\$140B) by 2030**, highlighting strong policy support for AI development.
- AI technologies are widely used in sectors such as **finance, healthcare, smart cities, and enterprise analytics**.

Competitive Landscape

- China has developed a large and rapidly expanding AI ecosystem, with **more than 4,300 artificial intelligence companies operating in the country as of 2024**, making it one of the largest AI markets globally.
- The industry is led by major technology firms including **Alibaba, Tencent, Baidu, and Huawei**, which dominate AI infrastructure and cloud computing. These companies collectively account for a significant share of China's cloud and AI infrastructure market.
- For example, **Alibaba Cloud held approximately 39% of China's cloud infrastructure market in 2023**, followed by **Huawei Cloud (19%) and Tencent Cloud (16%)**, highlighting the concentration of computing infrastructure among large technology firms.
- In addition to large technology companies, a growing number of specialized firms focus on **enterprise AI applications, data intelligence, and knowledge-graph technologies**, targeting industries such as finance, government services, and smart city development.
- Competition in the industry is driven by **access to computing infrastructure, technological capabilities in AI model development, and the ability to deploy scalable enterprise AI solutions** across multiple industries.

Operating Metrics

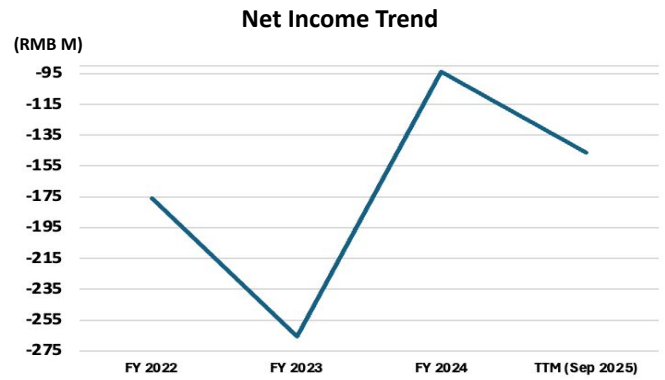
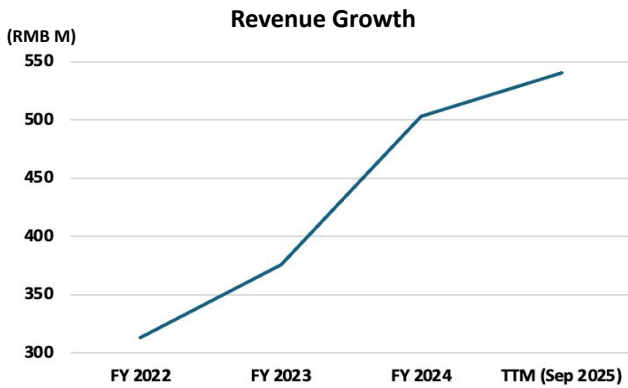
Financial Performance (RMB M)

Metric	TTM (Sep 2025)	FY 2024	FY 2023	FY 2022
Revenue	540.41	503.13	375.57	312.99
Gross Profit	221.16	182.39	132.36	96.86
Operating Income	(30.17)	3.96	(102.42)	(177.92)
Net Income	(146.38)	(93.73)	(265.65)	(175.78)
EPS	(0.19)	(0.25)	-	-
Free Cash Flow	(78.51)	(40.06)	(140.62)	(163.79)
EBITDA	(29.14)	5.29	(101.03)	(176.76)

