STRIDER x SPECIAL COMPETITIVE STUDIES PROJECT

JUNE 2025

CHINA'S AI INFRASTRUCTURE SURGE

How PRC Data Centers and AI Models Bridge Military Ambitions and Global Connections

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STRIDER x SPECIAL COMPETITIVE STUDIES PROJECT

ABOUT THE COLLABORATING ORGANIZATIONS

Strider—the leading provider of strategic intelligence—and the Special Competitive Studies Project (SCSP)—a non-partisan, non-profit initiative dedicated to strengthening America's long-term competitiveness in artificial intelligence (AI) and other emerging technologies—entered a partnership to advance research and analysis on the AI competition between the United States and the People's Republic of China (PRC).

Within this partnership, designed to leverage their respective strengths, Strider contributed vast proprietary data and analytical capabilities, while SCSP provided subject-matter expertise on national security and policy and AI. The collaboration resulted in this joint report, which offers comprehensive insights into PRC investments and capabilities in AI, particularly its infrastructure and strategic objectives.

The Strider-SCSP partnership exemplifies a mission-driven collaboration between a private sector intelligence firm and a strategic policy organization. By combining proprietary data with technology and policy expertise, Strider and SCSP aim to produce a high-impact, evidence-based report that sheds light on China's AI ambitions and infrastructure to ultimately inform policymakers and strategic stakeholders.

EXECUTIVE SUMMARY

The People's Republic of China (PRC) is executing a state-directed campaign to dominate global artificial intelligence (AI) through infrastructure expansion, military-civil fusion, and targeted overseas engagement. Under the leadership of the Chinese Communist Party (CCP), the PRC views AI as a foundational strategic technology—central to both economic transformation and military modernization.

AI infrastructure is the engine of this ambition. To meet its 2025 goal of deploying 105 EFLOPS[1] of AI compute, the PRC has launched a sweeping national buildout of data centers,[2] as well as an accompanying economic support system for AI developers.

- As of mid-2024, the PRC has built or announced the intention to build more than 250 AI data centers across all regions of China, according to a PRC government-affiliated research institute.[3]
- This report identifies more than 750 EFLOPS of projected overall compute capacity—well above official targets.
- This report also reveals that at least 88 of the 856 stakeholder entities involved in the PRC's AI data center buildout have documented ties to either the People's Liberation Army (PLA), the PRC's defense industrial base, or U.S.-sanctioned organizations.

The PLA is a central beneficiary of this hardware and software infrastructure. New, large-scale AI data centers are servicing military applications, while Chinese developers are offering AI products for unmanned systems and intelligent command platforms. PRC planners are also looking over the horizon and have ambitions to develop "embodied intelligence"[4] systems that seamlessly operate in the real world, portending an even greater demand for compute capacity and software resources in the future.

The implications of the PRC's AI infrastructure buildout for the U.S. and its allies are profound. This strategy is not a market trend—it is a state-driven, globally networked campaign to gain enduring asymmetric advantage. It is reshaping the AI race by fusing commercial capacity with geopolitical intent.

To safeguard technological leadership, the U.S. must match the urgency of China's AI infrastructure strategy with a coherent, whole-of-nation response.

[1] The 105 EFLOPS goal reflects the PRC's target of dedicating 35% of its planned 300 EFLOPS compute capacity to AI by 2025. EFLOPS stands for ExaFLOPS, which is a unit of measurement for the speed of a computer system, equal to one quintillion (1,000,000,000,000,000) floating-point operations per second. It is a measure of how many floating-point arithmetic calculations a processor can perform in one second.

[4] Embodied intelligence refers to AI systems that can physically interact with and adapt to the real world, integrating perception, decision-making, and action. Unlike purely digital models, these systems operate through robots, autonomous vehicles, or other hardware platforms that require real-time environmental awareness and response.

PRC AI POLICY ANALYSIS

In July 2017, the PRC State Council published a document titled "New Generation Artificial Intelligence Development Plan," marking the country's first major foray into AI policy. This high-level document laid out the state's overarching goals for the development of AI technologies, prior to the advent of today's generative tools. While broad, the plan laid out three distinct milestone years in AI development: 2020, 2025, and 2030. In 2025, the State Council said the PRC aims to "achieve a world-leading level" in the technology, before becoming the world's "primary innovation center" by 2030.[5]

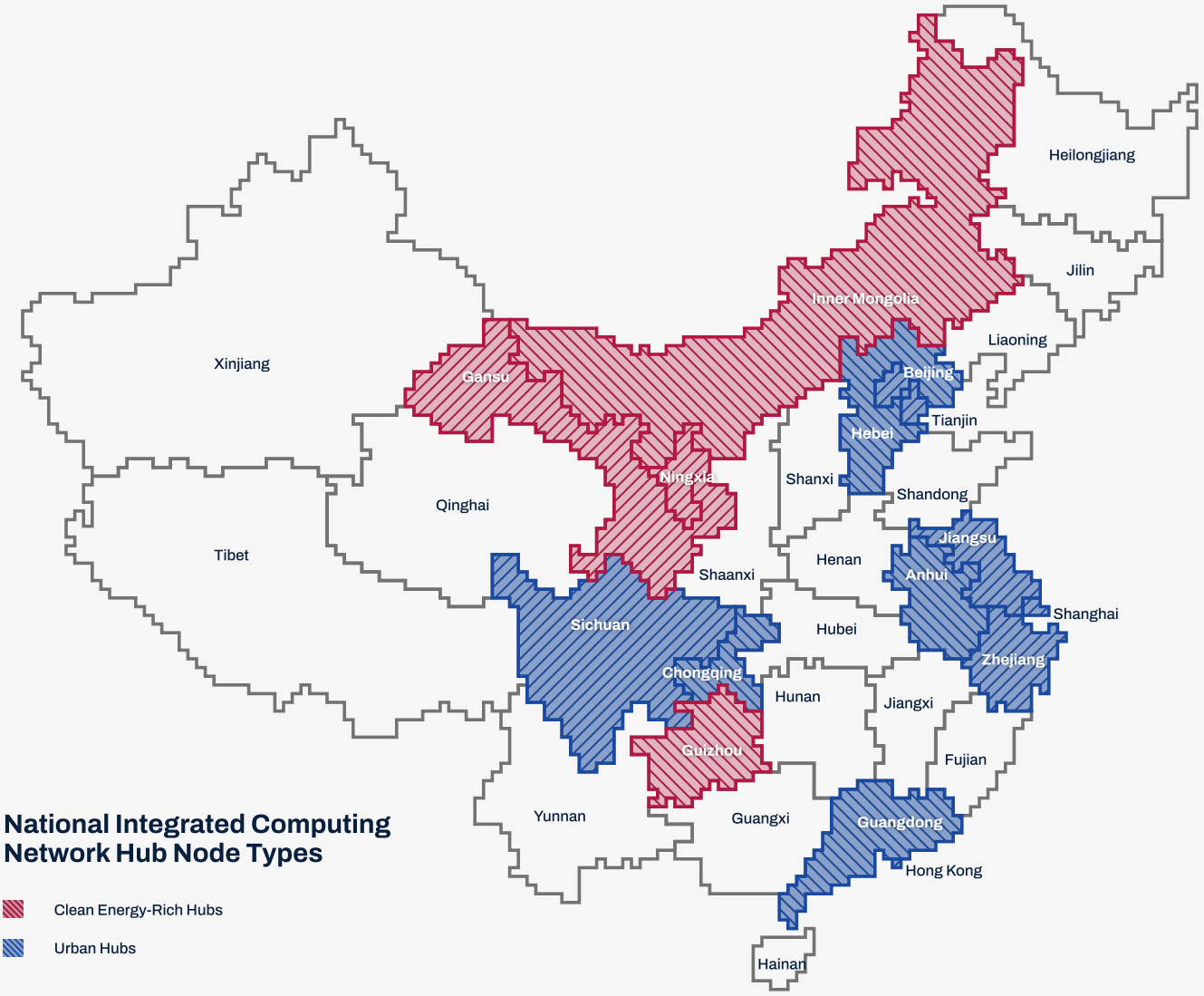
The plan's implementation has implications far beyond the PRC's borders; it calls for the fusion of civilian and military AI capabilities, viewing AI as the path to "all-element, multi-domain, highly efficient new pattern of civil-military integration." It also encourages Chinese AI companies to "go out" into international markets and bring in international talent.[6] As AI increasingly becomes a focus of strategic competition between the U.S. and China, the PRC's ambitions pose threats to U.S. national security and technological leadership.

AI infrastructure—both hardware and software—will be critical to determining whether the PRC is able to achieve its AI ambitions. This fact is clearly reflected in China's subsequent AI policies, a significant portion of which focus on hardware and software. Understanding those policies and their implementation offers a baseline for understanding the PRC's progress towards its overall AI goals.

