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Application Proof of

Anhui Haimacloud Technology Co., Ltd.
安徽海馬雲科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Anhui Haimacloud Technology Co., Ltd.
安徽海馬雲科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to adjustment)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to adjustment and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Joint Sponsors,* [REDACTED], [REDACTED], [REDACTED] *and* [REDACTED]**

[REDACTED] *and* [REDACTED]

[•]

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IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety before you decide to invest in the **[REDACTED]**. *There are risks associated with any investment. Some of the particular risks in investing in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this Document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

We are the largest GPUaaS provider in China for the provision of cloud-based real-time rendering services in cloud gaming scenario. According to CIC, we ranked first in 2024 by revenue among cloud-based real-time rendering service providers in cloud gaming scenario in China with a market share of 17.9%. We provide cloud-based real-time rendering services and related solutions to customers in industries such as gaming, pan-entertainment, digital cultural tourism and digital education. These services and solutions are powered by our self-developed and deeply integrated platform software and infrastructure hardware centered on GPU based graphic computing. This architecture enables end users to access high-performance GPU based digital content and applications on-demand across different devices and locations overcoming user device limitations.

We implement a "1+1+N" strategy, which consists of (i) one core technological foundation: our GPU based computing infrastructure and platform software capabilities, which serve as the foundation and backbone of our services; (ii) one core application scenario: cloud gaming scenario, where our proprietary full-stack cloud-based real-time rendering technology empowers the gaming industry; and (iii) a rich and growing variety of extended application scenarios: the expansion of our capabilities to other scenarios that require high-performance, real-time graphic rendering, such as pan-entertainment, digital cultural tourism, digital education, AIGC, XR, live streaming and e-commerce.

We provide cloud-based real-time rendering services and related solutions to a diverse customer base, which mainly comprises enterprise customers such as digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers. Our enterprise customers can integrate our proprietary SDK and API into their own products, enabling their end users to access high-performance GPU based digital content and applications, such as games, 3D design software, AIGC software and digital cultural tourism content, on various types of hardware including PCs, mobile phones, tablets and smart TVs. The devices of end users serve solely as input and output interfaces for digital content and applications,

while such content and applications run on our cloud platform and we transmit rendering results to user devices through streaming. This mechanism eliminates the need for significant local computing power, thereby making such digital content and applications more accessible to end users.

Our cloud-based real-time rendering capabilities as a GPUaaS provider have been fully validated in the field of cloud gaming, making us the market leader in China in this field. As of December 31, 2024, we provided cloud-based real-time rendering services for cloud gaming to nine out of the top ten market participants in China's cloud gaming industry, and had established long-term partnerships with renowned market players including China Mobile, several well-known mobile hardware manufacturers, leading gaming platforms and top-tier game developers. As of December 31, 2024, our platform supported more than 28,000 games, including a number of major blockbuster games on different devices in recent years such as a phenomenal action role-play 3A game developed in China and released in 2024, and a ground-breaking open world game developed in China and released in 2020 with the landmark achievement of elevating mobile gaming experience.

Beyond cloud gaming scenario, we also apply our cloud-based real-time rendering service capabilities to other industries and scenarios, including both traditional industries undergoing digital transformation and emerging innovative initiatives. We believe that our leading technology capabilities honed in cloud gaming give us a competitive edge in other fields. We had experienced significant growth during the Track Record Period. Our revenue increased from RMB290.3 million in 2022 to RMB336.6 million in 2023, and further increased to RMB519.5 million in 2024, representing a CAGR of 33.8% between 2022 and 2024. Our gross profit increased from RMB61.6 million in 2022 to RMB89.4 million in 2023, and further increased to RMB129.4 million in 2024, representing a CAGR of 44.9% between 2022 and 2024.

OUR COMPETITIVE STRENGTHS

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

- Pioneer and leader in China's cloud-based real-time rendering services market;
- Robust infrastructure and full-stack, self-developed technologies;
- Leading cloud gaming service capabilities to foster thriving ecosystem;
- Diversified products and solutions driving future growth; and

- Experienced management team and stable R&D team driving innovation.

See "Business — Our Competitive Strengths" for further details.

OUR STRATEGIES

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

- Continuously strengthen infrastructure and platform capabilities to maintain technological leadership;
- Deepen our presence in cloud gaming and expand customer base;
- Establish international footprint through overseas business expansion;
- Build game AI solutions based on unique data capabilities to empower the gaming ecosystem; and
- Explore diverse industry scenarios for new business opportunities.

See "Business — Our Strategies" for further details.

OUR SERVICES

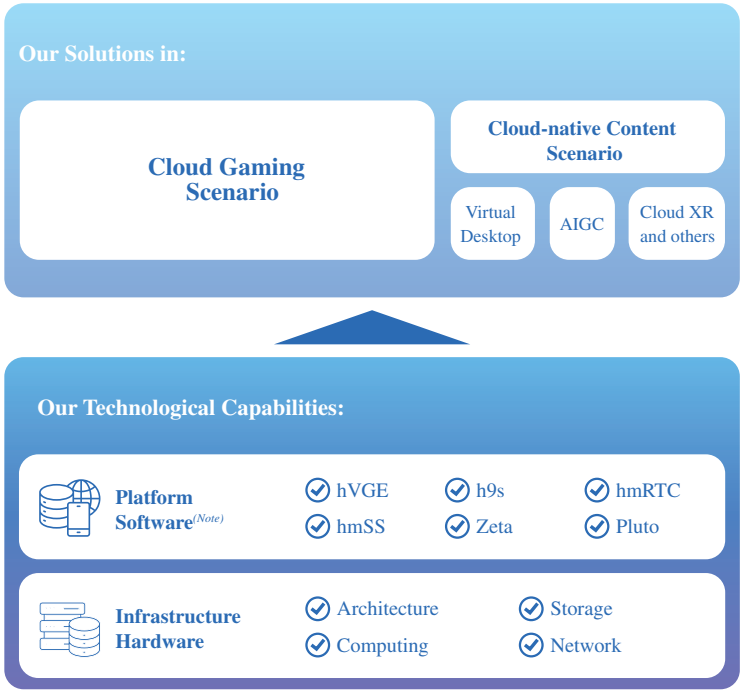
Leveraging robust infrastructure and platform capabilities, we provide cloud-based real-time rendering solutions adapted for a wide range of industries, including gaming, pan-entertainment, digital cultural tourism, digital education, AIGC, XR, live streaming and e-commerce.

- *GPUaaS for cloud gaming*. Cloud gaming is our core application scenario and accounted for the majority of our revenue throughout the Track Record Period. Through our proprietary SDK, our enterprise customers, including digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers, can offer cloud gaming services powered by high-performance GPU computing to end users on PCs, mobile phones, tablets and smart TVs, without being restricted by the computing performance and storage capacity of user devices. We offer monthly and daily subscription plans to customers based on their demand for cloud-based real-time rendering services. Beyond software delivery, we expanded our offerings since 2023 to include solutions that integrate both software and hardware into a single package to meet our customer's demands.

- *Cloud-native content services.* Our cloud-native content services mainly target scenarios such as digital cultural tourism and e-commerce marketing, assisting customers in building end-to-end digital content and application experiences realized via cloud-based real-time rendering. We deliver our services to customers on a project basis.