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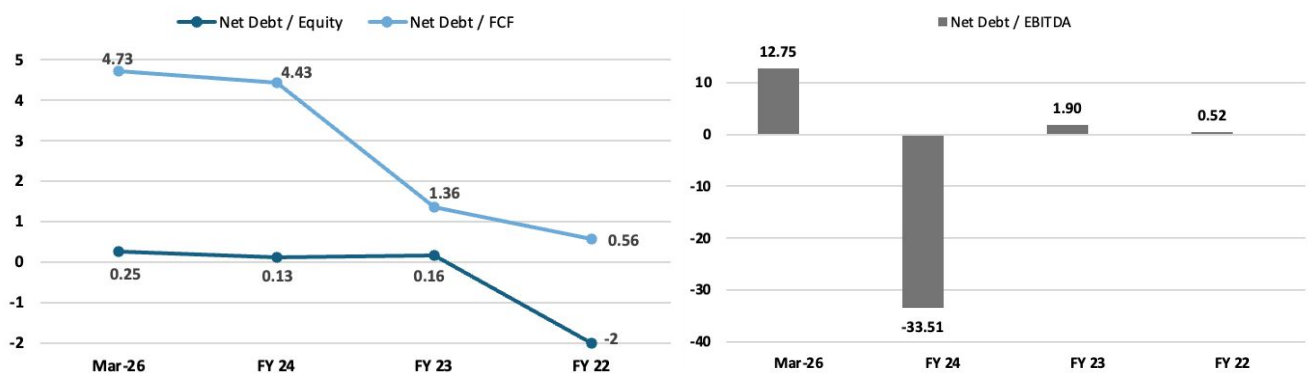
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- **Consistent revenue growth:** Revenue increased steadily from **RMB 312.99M (FY2022)** to **RMB 540.41M (TTM Sep 2025)**, indicating strong top-line expansion and growing adoption of the company's AI solutions.
- **Improving but volatile operating performance:** Operating income improved significantly from large losses in **FY2022–FY2023** to a **small profit in FY2024**, but turned negative again in **TTM Sep 2025**, suggesting profitability remains unstable.
- **Persistent net losses:** Despite revenue growth, the company continues to generate **net losses across all periods**, indicating that the business has not yet achieved sustainable profitability.
- **Weak cash flow profile:** Free cash flow remains **consistently negative**, highlighting ongoing cash burn and heavy investment requirements to support growth.
- **Temporary EBITDA improvement:** EBITDA briefly **turned positive in FY2024**, but reverted to **negative in TTM Sep 2025**, suggesting that operating efficiency improvements are not yet stable.
- **Negative earnings per share:** EPS remains **negative**, reflecting continued losses and limited near-term shareholder earnings.

Leverage / Coverage



- **Low financial leverage:** The company maintains **low leverage levels, with Net Debt / Equity remaining below 0.3x in most periods**, indicating limited reliance on debt financing and a relatively conservative capital structure.
- **Strong cash position in earlier years:** Negative **Net Debt / Equity in FY2022 (-2.0x)** suggests the company held more cash than debt, reflecting a strong liquidity position prior to subsequent financing or operational changes.
- **Volatile debt servicing capacity:** The **Net Debt / EBITDA ratio fluctuates significantly**, ranging from **0.52x in FY2022** to **12.75x in Mar-2026**, reflecting unstable earnings and limited operating profitability to support debt repayment.
- **Weak cash flow coverage:** The **Net Debt / FCF ratio remains relatively high**, particularly **4.73x in Mar-2026**, indicating that free cash flow generation is insufficient to comfortably cover outstanding debt.

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Comparable Analysis

Company name	Ticker	Market Cap (US\$)	EV/Sales	EV/EBITDA	P/S
Beijing Haizhi Technology Group Co Ltd	HKG:2706	31.27B	52.26x	-934.24x	50.86x
Kingdee International Software Group Company Limited	HKG:0268	4.31B	3.95x	102.12x	4.38x
Knowledge Atlas Tech Joint	HKG:2513	231.84B	431.11x	-60.21x	431.02x
Ming Yuan Cloud Group Holdings Limited	HKG:0909	4.36B	0.09x	-3.28x	2.92x
Phancy Group Co, Ltd	HKG:6682	19.32B	2.40x	-50.73x	2.61x
SenseTime Group Inc.	HKG:0020	91.36B	17.35x	-4.47x	16.02x
Automated Systems Holdings Limited	HKG:0771	679.93M	0.01x	0.08x	0.28x
Mean			72.45x	-135.82x	72.58x
Median			3.95x	-4.47x	4.38x