COMPUTE INFRASTRUCTURE

A significant portion of China's AI-related policies focus on promoting the development of compute resources and infrastructure. This is unsurprising, given that energy and compute capacity are considered two of the greatest bottlenecks to developing more powerful AI systems.[7] On the computing front, China has built on the general goals laid out in the New Generation AI Development Plan primarily through its "East Data, West Compute" policy. The policy, conceptualized in 2020 and later formalized as the "National Integrated Big Data Center Collaborative Innovation System Computing Hub Implementation Plan" in 2021, aims to rebalance uneven computing capabilities between China's urban east and less densely populated western regions, while also taking advantage of the abundant clean energy potential of the west.[8]

Despite its colloquial name, this policy does not call simply for eastern data needs to be computed in the west. Instead, the policy calls for the creation of computing "hubs," known as National Integrated Computing Network National Hub Nodes, across the country. Hubs in "eastern" regions—with more intensive computing needs—are to be located in the Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, and Chengdu-Chongqing regions, while "western" hubs are to be built in Guizhou, Inner Mongolia, Gansu, and Ningxia for non-real time computing needs. In terms of scale, the policy orders "large" and "super-large" data centers to be primarily constructed in western regions to leverage energy advantage.[9]



CHINA'S COMPUTE GOALS FOR 2025

300
EFLOPs Compute

1,800
EB Storage Capacity

1ms
Urban Network Latency

60%
New Compute Built in National Hub Nodes

80%
National Hub Node Energy from Clean Sources

35%
Compute Dedicated to AI

Various government agencies have produced a number of subsequent policy documents with detailed directives for how to achieve the goals of "East Data, West Compute." This includes the 2023 "Action Plan for the High-Quality Development of Computing Power Infrastructure," published by the Ministry of Industry and Information Technology (MIIT), Office of the Central Cyberspace Affairs Commission (CAC), and other relevant agencies, which lays out the ambitious goal of bringing China's total computing power to 300 ExaFLOPS (EFLOPS) by 2025, 105 EFLOPS of which will be specifically for AI compute.[10] This would mark a significant increase from the 230 EFLOPS state-linked sources reported in mid-2024.[11]

The document calls for "intensively developing" AI computing power specifically, doubling down on the east-west development paradigm while also adding a directive to build additional "overseas computing facilities" in countries participating in the Belt and Road Initiative (BRI).[12] Chinese entities have already engaged in related projects in BRI and Digital Silk Road (DSR) participant countries. Previous analysis has focused largely on the risk of allowing the Chinese state access to other countries' sensitive data, rather than the potential for the PRC to use such facilities for its own growing computing needs. In addition to mitigating potential energy and other resource constraints within China, constructing facilities in BRI countries could help PRC data centers skirt U.S. controls on hardware exports or offer PLA forces operating abroad access to additional compute capacity.

A second policy document published in 2023, titled "Guiding Opinions on Accelerating the Construction of a National Integrated Computing Power Network," further emphasizes the state's desire to realize the "East Data, West Compute" layout by 2025. The document calls for new compute construction in the hub nodes laid out in "East Data, West Compute" to account for 60 percent of all new compute capacity in the country, ordering "rigid implementation" of the PRC's computing infrastructure policies. It also encourages shifting the energy and compute-intensive work of model training, inference, and other AI-related computing to western facilities.[13] The strengthened tone of this directive suggests that previous data center construction may not have fully followed the central government's east-west configuration.

Beyond adding capacity, PRC policies also emphasize the need to develop innovative uses of different types of compute, as well as mechanisms for accessing it. PRC policy delineates compute into three types: general computing (通用计算), intelligent computing (智能计算), and supercomputing (超级计算).[14] PRC policy documents call for an "integrated" use of all three types of compute within data centers to help "balance" demand for intelligent computing. Such a proposition suggests that measures restricting PRC-based entities' access to advanced chips are having a real impact on AI computing capacity, but also that the CCP and PRC central government are actively seeking creative solutions to this problem.

DEFINING PRC COMPUTE CAPABILITIES

Computing Type	Description
General Computing	Utilizes servers that use CPU chips. General computing is sufficient for everyday computer usage like browsing the internet, mobile computing, and Internet of Things. Includes cloud computing and edge computing.
Intelligent Computing	Utilizes AI chips including GPUs. Uses a large amount of stream processing and parallel computing units to execute multiple tasks at the same time. Key to AI training and inference, such as processing voice, image, and video.
Supercomputing	Achieved using supercomputers. Important for advanced scientific fields such as planetary modeling, genetic analysis, and pharmaceutical molecular design. Excels at processing large-scale amounts of data.

Policymakers in China are also giving serious thought to how developers access compute, calling on providers to explore new models that move away from costly long-term leases and subscriptions towards on-demand or pay-as-you-go models. These newer usage models could potentially level the playing field for smaller AI developers like DeepSeek. Many local government agencies are further contributing to efforts to make computing resources more accessible through "compute vouchers" and incentives for using and providing compute for AI innovation.

For example, Shanghai Municipal Government has implemented a voucher policy that will support 20 percent of contracting costs for companies working on "core algorithm innovation and model R&D," as well as a 10 percent rental subsidy for companies using Shanghai-based computing resources to train large models.[15] Similarly, the Hangzhou Municipality announced in 2023 that it would provide a total of RMB 50,000,000 (approx. USD 6.8 million) annually specifically for small and medium enterprises (SMEs) to purchase compute.[16] Hangzhou's focus on providing access to compute resources is notable given its role as the home of DeepSeek's model development arm.

APPLICATIONS AND ALGORITHMS

PRC government agencies, particularly at the local level, are also providing significant financial and technical support for China's AI software buildout. One major avenue is through direct financial support for model development. Some incentives are straightforward: Hangzhou, for example, offers a one-time payment of RMB 500,000 (approx. USD 68,000) to companies to produce models approved by China's cyber regulator.[17] Shenzhen's incentives reward first-time players in the market, offering funding up to RMB 10,000,000 (approx. USD 1.4 million).[18]

The PRC government is also stepping in at a more fundamental level—the data layer. Local governments in Guangdong and Beijing have instituted data collection and cleaning policies meant to collate high-quality, labeled, Chinese-language and multimodal data. Beijing is incentivizing crowdsourced data annotation projects in the hope of breaking through labeling bottlenecks.[19] Guangdong, on the other hand, is attempting to bring in "overseas data" through the construction of a Greater Bay Area Data Zone.[20]

These policies also emphasize real-world applications as the testbed for AI maturity. Many local government policies encourage what they term "scenario innovation," in which the government devises scenarios where AI may provide a value-added solution. Companies can then compete to develop solutions in various fields such as health, manufacturing, and science.[21] The government is also subsidizing private sector AI utilization through "model vouchers" of up to RMB 100,000,000 (approx. USD 13.7 million), making it feasible for companies to access AI while still ensuring developers are compensated.[22]

Taken as a whole, these wide-ranging policies demonstrate a multi-pronged strategy to support the growth of AI, with an eye towards the eventual arrival of artificial general intelligence (AGI).[23] This support spans data provision, sandbox environments, AI use vouchers, and even direct funding—indicating a push for software innovation as a nationwide effort, all founded on the fundamental belief that these technologies can be "fused" with the PLA in its quest for modernization.

"These wide-ranging policies demonstrate a multi-pronged strategy to support the growth of AI—with an eye towards the eventual arrival of artificial general intelligence."

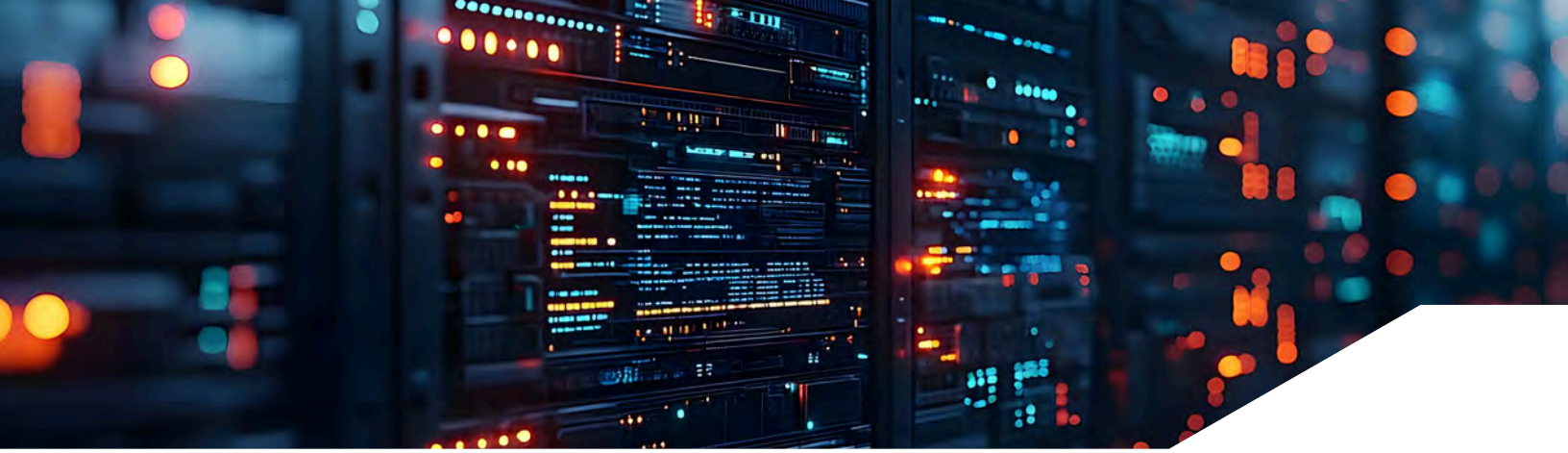
[23] Artificial general intelligence (AGI) refers to the hypothetical intelligence of a machine that possesses the ability to understand or learn any intellectual task that a human being can. It is a type of AI that aims to mimic the cognitive abilities of the human brain.

ARTIFICIAL GENERAL INTELLIGENCE AND "EMBODIED INTELLIGENCE"

The PRC's central government has yet to release an overarching policy on AGI development. This is not to say that the country is not working towards AGI; the Beijing Institute for General Artificial Intelligence (BIGAI), for example, is a state-linked lab with the stated goal of "pursuing a unified theory of artificial intelligence to create general intelligent agents for lifting humanity."[24] Experts from BIGAI have also argued for the pursuit of AGI at major political events, such as the annual "Two Sessions."[25] The Two Sessions—the concurrent meetings of China's top legislative and advisory bodies—serve as a key platform for setting national priorities, signaling that AGI development is being elevated as a matter of strategic importance.