- *Other services.* We provide customized services for a rich and growing variety of application scenarios such as virtual desktop, AIGC and cloud XR.

The following chart illustrates our core technologies and solutions:



Note: See below for an explanation of technical terms.

Platform Software: All of our core platform software is self-developed, and we have formed full-stack platform capabilities.

- *Heterogeneous Virtual Graphics Engine ("**hVGE**"):* an adaptive graphics virtualization engine designed to support the multiplexing of GPU resources under different architectures;

- *Hippocampus ("**h9s**"):* a large-scale, high-performance container scheduling system designed to manage and schedule our computing capabilities in real-time and dynamically;

- *Haima Real-Time Streaming System ("**hmRTC**"):* an advanced real-time streaming system with high-bandwidth and ultra-low latency specifically designed for high-performance cloud-based real-time rendering services;

- *Haima Storage System ("**hmSS**"):* a large-capacity, high-concurrency, high-performance distributed storage system that supports fully dynamic real-time read and write capabilities of resources based on the operation requirements of diverse digital content and applications;

- *Zeta:* a big data platform that enables real-time streaming data processing and offline computing of big data, based on which we can achieve cloud platform monitoring, alerting and expert system analysis; and

- *Pluto:* an intelligent operation and maintenance platform built on Zeta, enabling us to efficiently and cost-effectively achieve the operation and maintenance management of tens of thousands of servers and dozens of computing nodes globally.

Infrastructure Hardware: We have built an infrastructure based on edge architecture with GPU computing as the core.

- *Architecture*. Unlike traditional CPU centralized computing architecture, our computing system is based on GPU computing and fully adopts an edge architecture. As of December 31, 2024, we had deployed 63 computing nodes globally, including those under construction.

- *Computing*. All our dedicated GPU servers are custom-designed and optimized for cloud-based real-time rendering application scenarios to maximize the satisfaction of service scenarios, improve service efficiency and reduce operational costs.

- *Storage*. The distributed storage system we have built for gaming and digital applications can achieve high concurrency, high throughput, and flexible and efficient management.

- *Network*. Each computing node provides a 100G full-fiber network throughput capacity. Our advanced network optimization capabilities allow us to adapt to different local environments and telecommunication operators, ensuring a consistent and high-quality service experience for our customers.

Key Operating Metrics

The following tables set forth the key operating metrics relevant to our business as of or for the year ended December 31, 2022, 2023 and 2024.

	As of/For the year ended December 31,		
	2022	2023	2024
GPUaaS for cloud gaming			
Number of customers	37	44	69
Customer retention rate[(Note)]	77.8%	78.4%	88.6%

Note: Our customer retention rate is measured as follows:

Customer retention rate = (Number of customers contributing to our revenue in both the current and previous years / Number of customers contributing to our revenue in the previous year) × 100%

COMPETITION

According to CIC, the cloud-based real-time rendering industry is highly competitive. Our current and potential competitors mainly include (i) large internet companies with internal cloud rendering capabilities and strong R&D resources; (ii) cloud-based real-time rendering service providers that offer similar services; and (iii) other real-time rendering service providers that focus on niche application scenarios within specific industries such as cloud gaming and metaverse. Our competitors may compete with us in a variety of ways, including by offering lower prices, investing in broader marketing campaigns, enhancing their technological capabilities, expanding service offerings, improving user experience, or forming strategic alliances with upstream GPU vendors or downstream application developers.

We believe our leading market position, efficient cloud infrastructure, scalable and flexible GPUaaS platform, strong customer relationships, and our focus on delivering high-quality services adapted for real-time rendering scenarios across multiple industries distinguish us from our competitors. According to CIC, we ranked first in 2024 by revenue among cloud-based real-time rendering service providers in cloud gaming scenario in China with a market share of 17.9%.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily included digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers. In 2022, 2023 and 2024, revenue from our top five customers accounted for 81.2%, 72.3% and 72.7% of our total revenue, respectively. Migu Culture, a digital entertainment company that directly held 13.62% of our Shares as of the Latest Practicable Date, was our largest

customer throughout the Track Record Period and accounted for 42.5%, 46.4% and 35.7% of our total revenue in 2022, 2023 and 2024, respectively. See "Business — Our Customers" for further details. To the best knowledge of our Directors, except for Migu Culture, none of our Directors and/or their respective close associates, or any of our existing Shareholders who owned more than 5% of the issued capital of our Company, had any interest in any of our top five customers in each year during the Track Record Period. For details on certain overlaps of suppliers and customers, see "Business — Our Customers — Overlapping of Customers and Suppliers" in this Document.

Our suppliers primarily comprise server manufacturers, cloud computing power leasing operators and IDC operators. In 2022, 2023 and 2024, purchases from our top five suppliers accounted for 74.3%, 69.2% and 70.1% of our total purchases, respectively. Purchases from our largest supplier in each year during the Track Record Period accounted for 38.8%, 30.6% and 29.2% of our total purchases, respectively. See "Business — Our Suppliers" for further details. To the best knowledge of our Directors, except for China Mobile and UCloud, none of our Directors and/or their respective close associates, or any of our existing Shareholders who owned more than 5% of the issued capital of our Company, had any interest in any of our top five suppliers in each year during the Track Record Period.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. These risks are set out in "Risk Factors" in this Document, which we strongly urge you to read in full before making an investment in our Shares. Some of the major risks we face include:

- We generate revenue mainly from the emerging and rapidly evolving cloud gaming industry, which has a relatively short industry history and faces significant uncertainties;
- We have recorded net losses, net current liabilities, net liabilities and net operating cash outflow during the Track Record Period;
- If we cannot compete effectively, our business, financial condition and results of operations could be harmed;
- We have relatively high customer concentration, and a loss of any major customer may adversely affect our business, financial condition and results of operations;
- Our rapid growth depends on our ability to retain existing customers, attract new customers and increase sales to both new and existing customers;

- Our expansion into new product and service offerings may expose us to new and greater challenges and risks;

- We are exposed to risks related to concentration of suppliers and certain customer-supplier overlap;

- We depend on external suppliers for the supply of certain essential computing resources and IDC services. Any interruption or delay in their supplies or increase in prices could materially and adversely affect our business, financial condition and results of operations;

- We have been and intend to continue investing in R&D, which may adversely affect our profitability and operating cash flow, and may not generate the results we expect to achieve; and

- We may not be able to achieve or maintain adequate service capacities as required by our customers.

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

From time to time, we may be involved in various litigation, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, result of operations and financial condition.

CONNECTED TRANSACTIONS

Following the **[REDACTED]**, the transactions between our Company and our connected persons will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, waivers exempting us from strict compliance with the rules regarding the relevant requirements under the Chapter 14A of the Listing Rules. For more details, please see "Connected Transactions".