Precedent Transaction

Offering Date	Company	Ticker	Amount Raised (US\$)	EV/Sales	EV/EBITDA
February 13, 2026	Beijing Haizhi Technology Group Co Ltd	HKG:2706	83.79M	52.26x	-934.24x
October 24, 2024	Horizon Robotics	HKG:9660	696M	28.73x	39.05
April 24, 2024	Mobvoi Inc.	HKG:2438	44.3M	0.01x	0.08x
September 27, 2023	Phancy Group Co, Ltd	HKG:6682	280M	2.40x	-50.73x
December 20, 2021	SenseTime Group Inc.	HKG:0020	740M	17.35x	-4.47x
Mean				20.43x	-191.08x
Median				17.35x	-4.99x

Comparable Analysis Overview

- Extreme Premium Valuation relative to Sector Medians:** Beijing Haizhi's **EV/Sales multiple of 52.26x** is **substantially higher than** the peer **median of 3.95x**, indicating that the company is valued at a significant premium compared to comparable AI and technology firms listed in Hong Kong. This premium reflects strong market expectations for future growth within the AI industry, despite the company currently reporting **negative EBITDA**.
- Beijing Haizhi aligns with High-Growth Precedent Transactions:** Both comparable company analysis and precedent transactions indicate that many AI companies report **negative EV/EBITDA multiples**, highlighting persistent profitability challenges due to significant investments in R&D and expansion. Beijing Haizhi's recent transaction at an **EV/Sales multiple of 52.26x**, significantly exceeds the precedent transaction **median of 17.35x**. Again, this premium suggests **strong market expectations for the company's future growth** and strategic positioning in the AI industry. The company's **negative EV/EBITDA** multiple further indicates that it remains in a heavy investment phase, prioritizing scale, and market expansion over short-term profitability.

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Market Reaction

The market response to Beijing Haizhi Technology Group has been marked by intense pre-offering demand and a sharp post-listing price rally, reflecting strong investor enthusiasm AI-driven growth.

Pre-Offering:

Strong enthusiasm for artificial intelligence companies. However, there were concerns regarding the company's profitability and the sustainability of its high valuation.

- **Strong investor interest in AI sector:** Investor enthusiasm for Beijing Haizhi was largely supported by **strong growth expectations in China's AI industry**. The industry-level AI solutions market is projected to expand from **RMB 65.4B (US\$9.5B)** in 2025 to **RMB 286.1B (US\$41.5B)** by 2029, representing a **CAGR of approximately 44.6%**. The retail tranche of the IPO was **oversubscribed by around 5,065 times**, attracting more than **232,000** applications and demonstrating strong speculative demand from individual investors.
- **Attractive technological positioning in graph-LLM integration:** Beijing Haizhi attracted attention due to its **technological focus on integrating knowledge graphs with large language models (LLMs)** to reduce hallucination risks in AI outputs. The company is also recognized as a leading provider of graph-based AI agents in China with an **estimated market share of around 50%**.
- **Positive revenue growth prospect:** The company's revenue growth also reinforced investor interest prior to the listing. Beijing Haizhi's revenue increased from **RMB 313.0M (US\$45.4M)** in 2022 to **RMB 503.1M (US\$72.9M)** in 2024, representing a **CAGR of approximately 26.8%**. This steady growth supported the broader investment narrative of a high-growth AI company benefiting from rising enterprise adoption of AI solutions.
- **Established enterprise customer base and commercialization progress:** As of September 30, 2025, the company had collaborated with over **360 customers across more than 100 application scenarios**, including fraud prevention, risk identification, and smart manufacturing. This demonstrates that the company's technology had already achieved practical enterprise applications rather than remaining purely experimental.

Post-Offering:

The market reaction to Beijing Haizhi Technology Group following its debut has been exceptionally bullish, characterized by explosive price growth and a dominant positioning within the AI sector. Investors have largely rallied behind its unique integration of Knowledge Graphs and Large Language Models, driving the stock to new peaks in its first weeks of trading.