Rather than pursuing AGI as an abstract concept, Chinese policymakers are thinking ahead to its concrete applications. This is evident in the PRC's increasing push toward what they term "embodied intelligence"—machines that can perceive and interact with the outside world in real time. The term "embodied intelligence" was named as a future driver of China's economic growth in a central government work report for the first time in 2025.[26] Local government agencies have also made moves in the space: major innovation centers such as Shanghai,[27] Beijing,[28] and Zhejiang[29] have all established policies, regulations, or development areas for embodied intelligence in recent months. These efforts are already paying dividends. In March 2025, the Hangzhou-based UDEER.AI announced it had inked approximately USD 82 million in deals related to "embodied intelligence general brains and robots" in "cleaning, new energy, logistics, and industrial machinery."[30]

The PLA is also thinking seriously about how to incorporate embodied intelligence into its operations through unmanned systems and robotics. In an April 2025 editorial in the PLA Daily, the authors assert that embodied intelligence will create a "more flexible and efficient combat system" in which militaries will "trade computing power for time."[31] Multiple companies within the PRC are also in the early stages of developing robots for military and security use cases.[32] Developing the capabilities needed to fully achieve this vision will require massive amounts of compute, meaning that the PRC's AI infrastructure buildout will be critical to whether embodied AI for the PLA will become a reality.



PRC AI DATA CENTERS ANALYSIS

To meet its 2025 target of 105 EFLOPS dedicated to AI, the PRC is rapidly expanding its AI infrastructure. According to PRC government affiliated sources, more than 250 specialized AI data centers had been built or were under construction by mid-2024.[33]

Using the PRC government's definition of AI data centers, Strider leveraged its open-source intelligence collection capabilities to identify 207 AI data centers that are owned by a PRC organization.[34]

OUR FINDINGS INCLUDE:

Rapid Growth:
101 data centers have been announced and 106 are operational. The number of both announced and operational data centers grew by more than 100 percent from 2023 to 2024.

Significant PLA Involvement:
We identified 318 PRC stakeholders with direct ties to the AI data centers—including owners, operators, and AI technology providers. Dozens of those stakeholders have ties to both the PLA and the PRC defense industrial complex, as well as ties to the U.S. and its allies.

High Geographic Concentration:
With the exception of Tibet, every administrative region in the PRC has at least one AI data center. However, more than half are concentrated in ten administrative regions. Two are located outside of the PRC: one in Pasig, Philippines; one in Jakarta, Indonesia.

Building for Higher Future Compute Demands:
We identified over 750 EFLOPS of announced or operational compute capacity across 184 AI data centers, indicating the PRC will exceed its 105 EFLOPS goal.

PRC AI COMPUTE AND AI DATA CENTERS

As noted above, the central government's action plan, released in October 2023, sets a 2025 target of 300 EFLOPS of total computing power—of which 35 percent, or 105 EFLOPS, is designated for AI-related applications.[35] As of June 2024, total compute power in the PRC had reached 246 EFLOPS, according to the MIIT-affiliated China Academy of Information and Communication Technology (CAICT).[36] The proportion dedicated to AI compute was not released; however a CAICT white paper indicated that intelligent computing accounted for 22.8 percent of the country's total compute at the end of 2022, behind the 2025 target of 35 percent.[37]

To close that gap and achieve its ambitious AI goals, the PRC is focused on building the infrastructure to accommodate AI compute. This requires the construction and operation of many highly specialized AI data centers that require high performance AI computing chips, networking, data storage, cooling and power solutions, and other components. According to a senior analyst at the MIIT-affiliated Artificial Intelligence and Big Data Research Center of CCDI Consulting, China had begun or completed construction on more than 250 AI computing centers by the first half of 2024.[38]

STRIDER AI DATA CENTER METHODOLOGY

Strider leveraged its open-source intelligence collection capabilities to identify 207 PRC AI data centers that:[39]

- Are described in Chinese language using the terms "智算中心" ("intelligence computing center") or "超算中心" ("supercomputing center").[40] [41]
- Are described by authoritative PRC sources as meeting the following criteria: (i) are used for "deep learning"; (ii) are used for "machine learning"; or (iii) are used for "advanced algorithm-driven services."
- Are owned by a PRC organization.
- Were publicly announced prior to March 2025.

FINDINGS

For each of the 207 PRC AI data centers, we identified—where available—the facility's name, address, operational status, relevant dates, computing capacity, and key stakeholders. A more detailed analysis of these elements is provided below.

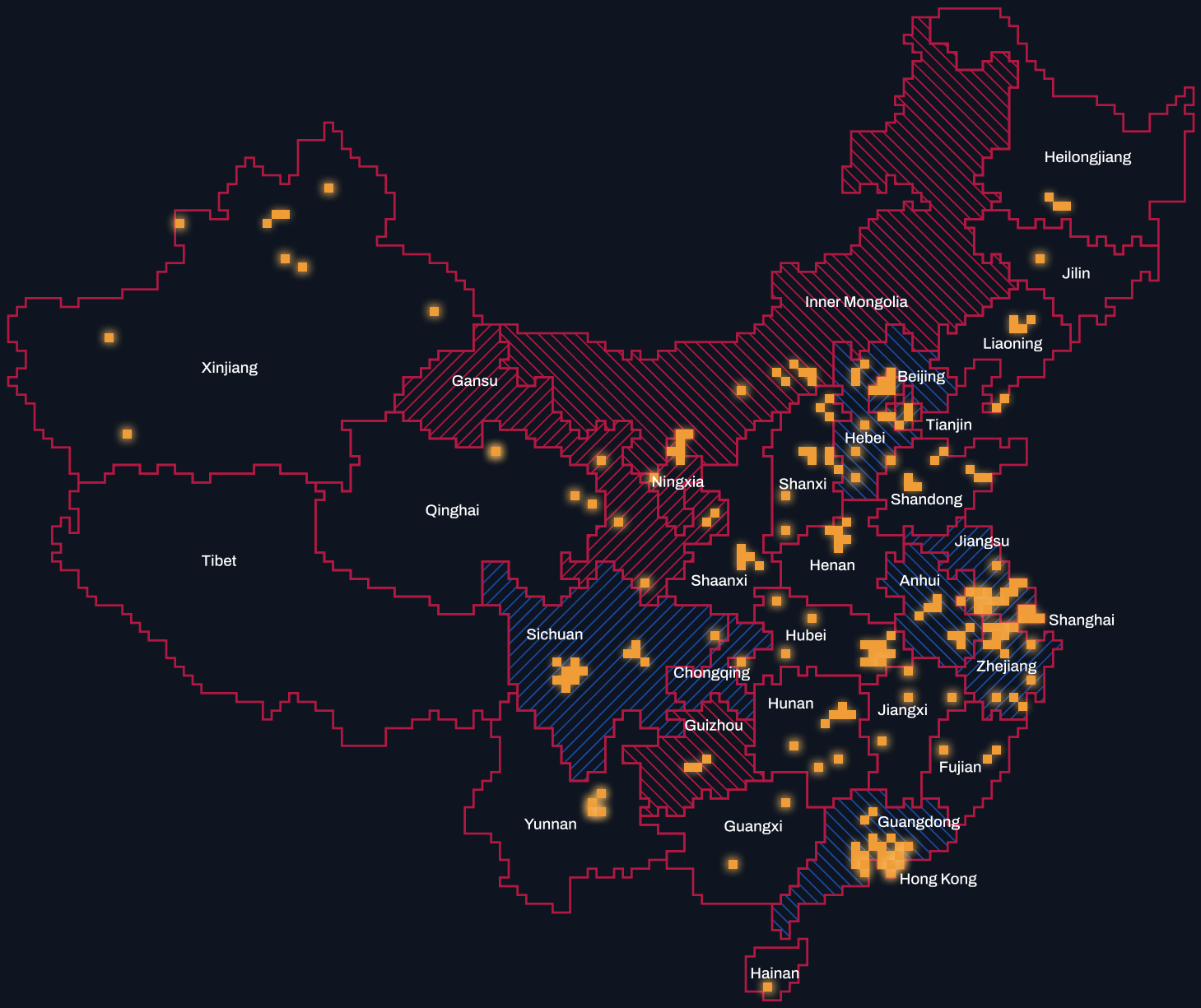
1. Location

With the exception of Tibet, every administrative region—province, autonomous region, and centrally administered municipality—in the PRC has at least one AI data center.[42] More than half of the 207 identified AI data centers are concentrated in the top 10 administrative regions.

Two AI data centers are located outside of the PRC—the Digital Hyperspace Indonesia Project that began operations in May 2024 is located in Jakarta, Indonesia; and the HIVE Hybrid Data Center announced in early 2025 is located in Pasig, Philippines.[43]

The table and map on the following page show the number and geographic distribution of AI data centers across PRC provinces.