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The tables below set forth, for the years indicated, selected financial data derived from our consolidated statements of profit or loss and other comprehensive income, and consolidated statements of financial position, the details of which are set forth in the Accountants' Report in Appendix I to this Document, and these should be read in conjunction with the historical financial information in the Accountants' Report in Appendix I to this Document, including the related notes.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth our consolidated statements of profit or loss and other comprehensive income in absolute amounts and as percentages of total revenue during the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*% of total revenue*	*(RMB'000)*	*% of total revenue*	*(RMB'000)*	*% of total revenue*
Revenue	290,290	100.0	336,552	100.0	519,532	100.0
Cost of sales	(228,648)	(78.8)	(247,140)	(73.4)	(390,153)	(75.1)
Gross profit	61,642	21.2	89,412	26.6	129,379	24.9
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	(4,534)	(1.6)	(10,363)	(3.1)	(12,511)	(2.4)
Other income	6,746	2.3	7,276	2.2	2,322	0.4
Other gains and losses	(143)	0.0	605	0.2	(7)	0.0
Selling and marketing expenses	(15,219)	(5.2)	(16,094)	(4.8)	(34,298)	(6.6)
Administrative expenses	(71,193)	(24.5)	(88,961)	(26.4)	(79,110)	(15.2)
Research and development expenses	(133,728)	(46.1)	(112,694)	(33.5)	(100,815)	(19.4)
[REDACTED] expenses	**[REDACTED]**	[REDACTED]	**[REDACTED]**	[REDACTED]	**[REDACTED]**	[REDACTED]
Share of results of associates	6	0.0	(1)	0.0	—	—
Finance costs	(108,372)	(37.3)	(109,924)	(32.7)	(118,572)	(22.8)
Loss before tax	**(264,795)**	**(91.2)**	**(240,744)**	**(71.5)**	**(218,252)**	**(42.0)**
Income tax credit	19,073	6.6	23,047	6.8	32,591	6.3
Loss and total comprehensive expenses for the year	**(245,722)**	**(84.6)**	**(217,697)**	**(64.7)**	**(185,661)**	**(35.7)**

For details of the fluctuations of key financial items set forth in our consolidated statements of profit or loss and other comprehensive income during the Track Record Period, see "Financial Information — Results of Operations" in this Document.

Revenue

We generate our revenue from providing services to customers, including (i) GPUaaS for cloud gaming; (ii) cloud-native content services and (iii) other services. The following table sets forth a breakdown of our revenue by type of service for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
GPUaaS for cloud gaming	247,786	85.4	220,197	65.4	457,869	88.1
Cloud-native content services	25,917	8.9	103,050	30.6	46,814	9.0
Other services	16,587	5.7	13,305	4.0	14,849	2.9
Total	**290,290**	**100.0**	**336,552**	**100.0**	**519,532**	**100.0**

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

The following table sets forth the breakdown of our gross profit by types of service and corresponding gross profit/(loss) margins for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*Margin (%)*	*(RMB'000)*	*Margin (%)*	*(RMB'000)*	*Margin (%)*
GPUaaS for cloud gaming	47,408	19.1	54,983	25.0	115,226	25.2
Cloud-native content services	9,895	38.2	30,542	29.6	15,304	32.7
Other services	4,339	26.2	3,887	29.2	(1,151)	(7.8)
Total	**61,642**	**21.2**	**89,412**	**26.6**	**129,379**	**24.9**

See "Financial Information — Results of Operations" for an explanation of fluctuations of our revenue, gross profit and gross profit margin, among other items.

NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS, we use a non-IFRS measure, namely adjusted net loss, as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that the non-IFRS measure helps identify underlying trends in our business and provides useful information to investors in understanding and evaluating our results of operations. However, our presentation of the non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has limitations as analytical tools, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss and total comprehensive expenses for the year excluding the effects of interest on redemption liabilities, as well as **[REDACTED]** expenses. Interest on redemption liabilities represents the non-cash interest expense recorded to reflect interest incurred on our conditional obligation to redeem issued shares. We will cease to be subject to such finance costs upon **[REDACTED]**. **[REDACTED]** expenses are expenses relating to the **[REDACTED]**. The following table reconciles our adjusted net loss (non-IFRS measure) for the years indicated to the nearest financial measure calculated and presented in accordance with IFRS, which is loss and total comprehensive expenses for the year:

	Years ended December 31,		
	2022	**2023**	**2024**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Loss and total comprehensive expenses for the year	(245,722)	(217,697)	(185,661)
Add:			
Interest on redemption liabilities	72,099	80,145	96,776
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	**(173,623)**	**(137,552)**	**(84,245)**

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Total current assets	175,153	288,584	365,478
Total non-current assets	403,960	354,814	335,346
Total current liabilities	473,961	598,021	2,039,346
Total non-current liabilities	1,057,852	1,215,774	17,536
Net current liabilities	**(298,808)**	**(309,437)**	**(1,673,868)**
Total assets less current liabilities	**105,152**	**45,377**	**(1,338,522)**
Total deficits	**(952,700)**	**(1,170,397)**	**(1,356,058)**

For details of fluctuations of key financial items set forth in our consolidated statements of financial position during the Track Record Period, see "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position" in this Document.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated.

	Years ended December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Net cash used in operating activities *(Note)*	(49,030)	(164,973)	(68,112)
Net cash used in investing activities	(39,935)	(52,915)	(33,849)
Net cash from financing activities	46,463	218,468	106,615
Net (decrease) increase in cash and cash equivalents	(42,502)	580	4,654
Cash and cash equivalents at beginning of the year	63,506	21,004	21,584
Cash and cash equivalents at end of the year	**21,004**	**21,584**	**26,239**

Note: We routinely discount customer-issued commercial acceptance notes at the bank, the proceeds of which are recorded as financing cash inflows instead of operating cash inflows. Our proceeds from bills discounted that are not derecognized in their entirety amounted to RMB108.2 million, RMB101.7 million and RMB126.3 million in 2022, 2023 and 2024, respectively.

We derive our cash inflows from operations principally from the receipts in respect of the sales of our products and services, Our cash outflows from operations are principally payments for cost of sales and other expenses. Our cash flows from operating activities can be affected by factors such as the timing of collection of trade receivables from customers. Further, we routinely discount customer-issued commercial acceptance notes at the bank, the proceeds of which are recorded as financing cash inflows instead of operating cash inflows. Our proceeds from bills discounted that are not derecognized in their entirety amounted to RMB108.2 million, RMB101.7 million and RMB126.3 million in 2022, 2023 and 2024, respectively. By comparison, our net cash used in operating activities amounted to RMB49.0 million, RMB165.0 million and RMB68.1 million in the same years, respectively. Net cash used in operating activities reflects our loss before tax, adjusted for (i) non-cash items, including (a) depreciation of property, plant and equipment and right-of-use assets, (b) impairment losses under ECL model, net of reversal, and (c) gain on disposal of property, plant and equipment, and (ii) changes in our working capital. For details of fluctuations of key financial items set forth in our consolidated statement of cash flows during the Track Record Period, see "Financial Information — Liquidity and Capital Resources — Consolidated Statement of Cash Flows" in this Document.