- **Speculative Demand:** On its first day of trading, **shares** soared **242%** to close at **HK\$92.60 (US\$11.85)**, eventually peaking at **HK\$154.40 (US\$19.8) (400%+ gain)** by February 20. This performance was fueled by **intense trading volume and broader enthusiasm** for AI Large Model leaders, positioning Haizhi alongside top-tier peers like Knowledge Atlas and MiniMax.
- **Valuation Sustainability and Growth Metrics:** While the rapid climb sparked debate over a valuation exceeding **HK\$11B (US\$1.41B)**, the sentiment shifted from speculative hype to high-growth as fundamental data emerged. Investors were particularly moved by the **9x revenue growth** of its **Atlas Intelligent Agent in 2024** and its **50% market share** in the graph-centric AI agent niche.
- **Sector Momentum and Competitive Scrutiny:** The stock remains an important indicator of momentum in the AI industry, but it continues to face scrutiny over the competitive market. Although the **company is a leader in graph-centric AI**, its market share in **the broader industry-level AI agent market** is only **2.8%**. This means it still competes with major internet companies and **more than 500 other players**, making its performance sensitive to overall sector volatility.
- **Post-IPO R&D investment strategy:** After the offering, investor attention also focused on the company's plan to **reinvest IPO proceeds into technology development**. Approximately **45% of the IPO proceeds will be allocated to research and development to enhance graph-LLM integration technologies**, while **20% will be used to further develop the Atlas AI agent platform**. These investments signal the company's commitment to strengthening its technological capabilities and sustaining long-term growth in the enterprise AI market.

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Catalysts

Full-stack product ecosystem enabling cross-selling

- Beijing Haizhi operates a **full-stack ecosystem spanning graph solutions (data foundation) and AI agents (application layer)**, allowing it to serve the complete data enterprise stack. Its solutions work in synergy to **transform raw data into structured knowledge and enable intelligent automation**, making them deeply embedded in customer operations. This integrated approach drives natural **cross-selling and upselling, increasing customer retention and lifetime value**.

Technological edge in Graph-LLM integration

- Unlike generic LLM-based solutions that often produce untraceable or inaccurate outputs, Haizhi's approach **significantly reduces hallucinations** while **improving accuracy and logical consistency**. This enables more reliable deployment in cases where accuracy is critical. Backed by real-world enterprise data, this creates a technological moat that **autonomous LLM competitors struggle to replicate**.

Large enterprise client base with high use-case penetration

- Beijing Haizhi serves a diversified base of **360+ enterprise and institutional clients across financial services, government, telecom, energy, and manufacturing**, with **revenue highly concentrated in Mainland China (~99.6%)**. Its solutions are integrated across **100+ application scenarios**, enabling **deployment in multiple functions such as fraud detection, risk management, and data governance** within the same client.

Potential Downside & Risks

Customer concentration risk

- The company relies heavily on a **limited number of major clients**. In the first **nine months of 2025**, the **five largest customers** accounted for **32.1% of total revenue**. This concentration exposes the company to significant risk in terms of revenue volatility. The loss of any key customer, for example delays in project execution or reductions in spending by major clients could materially impact the company's financial performance.

Long and volatile sales cycle

- The company's revenue model is **project-based** and largely **non-recurring**, which results in **long sales and implementation cycles**. On average, projects last approximately **300 days for Atlas Graph Solutions and 160 to 220 days for Atlas AI Agents**. These extended project timelines can lead to **uneven revenue recognition and substantial fluctuations** in financial performance across reporting periods. As a result, the company may experience volatility in quarterly or annual results, which could affect investor confidence and valuation.

Elevated valuation relative to peers

- Beijing Haizhi trades at a **significant premium (~52x EV/Sales vs ~3.9x peers)** and **surged >200% on debut (~4x IPO price)**, leaving **limited upside** and weakening risk to reward. Despite strong growth, the company remains unprofitable with negative cash flow and faces intense competition in China's AI market. Current pricing implies high expectations not yet fully supported, exposing the stock to **potential multiple compression**.

Conclusion

Beijing Haizhi's IPO reflects **strong investor enthusiasm for artificial intelligence companies**, supported by **the rapid expansion of China's enterprise AI market** and **the firm's technological positioning in knowledge graph-LLM integration**. The company has demonstrated steady revenue growth positioning it to benefit from the growth of China's industry-level AI solutions market. However, the firm continues to **report persistent net losses** and **negative free cash flow**, indicating that sustainable profitability has not yet been achieved.

Thus our recommendation is:

- Downweight:** Despite favorable industry growth, continuous net losses, negative free cash flow, customer concentration, and long project-based sales cycles may create earnings volatility and raise concerns regarding valuation sustainability in the near term

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