MAP OF AI DATA CENTERS IN THE PRC



MAP KEY

- One Data Center
- Clean Energy-Rich Hubs
- Urban Hubs

TOP 10 REGIONS DATA CENTER COUNT

Guangdong 16	Sichuan 14	Jiangsu 14	Xinjiang 11	Hubei 8
Zhejiang 15	Hubei 14	Shanxi 11	Shandong 9	Anhui 8

2. Status & Dates

Of the 207 PRC AI data centers identified by Strider, 101 have been announced, while 106 are completed or operational. AI data centers under phased construction—where some portions are already operational while others remain under development—were classified as operational.[44]

Announced:

For the 101 announced PRC AI data centers, Strider has recorded announcement dates for 96. The trend over time is displayed below:

Year	AI Data Center Count
2025	8
2024	64
2023	18
2022	5
2021	1

Operational:

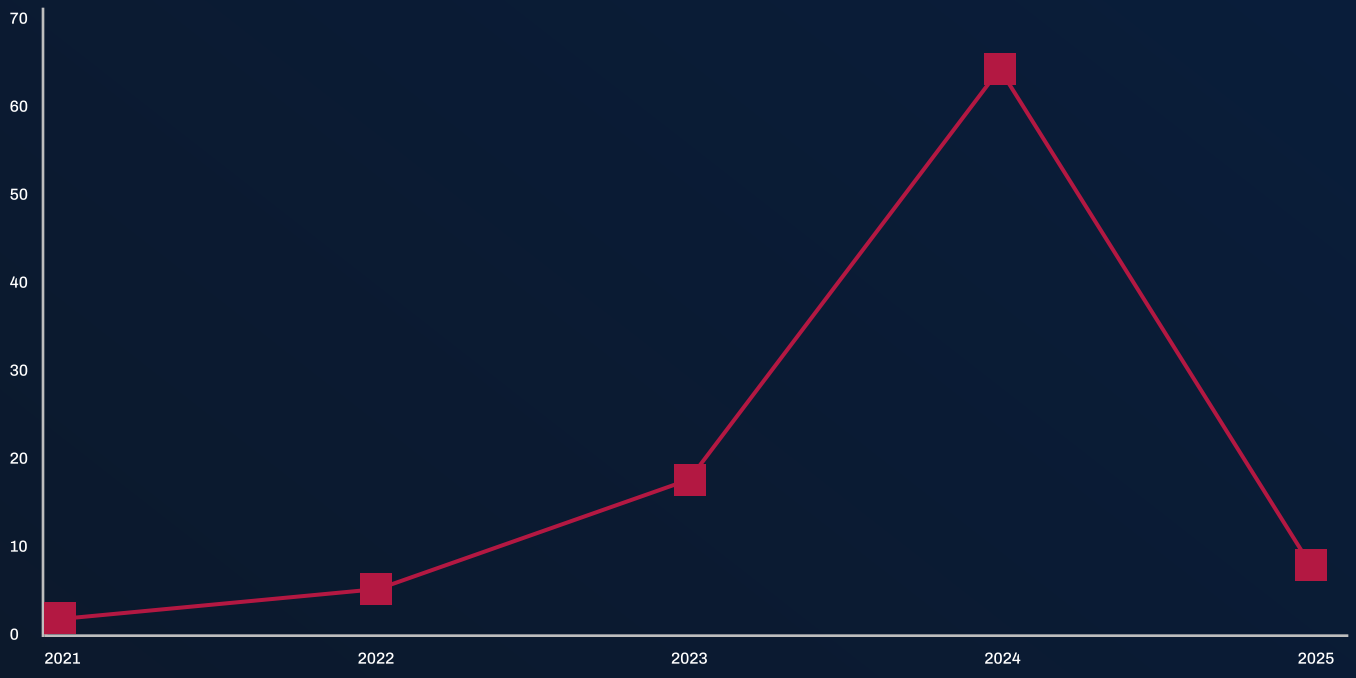
Strider identified the operational start year for all of the 106 PRC AI data centers that are completed or operational. The trend over time is displayed below.

Year	AI Data Center Count
2025	7
2024	44
2023	15
2022	18
2021	8
2020	4
2019	2
2016	3
2014	2
2011	1
2010	2

YEARLY PROGRESSION OF ANNOUNCED AI DATA CENTERS

For the 101 announced PRC AI data centers, Strider has recorded announcement dates for 96. The trend over time is displayed below.

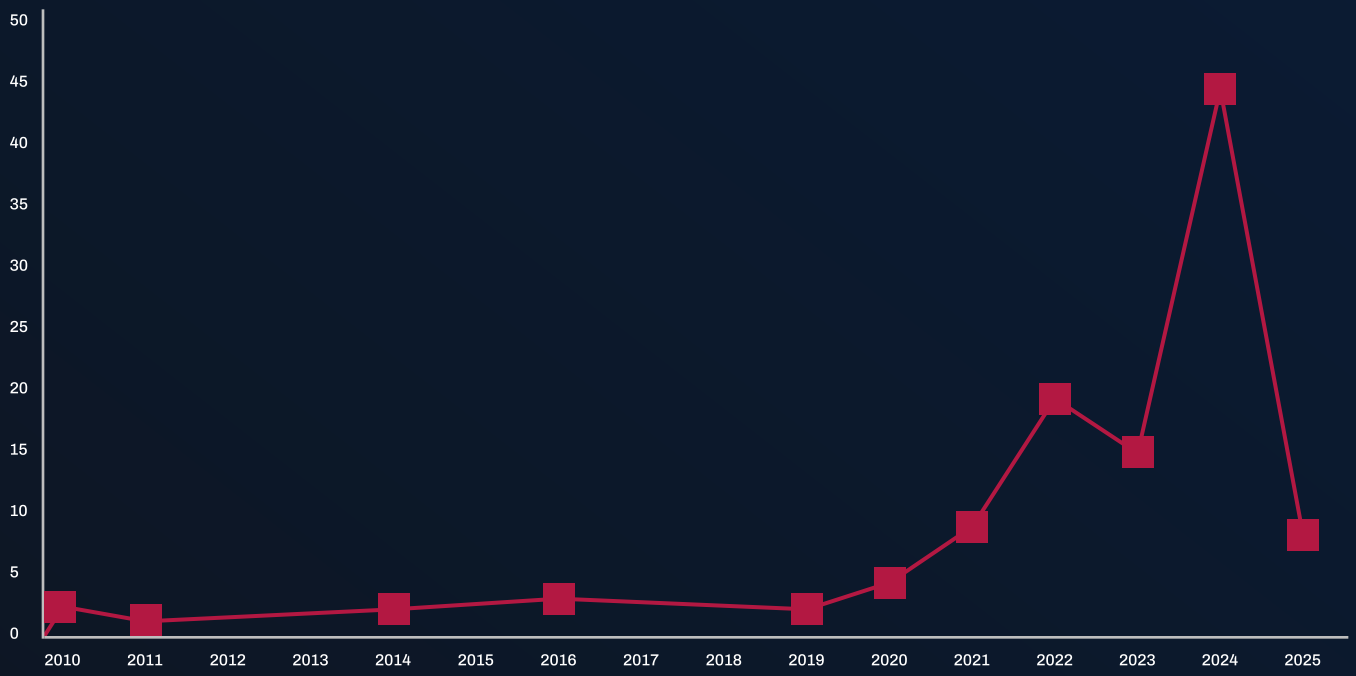
Grand Count: **101**



YEARLY PROGRESSION OF OPERATIONAL AI DATA CENTERS

Strider identified the operational start year for all of the 106 PRC AI data centers that are completed or operational. The trend over time is displayed below.

Grand Count: **106**



3. Compute Power

Strider identified the announced compute capacity for 170 of the 207 AI data centers.[45] For phased projects, we included the maximum planned compute power as publicly disclosed. According to China's "Action Plan for the High-Quality Development of Computing Power Infrastructure," the country calculates EFLOPs as a sum of three components:

- Compute = Compute (general purpose) + Compute (intelligent) + Compute (super)[46]

Of the compute goal of 300 EFLOPS for 2025, 35 percent (105 EFLOPS) is dedicated to intelligent computing power.[47] FLOPS (floating-point operations per second) measure computational speed, while FP (floating point) refers to the precision of each calculation:

- FP32 (single precision) is typically used for general-purpose computing.
- FP16 (half precision) is optimized for AI and machine learning tasks, offering twice the data throughput of FP32 at roughly double the FLOPS performance in the same memory footprint.

Thus, when China's intelligent computing target is stated as 105 EFLOPS in FP32 terms, it translates to approximately 210 EFLOPS in FP16-equivalent performance.

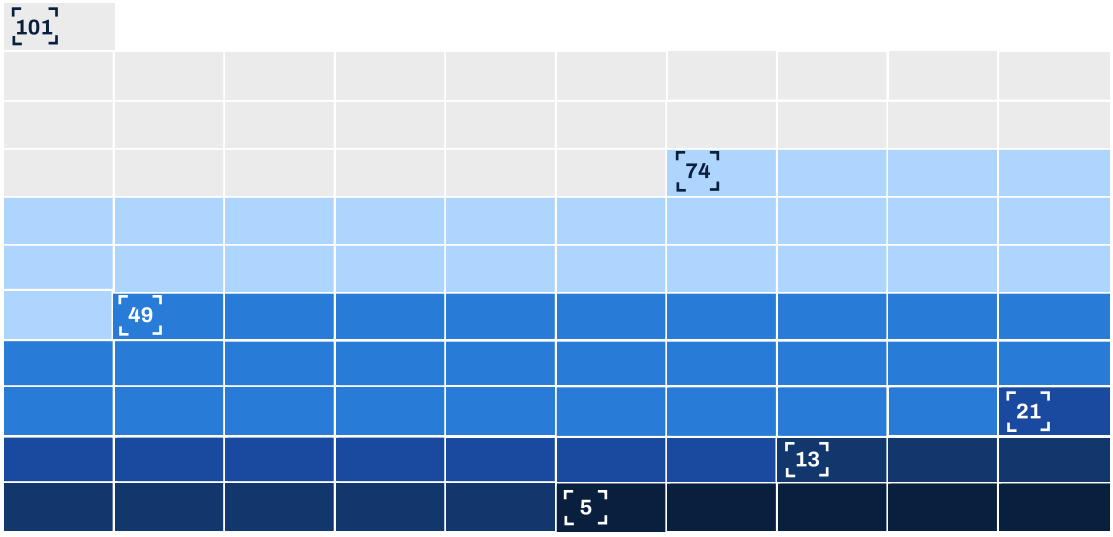
Strider could not consistently determine FP precision at the data center level due to gaps in open-source data. As a result, intelligent compute estimates in our dataset are not normalized by FP type.

Some external analyses do attempt this normalization. A 2024 joint report by the International Data Corporation (IDC) and Inspur Information estimated China's intelligent computing power—based on half precision (FP16) intelligent accelerator performance—to be 725.3 EFLOPS, a figure that far exceeds the government's 300 EFLOPS goal.[48] This discrepancy reflects the varying definitions and metrics used in quantifying compute power. Where possible, Strider aligned with open-source reporting that expressed AI data center performance in FP16-equivalent terms, especially for intelligent computing.