Key Financial Ratios

The following table sets forth certain financial ratios as of the dates or for the years indicated:

	For the year ended/As of December 31,		
	2022	**2023**	**2024**
Gross profit margin (%)	21.2	26.6	24.9
Current ratio[(Note)] (times)	0.4	0.5	0.2

Note: Current ratio is calculated based on the total current assets as at the respective dates divided by the total current liabilities as at the respective dates.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Scalable Business Model and Enhanced Monetization

Our path to profitability is built upon a highly scalable business model, reinforced by continuous customer base expansion and enhanced monetization strategies. The cloud gaming market continues to evolve and expand, driven by technological advancements in cloud infrastructure, shifting consumer preferences towards seamless gaming experiences, and the transformative adoption of the GaaS model. GaaS eliminates installation threshold and the barrier between different operating systems, enabling users to access high-quality gaming content, such as 3A games, irrespective of their hardware limitations. According to CIC, the market size of cloud-based real-time rendering services for cloud gaming in China is expected to reach RMB11.6 billion by 2029, representing a CAGR of 35.4% from 2024 to 2029. Alongside market growth, we strive to enlarge our own market share, which increased from 12.5% in 2023 to 17.9% in 2024. As a market leader we are strategically positioned to seize market opportunities, deepen existing customer relationships, acquire new customers, and consolidate our influential role in cloud gaming and other downstream scenarios.

We proactively replicate our proven technologies and deep industry knowledge across diverse value-added service scenarios, increasing user stickiness, attracting a growing customer base, and expanding our addressable market. From 2022 to 2024, our GPUaaS for cloud gaming customer base grew from 37 to 69 customers, with customer retention rates improving significantly from 77.8% to 88.6%, underscoring the success of this strategic approach.

Moreover, leveraging our robust commercialization capabilities, we continuously introduce innovative offerings such as GPUaaS for virtual desktop and AIGC co-creation application platform. Specifically, our GPUaaS for virtual desktop provides individual users with convenient access to high-performance computing environments and applications without hardware limitations. Users benefit from significantly reduced entry costs and seamless experiences, and the product has quickly gained market acceptance since its launch in mid 2024, underpinning our strategy to diversify revenue sources effectively. Similarly, by the end of 2024, RunningHub.ai had rapidly gained market traction, supporting developers from over 130 countries. This diversification of revenue streams and solid market acceptance lay a strong foundation for sustained profitability.

Additionally, we actively pursue international market opportunities to further diversify our revenue base. By strategically deploying computing nodes in regions with high demand such as North America, Europe, Japan and South Korea in the near future, we expect to enhance our capability to expand our local customer base and more effectively address the needs of regional markets.

Improving Gross Margin

Our expanding scale of operations strengthens our bargaining position with suppliers, enabling us to negotiate better procurement terms and reduce cost of sales. Throughout the Track Record Period, our cost of sales as a percentage of revenue declined from 78.8% in 2022 to 75.1% in 2024, reflecting improved economies of scale and operational efficiencies.

By continuously optimizing our proprietary platform software, which mainly include hVGE, h9s, hmRTC, hmSS, Zeta and Pluto, we have further optimized resource utilization, enabling sustained reductions in the unit cost of service delivery.

We are proactively refining our product and service offerings by introducing higher gross margin solutions aimed at individual customers. Our virtual desktop and AIGC businesses both attract individual customers, where we see good potential for future growth.

Enhancing Operating Leverage

As our business scales, we anticipate that operating expenses will decline as a percentage of revenue due to economies of scale. Fixed costs such as R&D, selling and marketing, and administrative expenses will be distributed across a larger revenue base, thereby enhancing operating leverage.

In sales and marketing, we increasingly leverage word-of-mouth referrals and benchmark project successes, minimizing the necessity of proportionally scaling our sales workforce. Backed by our leading technology capabilities, we are able to deliver high-performance solutions with superior reliability and user experience. This technical strength ensures that our products consistently meet or exceed industry standards, fostering customer satisfaction and trust. As a result, our enterprise customers become strong advocates, driving organic business growth through peer recommendations and industry recognition. Initial investments in promotional activities are strategically targeted to establish strong brand recognition. Over time, organic growth driven by established market recognition naturally reduces our reliance on extensive promotional spending.

Our historical investments in R&D have laid a strong foundation, yielding substantial competitive advantages and diminishing incremental R&D spending relative to revenue growth. R&D expenses as a percentage of total revenue decreased notably from 46.1% in 2022 to 19.4% in 2024, demonstrating increased efficiency. Additionally, we have adopted AI-powered development tools and workflows, which have significantly improved the output per unit of R&D investment and enhanced individual developer productivity and deliverables. Going forward, as part of our use

of proceeds, we will specifically allocate funds to further enhance our AI-driven capabilities. These investments will drive further reductions in our incremental R&D spending as a proportion of revenue.

Administrative expenses similarly benefit from scale economies, allowing fixed overhead costs, including facility management, back-office staffing, and operational support, to be effectively amortized over an expanding revenue base.

Overall, our path to profitability is underpinned by sustainable revenue growth, strategic diversification of our product offerings, continuous technological innovation, prudent operational expense management, and strategic global market expansion. We remain committed to effectively implementing these strategies, positioning us to achieve robust, long-term profitability and further consolidate our market leadership.

RECENT DEVELOPMENT

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business continued to grow. Our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2024, which is the end date of the years reported on in the Accountants' Report in Appendix I to this Document, and there is no event since December 31, 2024 which would materially affect the information as set out in the Accountants' Report in Appendix I to this Document.

[REDACTED]

DIVIDEND POLICY

No dividend had been proposed, paid or declared by our Company during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future.

As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

USE OF [REDACTED]

We estimate that we will receive **[REDACTED]** of approximately **[REDACTED]** million from the **[REDACTED]**, after deducting the **[REDACTED]** and other expenses payable by us in connection with the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised, and assuming an **[REDACTED]** of **[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range of **[REDACTED]** to **[REDACTED]**).

We intend to use the **[REDACTED]** we will receive from the **[REDACTED]** for the following purposes:

- approximately **[REDACTED]**% of the **[REDACTED]**, or **[REDACTED]**, will be used for continuous investment in our infrastructure;
- approximately **[REDACTED]**% of the **[REDACTED]**, or **[REDACTED]**, will be used to fund the R&D activities related to our core platform software, which constitute the technological foundation of our product and service offerings;
- approximately **[REDACTED]**% of the **[REDACTED]**, or **[REDACTED]**, will be used to further develop and promote our emerging products including GPUaaS for virtual desktop and RunningHub.ai;
- approximately **[REDACTED]**% of the **[REDACTED]**, or **[REDACTED]**, will be used to fund the continuous development and iteration of game AI capabilities; and
- approximately **[REDACTED]**% of the **[REDACTED]**, or **[REDACTED]**, will be used for our working capital and other general corporate purposes.

For more details, please see "Future Plans and Use of **[REDACTED]** — Use of **[REDACTED]**."

[REDACTED]

[REDACTED]

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, (i) the Concert Party Group, consisting of Zhixing Jiashi, Aixin and Aijing, were collectively interested in approximately 19.70% of the Shares, and pursuant to the Concert Party Agreement, Aixin and Aijing will follow Zhixing Jiashi's vote to arrive at a unanimous consent in case of any disagreement in aligning votes in the Shareholders' meeting; (ii) Haima Leyun, Yifeng Joint and Huiju Jiashi were collectively interested in approximately 7.65% of the Shares; and (iii) Mr. Dang, by virtue of his role as the general partner of each of Zhixing Jiashi, Haima Leyun, Yifeng Joint and Huiju Jiashi and considering the Concert Party Agreement, was deemed to be interested in approximately 27.35% of the Shares. Accordingly, Mr. Dang, the Concert Party Group, Haima Leyun, Yifeng Joint and Huiju Jiashi constitute our single largest group of Shareholders, holding in aggregate approximately 27.35% of the Shares as of the Latest Practicable Date.