The compute power of the AI data centers is broken down by status on the next page.[49]

COMPUTE POWER OF ANNOUNCED AI DATA CENTERS

Of the 101 announced PRC AI data centers, Strider identified compute power for 74 of them, **totaling more than 395,000 PFLOPS.**

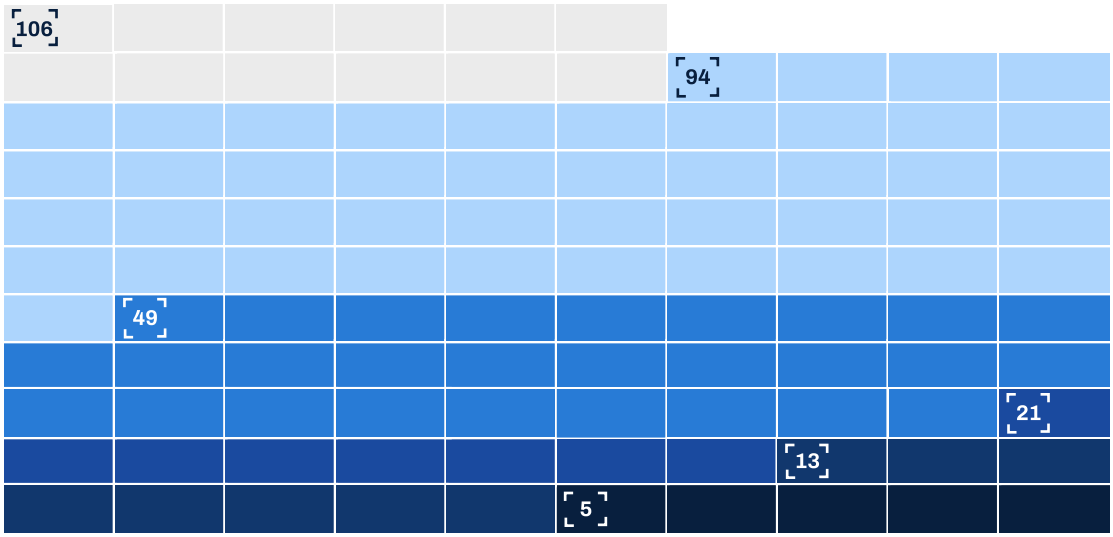


TOTAL COMPUTE POWER OF EACH DATA CENTER

- Compute Power Not Identified
- <1,000 PFLOPS
- ≥1,000 PFLOPS
- ≥5,000 PFLOPS
- ≥10,000 PFLOPS
- ≥20,000 PFLOPS

COMPUTE POWER OF OPERATIONAL AI DATA CENTERS

Of the 106 operational PRC AI data centers, Strider identified compute power for 94 of them, **totaling more than 350,000 PFLOPS.**



TOTAL COMPUTE POWER OF EACH DATA CENTER

- Compute Power Not Identified
- <1,000 PFLOPS
- ≥1,000 PFLOPS
- ≥5,000 PFLOPS
- ≥10,000 PFLOPS
- ≥20,000 PFLOPS

Strider identified more than 750,000 PFLOPS (750 EFLOPS) of compute capacity across AI-focused data centers in the PRC—more than twice the government's target of 300 EFLOPS of combined general-purpose and AI-specific compute by 2025.[50] The substantial gap between Strider's calculation and the official 2025 target stems primarily from two factors:

Methodological differences:

Strider's calculations are based on total planned capacity, whereas official figures likely represent current or near-term operational capacity. Many of the AI data centers included in Strider's dataset are still under construction and are expected to reach full capacity over the next five to ten years. As such, Strider's figures reflect long-term potential, not present-day output.

Variation in compute type measurement:

Strider does not distinguish between FP32 (general-purpose) and FP16 (AI-optimized) compute as this detail was mostly unavailable in open-source data. If a significant proportion of the identified compute is FP16, adjusting for this could substantially lower the total FLOPS, aligning Strider's calculation more closely with official targets.

[51] 750,000 PFLOPS calculated by summing the total compute of all planned and operational AI Data Centers.

PRC AI DATA CENTER STAKEHOLDER ANALYSIS

Strider identified 318 unique PRC owners, operators, and AI technology providers (hereinafter “stakeholders”) linked to AI data centers.

OF THE 318 STAKEHOLDERS:

77

Are administrative government entities
(primarily local governments or agencies overseeing high-tech zones)

13

Are universities or research institutes

228

Are companies

Expanding the corporate ownership trees of the 228 companies, we mapped 602 unique direct parent companies (one level up) for a total of 856 stakeholder and parent organizations.[51] We then analyzed those organizations for ties to the PRC’s military, intelligence, and security services; and ties to Five Eyes countries[52] and Japan.

[52] The Five Eyes (FVEY) is an intelligence-sharing alliance composed of the United States, the United Kingdom, Canada, Australia, and New Zealand.

STAKEHOLDER AND PARENT TIES TO MILITARY, DEFENSE, AND RESTRICTED ENTITIES

Strider screened all 856 stakeholder and parent organizations for relationships to one of the following high-risk PRC organizations that support the military and strategic AI ambitions of the state: (a) military entities; (b) defense entities; and (c) entities sanctioned or restricted by the U.S. government. Of the 856 organizations, 88 have at least one relationship to military, defense, or sanctioned entities.[53]

59

Military Ties

59 have ties to the PLA, including as registered suppliers to the PLA and/or organizations recognized by the U.S. government as "Chinese military companies."

53

Defense Ties

53 have ties to the PRC defense industrial complex, such as procurement relationships to PRC central state-owned arms conglomerates.

29

Restricted Ties

29 have ownership, subsidiary, supplier, or customer relationship to a U.S. government-maintained list of restricted entities.

INTERNATIONAL AND MILITARY COLLABORATIONS

As part of the PRC government's strategic plans for AI development, it encourages domestic AI organizations to cooperate with leading international AI experts and establish foreign research centers. It also specifically instructs the co-construction and sharing of military and civilian innovation resources.

1. International Research Collaboration

Strider identified research collaboration on AI topics between the 318 direct AI data center stakeholders identified and the U.S. and its allies.[54] We also identified research collaborations between those stakeholders and the PLA.

- **Stakeholder Collaborations with the PLA:** Of the 318 direct AI data center stakeholders, 25 have collaborated on AI research with a PLA-affiliated research institute since 2017, the year the "New Generation AI Development Plan" was published.[55]

- **Stakeholder Collaborations with Five Eyes + Japan:** Of the 318 direct AI data center stakeholders, 28 have collaborated on AI research since 2017 with an organization based in the U.S., UK, Canada, Australia, New Zealand, or Japan.[56] Of those 28 stakeholders, 18 of them have also collaborated with PLA-affiliated research institutes on AI research. For example, in 2025 China Telecom published collaborative research with the PLA National University of Defense Technology on deep reinforcement learning;[57] China Telecom has also collaborated with U.S., UK, and Australian organizations on AI topics.[58]

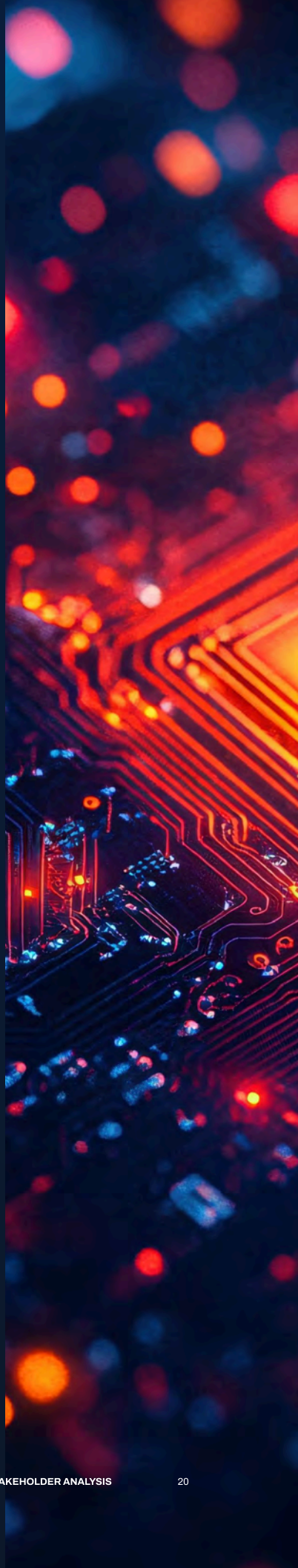
2. International Research Centers

Of the 318 direct AI data center stakeholders, Strider identified 13 with a relationship to at least three AI data centers that also have an overseas footprint in a Five Eyes country or Japan, including:[59]

- **Huawei Technologies'** dedicated AI and machine learning institute—Noah's Ark Lab—has overseas locations in London, Paris, Toronto, Montreal, and Edmonton.[60] According to the lab's website, it has partnerships with leading research institutes" in Canada and the UK.[61] Huawei simultaneously supports Centers of Excellence and Incubation Centers for its AI processing chips, Huawei Ascend, with multiple PLA-affiliated research institutions, such as Tsinghua University and Zhejiang University.[62]

- **Tencent** organizations in the U.S., Australia, and the UK engage in AI and machine learning (ML) research.[63] Tencent has AI operations in the U.S. (active as of late 2022[64]) and Australia,[65] while its UK operations provide R&D and technology services that incorporate AI and ML capabilities.[66]

- **iFLYTEK** has an overseas AI presence in Japan, Canada, and the UK, simultaneous to relationships with PRC government and military-affiliated AI R&D entities. It has two subsidiaries in Japan[67] [68] focused on AI technologies, a joint AI research center with an organization in the UK,[69] and has funded a neural computing and machine learning lab at a Canadian university.[70] At the same time, iFLYTEK has a joint AI laboratory with the Harbin Institute of Technology (HIT)[71] focused on large language models[72] and hosts a PRC government state key laboratory on cognitive intelligence.[73] HIT holds top-secret security credentials, hosts defense laboratories, and is sanctioned by the U.S. government.