Immediately following the completion the **[REDACTED]**, our Single Largest Group of Shareholders will in aggregate hold approximately **[REDACTED]**% of the Shares (assuming the **[REDACTED]** is not exercised).

For more details, please see "Relationship with our Single Largest Group of Shareholders".

PRE-[REDACTED] INVESTMENTS

Since our establishment, we have attracted certain Pre-**[REDACTED]** Investors and completed several rounds of financing to raise funds for the development of our business. For further information of the principal terms of the Pre-**[REDACTED]** Investments and the identities and background of our major Pre-**[REDACTED]** Investors, please see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments."

In this Document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Document.

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, details of which are set out in Appendix I
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Aijing"	Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 24, 2015, one of our Single Largest Group of Shareholders
"Aixin"	Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 24, 2015, one of our Single Largest Group of Shareholders
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the **[REDACTED]**, a summary of which is set out in Appendix III
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Beijing Haimacloud"	Haimacloud (Beijing) Technology Co., Ltd. (海馬雲(北京)科技有限公司), a company established under the laws of the PRC on July 4, 2023, which is a wholly-owned subsidiary of our Company

"BIS"	the Bureau of Industry and Security of the U.S. Department of Commerce
"Board" or "our Board"	the board of Directors
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"BVI"	British Virgin Islands
"Capital Market Intermediaries" or "capital market intermediary(ies)" or "CMI(s)"	the capital market intermediaries participating in the **[REDACTED]** and has the meaning ascribed thereto under the Listing Rules
"CAC"	the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)

[REDACTED]

"China", "Mainland China" or "PRC"	the People's Republic of China which, for the purpose of this Document and for geographical reference only, excluding Hong Kong Special Administrative Region of the People's Republic of China, Macau Special Administrative Region of the People's Republic of China and Taiwan Region
"China Mobile"	China Mobile Limited (中國移動有限公司), a company incorporated in Hong Kong with limited liability under the Companies Ordinance on September 3, 1997 and listed on the Stock Exchange (stock code: 941), which is the holding company of Migu Culture

"CIC" or "Industry Consultant"	China Insights Industry Consultancy Limited, an Independent Third Party, and a market research firm engaged by the Company to prepare an industry report, the details of which are set out in the section headed "Industry Overview" in this Document
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	Anhui Haimacloud Technology Co., Ltd. (安徽海馬雲科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on December 27, 2013, and converted into a joint stock company with limited liability on December 28, 2015
"Concert Party Agreement"	the concert party agreement entered into by Zhixing Jiashi (知行嘉實), Aixin (艾歆) and Aijing (艾箐) on September 30, 2020 and renewed on May 30, 2025
"Concert Party Group"	collectively, Zhixing Jiashi (知行嘉實), Aixin (艾歆) and Aijing (艾箐)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules

"Conversion of Unlisted Shares into H Shares"	the conversion of **[REDACTED]** Unlisted Shares in aggregate held by 34 existing Shareholders into H Shares upon the completion of the **[REDACTED]**. Such conversion of Unlisted Shares into H Shares and an application for H Shares to be **[REDACTED]** on the Hong Kong Stock Exchange has been filed with the CSRC on **[REDACTED]**. The CSRC issued the filing notice on [•] in respect of the **[REDACTED]** and the application for **[REDACTED]** of our H Shares on the Stock Exchange
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Dasheng Shuyu"	Dasheng Shuyu (Tianjin) Technology Co., Ltd. (大勝數娛(天津)科技有限公司), a company established under the laws of the PRC on July 7, 2015, which is a wholly-owned subsidiary of our Company
"Director(s)"	the director(s) of our Company
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Plan"	the pre-**[REDACTED]** employee incentive plan adopted by the Company, the principal terms of which are set out in the section headed "Appendix IV — Statutory and General Information — Employee Incentive Plan"
"ESOP Holding Entity" or "Anhui Dongxiang"	Anhui Dongxiang Joint Enterprise Management Consulting Partnership (Limited Partnership) (安徽動想共同企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on May 21, 2025

[REDACTED]

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

"FVTPL"	fair value through profit or loss
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

[REDACTED]

"Group", "our Group, "our", "we" or "us"	our Company and our subsidiaries
"Guide"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024
"Haimacloud Intelligent"	Anhui Haimacloud Intelligent Technology Development Co., Ltd. (安徽海馬雲智能科技發展有限公司), a company established under the laws of the PRC on February 13, 2025, which is a non-wholly-owned subsidiary of our Company
"Haima Leyun"	Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 28, 2016, one of our Single Largest Group of Shareholders
"H Share(s)"	overseas **[REDACTED]** foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be **[REDACTED]** for and **[REDACTED]** in HK dollars and to be **[REDACTED]** on the Hong Kong Stock Exchange

[REDACTED]

"HK$" or "Hong Kong Dollars" or "HK Dollars" and "HK cents"	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[REDACTED]

"Huiju Jiashi"	Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 24, 2015, one of our Single Largest Group of Shareholders
"Huize Technology"	HONG KONG HUIZE TECHNOLOGY CO., LIMITED (香港惠澤科技有限公司), a private limited company incorporated under the laws of Hong Kong on September 6, 2023, which is a wholly-owned subsidiary of our Company
"IASB"	International Accounting Standards Board
"IFRS"	International Financial Reporting Standards, amendments and interpretations, as issued from time to time by the IASB
"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules

[REDACTED]

"Jiarui Xinke"	Chongqing Jiarui Xinke Technology Co., Ltd. (重慶嘉睿信氪科技有限公司), a company established under the laws of the PRC on August 15, 2023, which is a wholly-owned subsidiary of our Company
"Joint Sponsors"	the joint sponsors of the **[REDACTED]** as named in "Directors and Parties Involved in the **[REDACTED]**"
"Latest Practicable Date"	June 25, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

"Linghang Guangyi"	Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 14, 2018, which is a Pre-**[REDACTED]** Investor and a substantial Shareholder

[REDACTED]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Lu'an Haimacloud"	Lu'an Haimacloud Technology Co., Ltd. (六安海馬雲科技有限公司), a company established under the laws of the PRC on February 17, 2025, which is a wholly-owned subsidiary of our Company
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"Meta Cloud"	Hong Kong Meta Cloud Technology Limited (香港元雲科技有限公司), a private limited company incorporated under the laws of Hong Kong on November 15, 2024, which is a wholly-owned subsidiary of our Company
"Migu Culture"	Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), a company established under the laws of the PRC on November 18, 2014, which is a Pre-**[REDACTED]** Investor and a substantial Shareholder
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

"MILA"	MILA Limited (亞洲移動互聯網有限公司), a private limited company incorporated under the laws of Hong Kong on April 14, 2024, which is a wholly-owned subsidiary of our Company
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
"Mr. Dang"	Mr. Dang Jinfeng (黨勁峰), founder of the Group, the chairman of the Board, an executive Director and the chief executive officer of our Company, one of our Single Largest Group of Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board

[REDACTED]