AI DATA CENTER CASE STUDIES

CHENGDU INTELLIGENT COMPUTING CENTER

The Chengdu Intelligent Computing Center ("Chengdu Center"), located in the Pidu Electronic Information Industrial Park in Chengdu, Sichuan Province, is one of Southwest China's largest AI computing facilities.[74] Launched in 2022, it serves as a general-purpose AI center but also promotes its role in supporting PLA modernization through "smart military" solutions. The center emphasizes that military informatization is a top national defense priority and offers the following technologies designed to enhance the PLA's combat effectiveness, security, and resource efficiency:[75]

- Unmanned Aerial Vehicle (UAV) development
- Military Database Management Systems
- Visual Data Analysis for Combat Applications
- Integration of Domestic and Foreign Software
- Automated Military Operations and Maintenance Systems

The Chengdu Center is built on domestically produced X86 CPUs and Deep-Learning Computing Unit (DCU)-based heterogeneous computing nodes.[76] Although the center emphasizes domestic computing infrastructure, it remains highly reliant on western technology. Strider identified 49 software applications developed by foreign companies that as of 2023 were used by the Chengdu Center, compared to just 11 that were developed by PRC companies.[77] The Chengdu Center utilizes a wide array of software applications developed by foreign companies, spanning from basic compilers and parallel computing tools to advanced programs for fluid dynamics, machine learning, and electromagnetics. The software applications used by the Chengdu Center developed by foreign companies by country of origin is:[78]

Country	Software Applications
U.S.	22
UK	3
Germany	3
France	3
Canada	2

The Chengdu center was jointly established by Zhisuan Yunteng (Chengdu) Technology Co., Ltd. (Zhisuan Tech Chengdu), Chengdu Zhisuan Cloud Big Data Co., Ltd. (Chengdu Zhisuan Cloud), and Huawei Technologies Co., Ltd., with a total investment of approximately USD 1.5 billion.[79] Both Zhisuan Tech Chengdu and Chengdu Zhisuan Cloud are state-owned enterprises (SOEs), but neither appear on U.S. government-maintained restricted entities lists.

HAINAN SUBSEA INTELLIGENT COMPUTING CENTER

The Hainan Subsea Intelligent Computing Center is the first underwater AI computing facility in the PRC, located 30 meters underwater in the offshore waters of Lingshui Yizu Autonomous County, Hainan Province.[80] It is a joint project by the U.S.-sanctioned companies Beijing Highlander Digital Technology Co., Ltd. (Highlander Tech), Hainan Province Transport Investment Holdings Co., Ltd. (Hainan Jiaotou), and Beijing Sinnet Technology Co., Ltd. (Sinnet).[81]

The center has a processing power of 2,000 PFLOPS[82] and is connected to subsea data centers established in March 2023, capable of housing 400 high-capacity processors.[83] Compared to traditional onshore computing centers, the subsea location enhances computing power efficiency by 40 percent, leveraging natural cooling to reduce energy consumption.[84] The center supports DeepSeek-based intelligent assistants, capable of processing approximately 7,000 intelligent conversations per second.[85]

Strider data indicates that the key stakeholders involved in this project have ties to PRC military, defense, and government entities, as well as connections to restricted entities.[86] These affiliations may have implications for the project's operational scope, regulatory considerations, and international engagement.

Beijing Highlander Digital Technology Co., Ltd. (Highlander Tech):

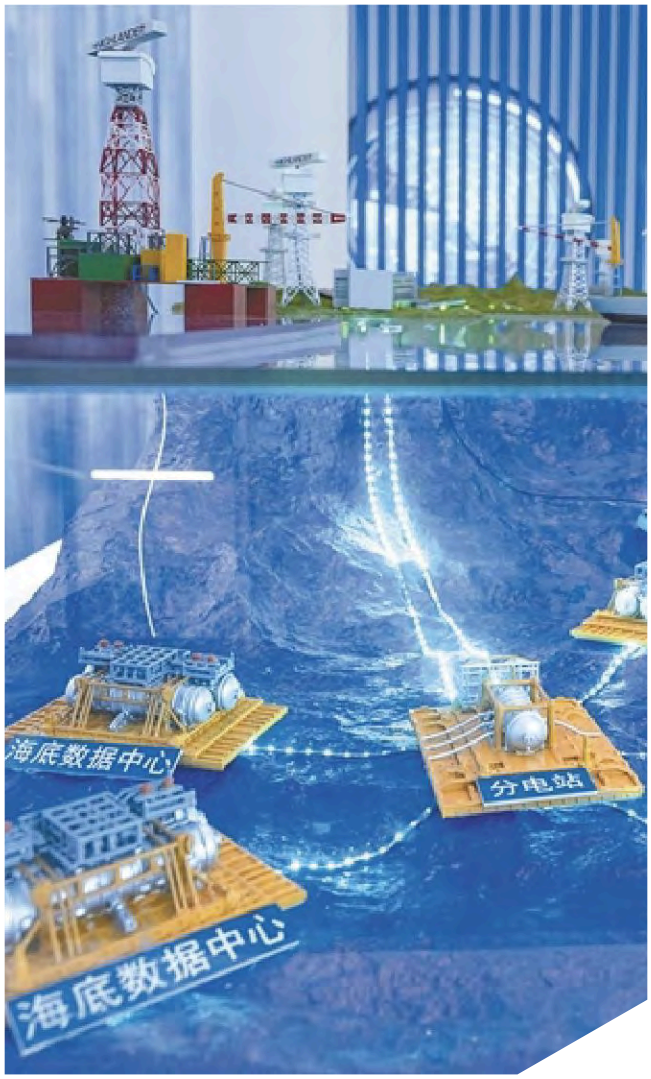
In June 2022, the U.S. Department of Commerce imposed sanctions on Highlander Tech and three of its subsidiaries.[87] According to Strider data, Highlander Tech's global business network includes three subsidiaries in Canada, one in Germany, 10 in Hong Kong, and 23 in the PRC.[88] Additionally, Strider data reveals that Highlander Tech's PRC business network is associated with 18 military entities, 17 government organizations, and seven defense-related entities. Highlander Tech's partners include the British aerospace manufacturer Cobham Limited, the global satellite communications and network service provider Speedcast International Limited, and the Norway-based risk management company DNV (formerly DNV-GL).[89]

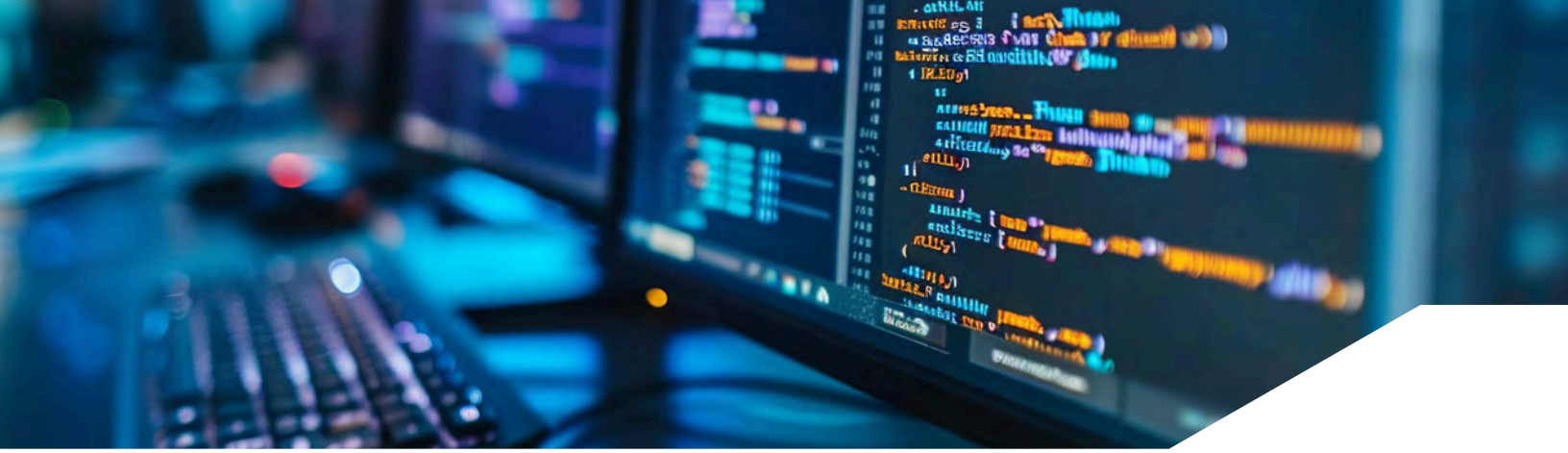
Beijing Sinnet Technology Co., Ltd. (Sinnet):

Sinnet is a professional provider of data center and cloud computing services. Strider data indicates that Sinnet is a registered supplier to the PLA and maintains ties with both the PRC government and defense sectors.[90] The company operates 41 branches and subsidiaries, including three in Hong Kong and one in the British Virgin Islands.[91] In 2024, Sinnet acquired a 90 percent equity stake in Puffin (Hainan) Technology Co., Ltd., a Highlander Tech subsidiary, and announced plans to build an industrial cloud base in Lingshui, Hainan, where the undersea data center is located.[92] Sinnet is also the data center infrastructure construction partner of the National Supercomputing Center in Changsha.[93] Its international footprint includes subsidiaries such as Luminnet Capital Pte Ltd. in Singapore and Lumennet Sdn. Bhd in Malaysia.[94] It supports its cloud operations using a U.S. cloud service provider hosted within the PRC.[95]

Hainan Province Transport Investment Holdings Co., Ltd. (Hainan Jiaotou):

Hainan Jiaotou is a state-owned enterprise wholly owned by the Hainan provincial government.[96] The Subsea Intelligent Computing Center is a strategic investment in Hainan Jiaotou's digital transformation and a key step toward advancing smart and digital transportation initiatives.[97]





APPLICATIONS AND ALGORITHMS

SECTION OVERVIEW

Software platforms that deliver AI capabilities are the second major component of the PRC's AI infrastructure buildout. Customer-facing AI services in the PRC require government approval prior to deployment. This landscape is governed by two main regulations: the "Interim Measures for the Management of Generative AI Services" and the "Provisions on the Administration of Deep Synthesis Internet Information Services." These distinct yet overlapping laws stipulate that generative and synthetic systems with "public opinion attributes or social mobilization capabilities"—in other words, AI systems that can produce outputs threatening to the CCP regime—must obtain approval from the PRC's cyber regulators. Many AI services with solely military or intelligence applications are likely not included in public approval lists. However, multiple PRC companies self-advertise as providing security-focused AI solutions and are included as case studies below.