[REDACTED]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC Data Compliance Legal Adviser"	Haiwen & Partners, our legal adviser on PRC data compliance laws in connection with the **[REDACTED]**
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Adviser"	Haiwen & Partners, our legal adviser on PRC laws in connection with the **[REDACTED]**
"Pre-**[REDACTED]** Investor(s)"	the investor(s) making investments in our Group prior to this **[REDACTED]** as set out in "History, Development, and Corporate Structure — Pre-**[REDACTED]** Investments"
"Pre-**[REDACTED]** Investment(s)"	the investment(s) in our Group undertaken by the Pre-**[REDACTED]** Investors prior to this **[REDACTED]**, the details of which are set out in "History, Development, and Corporate Structure"

[REDACTED]

"Regulation S"	Regulation S under the U.S. Securities Act
"Renminbi" or "RMB"	the lawful currency of the PRC
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the SAMR
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

"Shanghai Giant"	Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), a company established under the laws of the PRC on November 18, 2004, a Pre-**[REDACTED]** Investor and a substantial Shareholder
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of our Share(s)
"Sidimeng Technology"	Anhui Sidimeng Technology Co., Ltd. (安徽絲蒂蒙科技有限公司), a company established under the laws of the PRC on October 25, 2024, which is a non-wholly-owned subsidiary of our Company
"Single Largest Group of Shareholders"	refers to Mr. Dang, the Concert Party Group, Haima Leyun, Yifeng Joint and Huiju Jiashi as further detailed in the section headed "History, Development and Corporate Structure" and "Relationship with our Single Largest Group of Shareholders"
	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Tianjin Haimacloud"	Haimacloud (Tianjin) Information Technology Co., Ltd. (海馬雲(天津)信息技術有限公司), a company established under the laws of the PRC on October 25, 2016, which is a wholly-owned subsidiary of our Company
"Track Record Period"	the period comprising the three financial years ended December 31, 2022, 2023 and 2024
"UCloud"	UCloud Technology Co., Ltd. (優刻得科技股份有限公司), a company established under the laws of the PRC on March 16, 2012, which is a Pre-**[REDACTED]** Investor

"U.S. Government"	the federal government of the United States, including its executive, legislative and judicial branches
"U.S. persons"	U.S. persons as defined in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

[REDACTED]

"United States", "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax

[REDACTED]

"Yanmo Technology"	Anhui Yanmo Technology Co., Ltd. (安徽煙墨科技有限公司), a company established under the laws of the PRC on November 6, 2024, which is a wholly-owned subsidiary of our Company

"Yifeng Joint"	Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on November 10, 2016, one of our Single Largest Group of Shareholders
"Zhixing Jiashi"	Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on October 16, 2015, one of our Single Largest Group of Shareholders
"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

In this Document, unless the context otherwise requires, explanations and definitions of certain terms used in this Document in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"3D"	three-dimension that is interactive animation and is graphically presented in the three dimensions of height, width and depth
"4G"	the fourth generation of mobile network
"5G"	the fifth generation of mobile network, a new global wireless standard after 1G, 2G, 3G and 4G networks
"8K"	a resolution format of pixel dimensions of 7,680 x 4,320
"16K"	a resolution format of pixel dimensions of 15,360 x 8,640
"AI"	artificial intelligence
"AIGC"	AI generated content
"algorithm"	a procedure or formula for solving a problem, based on conducting a sequence of specific actions, especially by a computer
"Android"	an operating system developed and maintained by Google Inc. which is used in touchscreen technology including smartphones and tablets
"API"	application programing interface, a set of clearly defined methods of communication between various software components
"app" or "application"	application software designed to run on mobile devices
"AR"	augmented reality, an interactive experience of a real-world environment where the objects that reside in the real world are enhanced by computer-generated perceptual information

GLOSSARY OF TECHNICAL TERMS

"architecture"	the structure under which an information system's hardware, software, data and communication capabilities are put together
"ARM"	advanced RISC (reduced instruction set computer) machine
"availability"	accessibility to products or services
"BGP"	border gateway protocol, a standardized exterior gateway protocol designed to exchange routing and reachability information among autonomous systems on the internet
"big data"	large and diverse data sets able to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information assets under new processing model for greater decision-making power, insight and processing optimization capabilities
"CAGR"	compounded annual growth rate, which is calculated by dividing the amount at the end of the period by the amount of the beginning of that period, raising the result to an exponent of one divided by the number of years in the period, and subtracting one from the subsequent result
"Checkpoint"	a saved state of a machine learning model at a specific training stage, including the model's parameters, optimizer state, and other training metadata. Checkpoints allow training to resume from a specific point or serve as base models for downstream tasks or fine-tuning
"CI/CD"	continuous integration, continuous deployment
"cloud-based"	applications, services or resources made available to users on demand via the Internet from a cloud computing provider's servers with access to shared pools of configurable resources

"cloud-native"	an approach to building and running applications that exploits the advantages of cloud computing, where each part of the application is packaged in its own container, dynamically orchestrated so each part is actively scheduled and managed to optimize resource utilization, and micro services-oriented to increase the overall agility and maintainability of applications. Cloud native technologies empower organizations to build and run scalable applications in modern, dynamic environments such as public, private and hybrid clouds
"concurrency"	the ability of different parts or units of a program, algorithm, or problem to be executed out-of-order or in partial order, without affecting the final outcome
"CPU"	central processing unit
"decoding"	the conversion of an encoded format back into the original sequence of characters
"deep learning"	a machine learning technique that constructs artificial neural networks with multiple layers to extract features from the raw input
"edge"	hardware or services that brings computation and data storage closer to where the data is produced
"FPS"	frames per second
"G"	giga
"GaaS"	games-as-a-service
"generative AI"	a form of AI capable of generating new content, such as text, images, or other media, using generative models. Generative AI models learn the patterns and structure of their input training data and then generate new data that has similar characteristics
"GPU"	graphic processing unit

"GPUaaS"	GPU as a Service
"Hadoop"	an open-source distributed computing platform developed by the Apache Foundation, primarily used for processing the storage and analysis of large-scale datasets. It serves as one of the core frameworks in the field of big data technology
"HD"	high definition
"HDR"	high dynamic range
"HTTP"	hypertext transfer protocol
"IDC"	internet data center
"iOS"	a mobile operating system developed and maintained by Apple Inc. used exclusively in Apple touchscreen technology including iPhones, iPods and iPads
"IT"	information technology
"ISP"	internet service provider
"K"	kilo
"latency"	an expression of the amount of time required for data to transfer from one point to another
"LoRA"	low-rank adaptation, a parameter-efficient fine-tuning technique used in large language and diffusion models. LoRA adapts pretrained models by inserting trainable low-rank matrices into certain layers, enabling task-specific customization with minimal computational cost and without modifying the original model weights
"metaverse"	the convergence of physical, augmented and virtual reality in a shared online space

"microservices"	software services broken into smaller, separate services with each service doing one specific job, which makes software building or maintenance easier as building or updating one service would not affect other services or the whole system
"MR"	mixed reality
"ms"	millisecond
"pan-entertainment"	the development of games, literature, animations and motion pictures, amongst others, based on intellectual properties
"PB"	petabyte
"PC"	personal computer
"R&D"	research and development
"RAM"	random access memory
"RTC"	real-time communication
"SDK"	software development kit, a set of software development tools in one installable package that can be used to create and develop applications
"SLA"	service level agreement, a contract between a service provider and a customer that sets clear, promised service standards
"SoC"	system on chip, the incorporation of all main components such as processor, memory and graphics of a device on a single microchip
"TB"	terabit, which equals to 1,000 gigabytes
"3A games"	an informal classification for high-quality games, typically developed by a professional team with large amount of time and investment and published by renowned publishers