Rapid AI Sector Growth:

As of March 2025, the Cyberspace Administration of China (CAC) and its local offices had approved 505 generative AI services. Deep synthesis algorithms, which encompass a broader range of products that produce synthetic content, such as AI photo editors and virtual avatar generators, total more than 3,200 approved products.[98] These numbers are growing quickly. The CAC reached a peak of 54 model approvals in November 2024, compared to only eight in its first batch released in August 2023. Similarly, while only 41 deep synthesis algorithms passed CAC review in June 2023, monthly approvals reached 492 just a year later in 2024, a 1100 percent increase.[99] While not exhaustive, as AI systems and algorithms meant for internal systems may not be included, the size of the list is indicative of the speed and scale of the PRC's growing AI ecosystem.

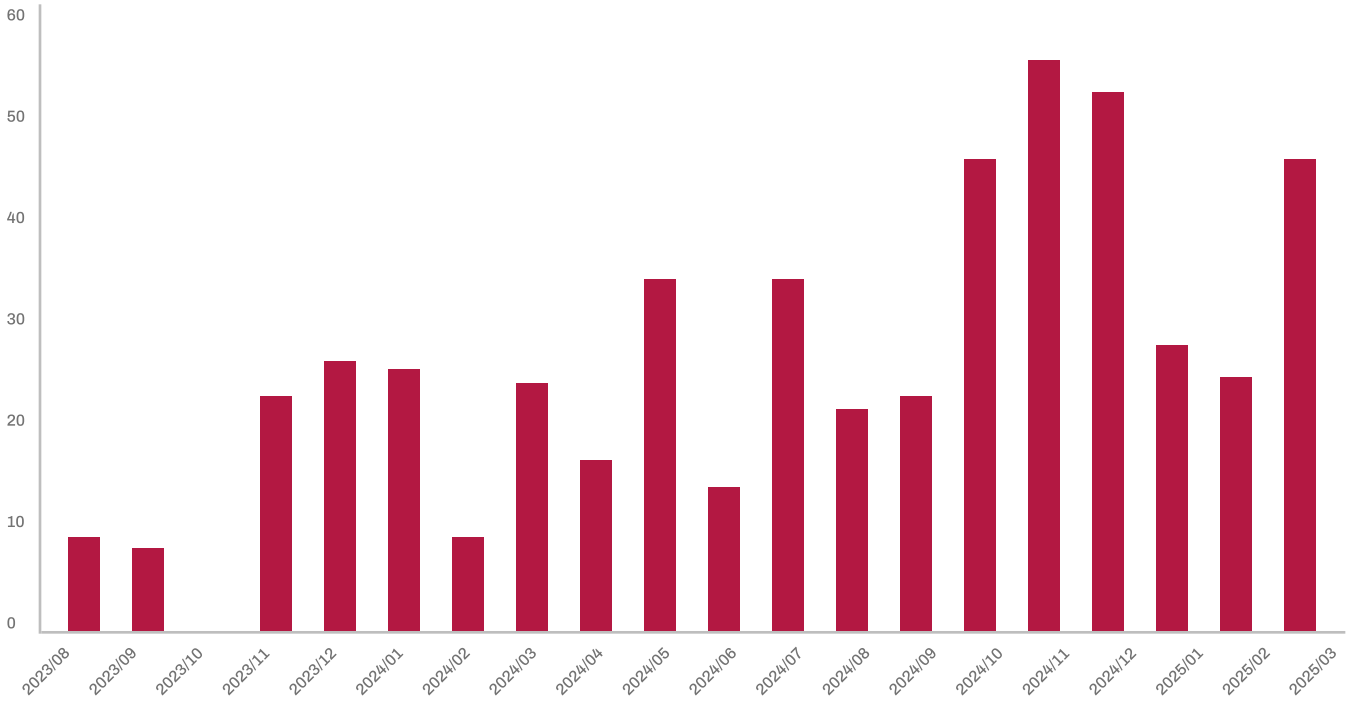
Emergence of Defense-Focused AI Providers:

PRC AI companies are increasingly developing AI capabilities tailored to security-oriented use cases, including AI-assisted decision making and combat simulation. Some companies have already landed procurement with PLA entities, suggesting the PRC is incorporating increasingly capable AI into its military systems. Notably, two of the military AI providers surveyed as case studies below do not appear on U.S. government-maintained restricted entities lists.

Dual-Use AI Capabilities:

As a general-purpose technology, AI is inherently dual-use. Customer-facing PRC AI applications have clear potential use cases for PRC strategic aims, including surveillance and propaganda.

CYBERSPACE ADMINISTRATION OF CHINA LLM APPROVALS BY MONTH



STAKEHOLDER RISK ANALYSIS

Strider screened more than 2,000 companies registered under the CAC list of Deep Synthesis and GenAI algorithms for relationships to one of the following high-risk PRC organization types that support the military and strategic AI ambitions of the state: (a) military entities; (b) defense entities; and (c) entities sanctioned or restricted by the U.S. government. Strider identified 208 companies that have at least one relationship to military, defense, or sanctioned entities.[100]

135

Military Ties

135 have ties to the PLA, including registered suppliers to the PLA and/or organizations recognized by the U.S. government as "Chinese military companies."

141

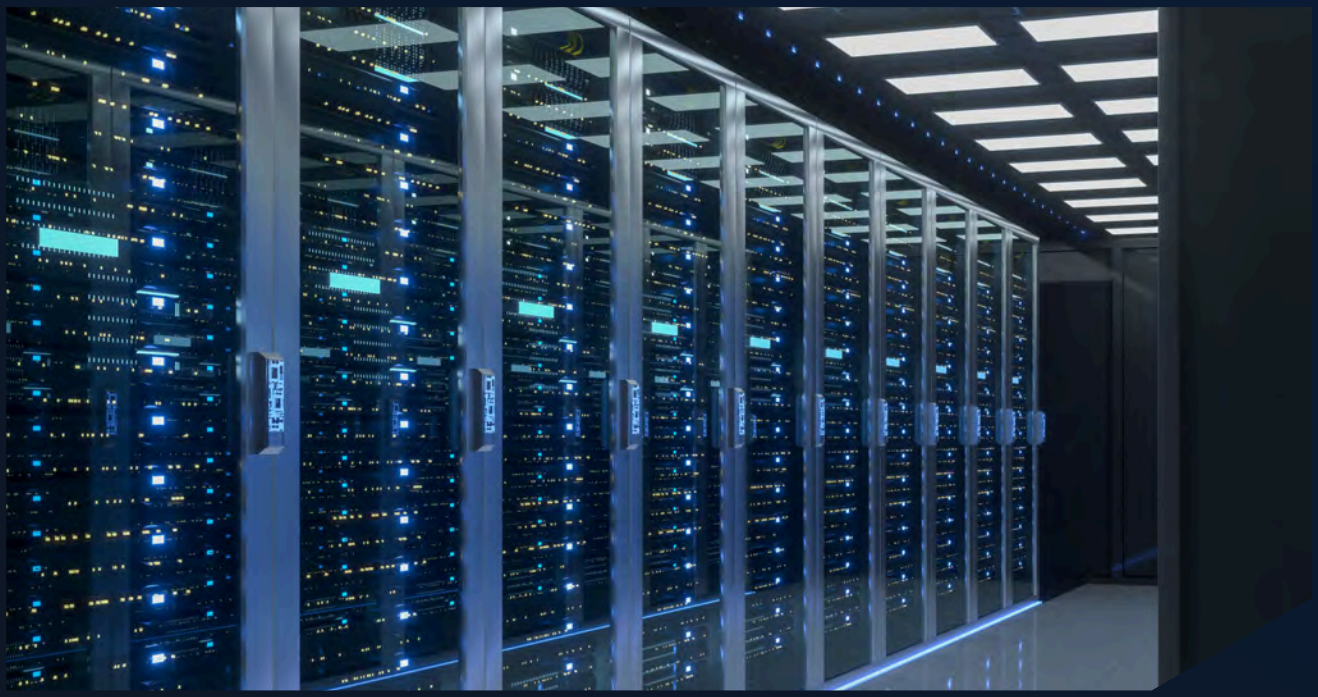
Defense Ties

141 have ties to the PRC defense industrial complex, such as procurement relationships to PRC central state-owned arms conglomerates.

23

Restricted Ties

23 have an ownership, subsidiary, supplier, or customer relationship to a U.S. government-maintained list of restricted entities.