GLOSSARY OF TECHNICAL TERMS

"UHD"	ultra-high definition
"VMI"	virtual mobile infrastructure, a technology that enables the running of mobile operating systems on cloud servers, so that users can access a virtual mobile phone across different devices
"VR"	virtual reality, the computer-generated simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way
"WCG"	wide color gamut
"XR"	extended reality
"YUV"	the color model found in the PAL (phase alternating line) analog color TV standard

FORWARD-LOOKING STATEMENTS

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words "aim," "anticipate," "aspire," "believe," "could," "expect," "going forward," "intend," "may," "ought to," "plan," "project," "schedule," "seek," "should," "target," "vision," "will," "would," and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in "Risk Factors" and elsewhere in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate, including but not limited to interest rates, foreign exchange rates;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain relationship with, and the actions and developments affecting, our major business partners, suppliers and future customers;
- our ability to maintain the market leading positions and the actions and developments of our competitors;
- our ability to effectively control costs and operating expenses;

- the ability of business partners to perform in accordance with contractual terms and specifications;

- our ability to retain senior management and key personnel and recruit qualified staff;

- our business strategies and plans to achieve these strategies, including our drug development plans, commercialization strategies and geographic expansion plans; and

- all other risks and uncertainties described in "Risk Factors".

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this Document.

In this Document, statements of or references to our intentions or those of our Directors are made as of the date of this Document. Any such information may change in light of future developments.

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, results of operations and financial condition. The market price of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date thereof, and is subject to the cautionary statements in "Forward-looking Statements" in this Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We generate revenue mainly from the emerging and rapidly evolving cloud gaming industry, which has a relatively short industry history and faces significant uncertainties.

We generate revenue mainly from the cloud gaming industry. GPUaaS for cloud gaming accounted for 85.4%, 65.4% and 88.1% of our revenue in 2022, 2023 and 2024, respectively. Going forward, we expect to continue to derive a significant portion of our revenue from such business. Cloud gaming is an emerging industry that grew from a global market penetration of merely 0.6% back in 2020 to 3.7% in 2024, according to CIC. Such industry has been evolving rapidly in recent years, driven by the development of the overall gaming industry, technology advancements, industry competition and constantly shifting user preferences. Rapid evolvements bring significant uncertainties to industry players, including our present and future customers. A material adverse change in industry dynamics, competitive landscape or user behavior could negatively impact our customers' operations, thus affecting their demand for our services.

The emerging cloud gaming industry also provides a playground for competing business models, which competition may bear significant consequences for us. Technology giants may choose to try to establish their in-house cloud-based real-time rendering capabilities instead of purchasing such services from us. There is no assurance that our existing customers will not do the same. We therefore face the constant challenge to prove our existential value, a challenge that we may not be able to constantly rise up to.

The new industry may also attract new government intervention. New government regulations and policies on cloud gaming may impact our customers' operations and their ability and willingness to purchase services from us, which may in turn have a material adverse impact on our business, financial position and results of operations.

We have recorded net losses, net current liabilities, net liabilities and net operating cash outflow during the Track Record Period.

We were loss-making during the Track Record Period as we strategically focused on investment of our R&D activities at the early development stage of our technologies and solutions rather than seeking short-term profitability. In 2022, 2023 and 2024, we had net losses of RMB245.7 million, RMB217.7 million and RMB185.7 million, respectively. We cannot assure you whether or when we will be profitable in the foreseeable future. Our potential profitability is dependent upon a variety of factors, including the continued increase in customer needs for our solutions and services, our success in competing against other participants in the markets in which we operate, and macroeconomic and regulatory environment.

As of December 31, 2022, 2023 and 2024, we had net current liabilities of RMB298.8 million, RMB309.4 million and RMB1,673.9 million, and net liabilities of RMB952.7 million, RMB1,170.4 million and RMB1,356.1 million, respectively. Such net current liabilities and net liabilities positions were primarily due to our operating losses and the issue of redeemable shares. We recorded net operating cash outflow of RMB49.0 million, RMB165.0 million and RMB68.1 million in 2022, 2023 and 2024, respectively, which was primarily attributable to our discounting of customer-issued commercial acceptance notes, the proceeds of which were recorded as cash inflows from financing instead of operating activities. For more details, please see "Financial Information — Liquidity and Capital Resources — Consolidated Statement of Cash Flows." If we continue to record net operating cash outflow in the future, our working capital may be constrained, which may adversely affect our business and financial condition.

If we cannot compete effectively, our business, financial condition and results of operations could be harmed.

The cloud-based real-time rendering market for cloud gaming is rapidly evolving and highly competitive. The principal competitive factors in our market include computing power capabilities, products and services provision capabilities, R&D capabilities, industry know-how and continuous capital investment, among others. We primarily compete with other cloud-based real-time rendering service providers in China for cloud gaming, some of which may have greater financial, R&D, marketing and other resources than we do. Some competitors may offer more attractive products and services with competitive pricing or enhanced performance that we cannot match. Some may choose to operate based on a different pricing model or undercut prices in order to

increase their market share. Furthermore, such competition may further intensify if any of our competitors enter into business partnerships or alliances or raise significant capital, or if established companies from other market segments or geographical markets expand into our target markets or geographies. If we are unable to compete effectively against our current or potential competitors, our business, financial condition and results of operations may be materially and adversely impacted.

We have relatively high customer concentration, and a loss of any major customer may adversely affect our business, financial condition and results of operations.

We mainly serve enterprise customers and have relatively high customer concentration. Revenue attributable to our five largest customers amounted to RMB235.6 million, RMB243.3 million and RMB377.5 million in 2022, 2023 and 2024, respectively, representing 81.2%, 72.3% and 72.7% of our total revenue for the same years, respectively. Revenue attributable to our largest customer amounted to RMB123.5 million, RMB156.3 million and RMB185.4 million in 2022, 2023 and 2024, respectively, representing 42.5%, 46.4% and 35.7% of our total revenue for the same years, respectively. Although we have developed new customers along our business growth in recent years, our customer concentration may remain relatively high for the foreseeable future.

There is no assurance that our existing major customers will continue to place orders with us at historical levels, or that we will be able to secure comparable levels of business from other customers to offset any loss of revenue from losing one or more of these major customers. If we lose our customers, in particular any major customers, for any reason, our business, financial condition and results of operations may be materially and adversely affected.

Our rapid growth depends on our ability to retain existing customers, attract new customers and increase sales to both new and existing customers.

Our ability to retain existing customers, attract new customers and expand our customer base is critical to the continued success of and growth of our business. Any loss of existing customers or failure to attract new customers may lead to business stagnation, loss of market share and damage to our market reputation.

We face a number of challenges, failure to address which could negatively affect our customer retention and growth, including, amongst other things, challenges to our ability to:

- upgrade our services and provide new services to cater to changing customer preferences and maintain high service quality;

- expand our service capabilities to accommodate increasing customer demand especially during peak times;
- change service patterns or protocols for compliance with legislation, regulations or government policies affecting us and our customers;
- protect our brand reputation;
- continue to stay ahead of industry technology advancements;
- address concerns that customers may raise such as regarding information protection and cybersecurity; and
- successfully compete with existing competitors and new market entrants.