CASE STUDIES

As evidenced above, the PRC's AI sector is developing a suite of models targeting the PLA and other military end-users. Examples include:

Tianji Military Model Platform

The Tianji Military Model Platform is a military-focused LLM developed by Xiamen-based Xiamen Yuanting Information Technology Co., Ltd. (also known as Utenet and DataExa) in July 2023.[101] Yuanting Information Technology has participated in drafting more than 40 international and domestic AI standards—including its most recent participation in a domestic AI agent standard-setting consortium—and holds more than 200 patents and software copyrights related to AI.[102] The company is linked to the PRC military, defense establishment, government agencies, and restricted entites.[103] Its Tianji Model incorporates a leading U.S. LLM as one of the foundational models in its operations system.[104]

The model supports more than 70 application scenarios with eight capability systems, including counterattacks, ambush missile defense, time-sensitive target strikes, and intelligence data management.[105] The Tianji Military Model serves as a one-stop AI platform for national defense, claiming to enable multi-domain joint combat operations across land, sea, air, space, electromagnetic, and cyber domains.[106] Yuanting Information Technology was the first firm in the PRC to pass the MIIT's "Trustworthy AI: Intelligent Decision Making Product" certification.[107]

Yuanting Information Technology serves a wide range of clients across the PLA, Central Military Commission (CMC), defense industry, and government. Its portfolio includes 14 top-tier PLA and CMC organizations spanning operational commands, strategic forces, advanced military academies, and key departments overseeing force development, training, science, and logistics—as well as seven major defense conglomerates and public security departments at both provincial and municipal levels.[108]

XSimVerse

Beijing Huaru Technology Ltd. (Huaru Technology), a publicly listed PRC company "focused on the R&D and application of military intelligence products" holds more than 600 patents and software copyrights. The company has developed XSimVerse, a next-generation military AI large model.[109] XSimVerse provides 25 AI-driven military applications, including the "Cloud Brain" unmanned swarm command-and-control system, intelligent opposing force simulation, low-altitude threat detection and response, sea–air combat simulation, UAV training, live combat systems, and parachute training simulators.[110]

XSimVerse supports five core applications: intelligent command decision-making, virtual training, digital experimentation, simulation-based training equipment, and intelligent military systems. The model is fully integrated with the DeepSeek large model.[111] While Huaru has been temporarily banned from bidding on military procurements for collusive and falsified bidding practices,[112] they claim to have secured RMB 376 million (approx. USD 51.7 million) in other orders in 2024, demonstrating the extent of the dual-use AI market in China.[113]

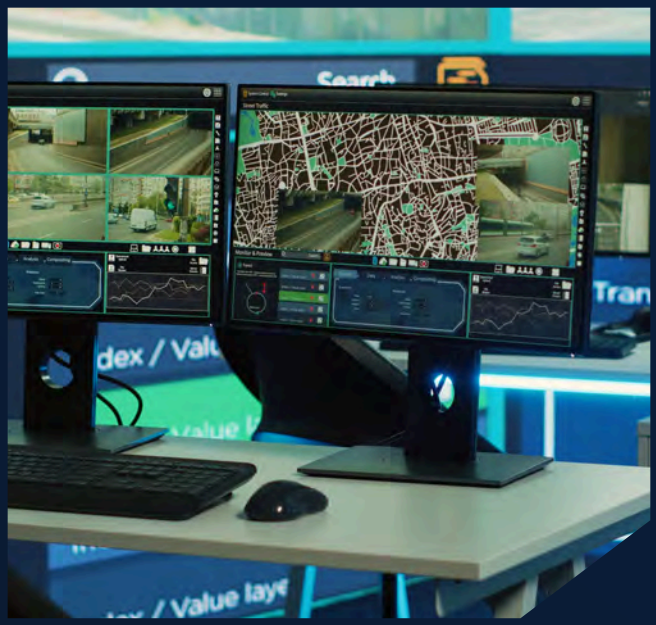
Zhipu Chat General Language Model Series

Zhipu ChatGLM (General Language Model) is a series of advanced LLMs developed by Beijing Zhipu Huazhong Technology.

Founded in 2019, Zhipu AI emerged as a commercial spin-off from the Knowledge Engineering Group (KEG), an AI Research Lab at Tsinghua University's Department of Computer Science and Technology. KEG specializes in advanced natural language processing and large language models.[114]

Formally registered as Beijing Zhipu Huazhong Technology Co., Zhipu AI is linked to the PRC military, defense establishment, and government agencies.[115]

In January 2025, the U.S. Department of Commerce placed Zhipu AI on its Entity List citing concern over the company's potential to support China's military modernization efforts, particularly through the development of advanced AI technologies that could serve dual-use purposes.[116] The company, backed financially by both Alibaba Group and Tencent Holdings, was targeted for its ability to aid in China's military-civil fusion goals.[117] While there is no direct evidence that its LLMs are currently being used for military applications, the company has appeared on PLA procurement records and is a registered PLA supplier.[118] Additionally, the CEO of Zhipu's Tianjin subsidiary was recently a keynote speaker at the "China Artificial Intelligence Education Conference" that hosted representatives from military colleges and AI experts.[119]



Tianqing Public Safety Model

SDIC Intelligence, formerly known as Xiamen Meiya Pico Information Company, received CAC approval for its Tianqing Public Safety model in April 2024. The model is incorporated into a mobile physical product—a futuristic cube the company claims can aid in advanced warning, "intelligent interrogations," and intelligence analysis.[120]

SDIC Intelligence is best known under its former alias for its involvement in developing a spyware app allegedly used in the suppression of Uyghur populations in the PRC's Xinjiang region.[121] It was sanctioned as part of China's military-industrial complex during the first Trump administration but still commands a significant portion of the PRC's digital forensics market.[122]

Despite U.S. sanctions, SDIC intelligence claims to have "partnership with overseas companies" in 29 countries, including the UK, South Africa, the Philippines, and Russia.[123] It has also co-organized more than 50 training courses worldwide in concert with PRC's Ministry of Public Security, part of the country's sprawling intelligence apparatus.

Sichuan Daily Network Media Development

Sichuan Daily Network Media Development is wholly owned by Sichuan Daily Press Group, the publisher of Sichuan Daily, a news outlet affiliated with the Sichuan Provincial Committee of the Chinese Communist Party. The publication company is a major hub for Chinese propaganda—in 2021 it partnered with the local propaganda office to establish the Sichuan International Communications Center to "continuously improve large-scale foreign propaganda."[124]

The CAC has approved two algorithms developed by Sichuan Daily Network Media Development that can generate images and text based on user inputs. Both algorithms are incorporated into the "intelligent media LLM" that powers the company's "Sichuan View News" app, which ranks fourth in the Apple China App Store's "newspapers and magazines" category. While these algorithms primarily target domestic audiences, Sichuan Daily Network Media Development also has an AI-powered platform specifically for "international communication" to enhance "accuracy of content delivery" and allow for "one-button publication to multiple accounts on major overseas social media platforms."[125] Given the critical role of AI-driven cognitive warfare capabilities in PLA military strategy, this type of application has serious potential security impacts.

RECOMMENDATIONS

RECOMMENDATIONS FOR POLICYMAKERS

Restrict Security-Relevant AI Infrastructure Developers:

The U.S. Commerce Department's Bureau of Industry and Security (BIS) should continually monitor players in this space to ensure U.S. technology and know-how do not fall into the wrong hands. Ties to the PLA and other PRC national security organizations are clear across the country's AI hardware and software stacks. Yet some companies with direct military ties have not yet been added to U.S. restriction lists, creating potential loopholes that may allow them access to U.S. hardware or resources.

Leverage PRC Dependence on Foreign Software to Apply Strategic Pressure:

The U.S. and its allies need to develop a targeted export control and licensing regime for critical software tools—especially those used in AI model training, data center operations, and systems integration—that are currently embedded in PRC AI infrastructure. Coordinate with allies and partners to restrict or condition updates, patches, and technical support for software used in military-linked or dual-use facilities.

Strengthen International Collaboration to Monitor and Counter PRC AI Infrastructure Expansion:

The U.S. should launch a multilateral effort with Five Eyes and like-minded allies to track PRC AI infrastructure projects abroad—particularly in BRI countries. This effort should include intelligence sharing, technical assistance to partner nations on secure data center development, and coordinated restrictions on risky AI research partnerships.

RECOMMENDATIONS FOR INDUSTRY LEADERS AND INVESTORS

Leading U.S. AI companies have warned of "large-scale industrial espionage"[126] from the PRC and noted that PRC AI companies "could be compelled by the CCP to manipulate its models to cause harm."[127] While policymakers advance a national approach to addressing these threats, there are steps that U.S. and allied industry players can and should be taking today.

Understand the Competitive Landscape:

Industry leaders and investors should identify not only direct PRC competitors—the PRC companies building AI infrastructure and developing cutting-edge models—but also the entities of PRC economic statecraft, including government research institutes, universities, industry associations, technology parks, and start-up incubators that support them in the execution of the PRC government's strategy. Industries should assess their risk level by mapping their ties to the PRC military and state, and mitigate against risk of talent recruitment and IP loss by identifying their ties to players in western AI ecosystems.

Monitor PRC Activity:

Companies should track PRC statecraft tactics in close to real-time and identify when those tactics intersect with people and technology, enabling a proactive response to mitigate risks.

Eliminate Vectors of Technology Transfer:

PRC economic statecraft entities implement a wide range of well-honed technology and talent acquisition tactics. Industry leaders and investors should avoid relationships with both direct PRC competitors and the entities of PRC economic statecraft that support them.

Enhance Awareness:

AI experts working at U.S. and allied organizations are being targeted by PRC actors all over the world. Industry players should proactively engage with top talent to raise awareness about PRC tactics, helping mitigate associated risks.

The adoption of these practices by policymakers and industry leaders will fortify the U.S. and allied AI industries as pillars of national security, protect critical technologies from adversarial exploitation, and secure long-term strategic and economic competitiveness.

This report was sourced using a combination of Strider's proprietary data sources and open-source data. For access to the sources cited in this report, reach out to our team via email at info@striderintel.com.

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