Any failure to overcome the above and other challenges may impact our ability to retain existing customers and attract new customers, which may in turn have a material adverse effect on our business, financial position and results of operations.

Our expansion into new product and service offerings may expose us to new and greater challenges and risks.

To address the evolving market demand and explore new revenue streams, we have strategically expanded our product and service offerings beyond GPUaaS for cloud gaming during the Track Record Period. Specifically, we have developed and launched diversified products and solutions, including cloud-native content services, GPUaaS for virtual desktop, AIGC co-creation application platform and cloud XR, among others. However, we cannot assure you that such efforts will be successful. The success of developing and commercializing new product and service offerings depends on multiple factors, including those beyond our control, such as industry trends, market demand, competition and customer acceptance. In addition, the successful launch of new products and services requires substantial and ongoing investments in R&D, talent recruitment, infrastructure and market promotion. It may take a long time to cultivate a mature product or service and build a stable customer base. Thus, our revenue generated from new products and services may fluctuate from time to time. We cannot assure you that our investments in this area will deliver expected returns. Failure to launch and commercialize new products and services may materially and adversely affect our business, financial condition and results of operations.

We are exposed to risks related to concentration of suppliers and certain customer-supplier overlap.

In 2022, 2023 and 2024, our five largest suppliers accounted for 74.3%, 69.2% and 70.1% of our total purchase, respectively, and our single largest supplier accounted for 38.8%, 30.6% and 29.2% of our total purchase during the same years, respectively. This supplier concentration risk and reliance can lead to several challenges, including potential supply disruptions, increased pricing leverage for suppliers and quality control issues. We cannot assure you that we will be able to find other suppliers providing comparable service or products at comparable prices within a reasonable period in case of interruption of our major suppliers' business or our business relationship with them, in which case our financial condition and results of operations may be materially and adversely affected.

In addition, during the Track Record Period, certain suppliers also purchased our services. For an analysis of our overlapping customers/suppliers, see "Business — Our Customers — Overlapping of Customers and Suppliers" in this Document. Such overlap may complicate commercial relationships and negotiations, and may lead to chain reaction in the event of sales or supply disruption, which may in turn impact our operations.

We depend on external suppliers for the supply of certain essential computing resources and IDC services. Any interruption or delay in their supplies or increase in prices could materially and adversely affect our business, financial condition and results of operations.

Our business operations depend on the timely and sufficient supply of certain essential computing resources and IDC services from third-party suppliers that are of adequate quality and at commercially acceptable prices. The supply and prices of such products and services may be adversely affected by a variety of factors beyond our control, such as supply and demand dynamics, global semiconductor shortages, technological advancements, currency exchange fluctuations, competition and exports restrictions on computing products and technologies.

In addition, not all of our suppliers are contractually bound by long-term agreements and we cannot assure you that we will be able to renew our agreements with them or find suitable replacements in a timely manner, on terms acceptable to us, or at all. Further, as we scale up our service capacity, there is no guarantee that our increasing demand for these products and services will be satisfied by sufficient and stable supplies from our suppliers. Any disruption or delay in the supply of computing resources or IDC services may cause delay or other constraints on our operations that could damage our customer relationships. Moreover, fluctuations in market prices of computing resources and IDC services could significantly impact our pricing, costs and

profitability. In the event of a significant increase in the prices of such products and services, we cannot assure you that we will be able to pass on any such increase to our customers, in which event we may suffer a direct and negative impact on our profitability.

We have been and intend to continue investing in R&D, which may adversely affect our profitability and operating cash flow, and may not generate the results we expect to achieve.

To maintain our market position, we need to design, develop and implement new and improved products and services on a timely and continuous basis to keep pace with technological developments and meet the higher requirement from our customers. In 2022, 2023 and 2024, our R&D expenses were RMB133.7 million, RMB112.7 million and RMB100.8 million, respectively. As we operate in a relatively new industry and continue to expand our products and services offerings into new application scenarios, we may incur significant upfront investments in R&D at the cost of short-term profitability. As the industry in which we operate is subject to rapid technological changes, we expect to continue investing significantly in R&D activities.

Furthermore, we cannot assure you that our R&D efforts can be completed in the anticipated time frame and lead to new technology that is commercially successful. Even if such efforts are successful, we may be unable to apply our newly developed technologies to our products or services in ways that are acceptable by our customers. If we are unable to maintain or enhance our R&D capabilities, we may encounter delays in product and service development and technology integration. Given the rapid pace of technological development, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. Any failure to develop competitive technologies could limit our ability to generate expected returns from R&D expenses and may adversely affect our business, results of operations and prospects.

We may not be able to achieve or maintain adequate service capacities as required by our customers.

Our customers' demands for our computing power fluctuate from time to time, which typically peak during evening hours, weekends, holidays and following the launch of popular cloud games. We generally reserve the anticipated computing power usage for each customer according to our service agreements in advance. The nature of the cloud gaming industry makes it challenging for us and our customers to reliably predict the peaks in computer power usage. While we can accommodate unexpected surges if we have excess capacity available, there are instances where we are unable to fulfill our customers' immediate, unplanned demand for additional computing power. Although we are not contractually liable for such instances, they may negatively impact customer satisfaction and limit our ability to capture additional revenue from these surges.

To address peak demand, we need to expand our computing capacity, which requires additional capital investments. The expansion is also subject to various risks, including cost overruns, unforeseen technical challenges and potential delays. There is no assurance that we can obtain sufficient fundings to do so or such expansion could be implemented successfully or timely, within budget, or at all.

Furthermore, our efforts to enhance our service capabilities may not achieve the expected benefits. We cannot assure you that the demand for our services will continue to increase or remain at the current levels, which is affected by various factors beyond our control, including underlying economic conditions and market competition. If the demand for our services is weaker than anticipated, we may suffer overcapacity, which may have an adverse effect on our business, financial condition and results of operations.

If we are unable to provide high-quality products and services, our reputation, business and results of operations may be harmed.

Our services are generally provided to large and leading cloud gaming companies with demanding technical requirements. Therefore, our product and service quality is crucial for customer acquisition and retention. The quality of our products and services depends on effective quality management throughout all critical business process, which in turn relies on factors such as the quality and reliability of the technologies and infrastructures used, and the competence of our platform capabilities and solutions. See "Business — Our Platform Software and Infrastructure Hardware." We have also invested in training our customer support team and improving the quality of our customer services. However, there is no guarantee that we will consistently prevent and resolve deviations from our internal quality standards. Furthermore, our customer services team may not be able to maintain a high standard going forward for reasons such as budgetary constraints, increasingly complex technical requirements from customers and employee losses. Any deterioration in our product and service quality could damage our reputation, impair our ability to retain existing customers and attract new ones, and ultimately adversely affect our reputation, business, financial condition and results of operations.

Our business operations require significant capital resources on an ongoing basis and are subject to uncertainties.

Our business operations are capital intensive, requiring substantial investments in computing infrastructure and resources, data centers and technological capabilities. We undertake capital projects to expand our service capacity and enhance our technological capabilities, which could be affected by various risks and uncertainties, including market conditions, regulatory policies, international relations, funding availability, and relationships with technology suppliers and business partners.

The success of our capital investments faces multiple uncertainties. Actual costs may exceed initial budgets due to project delays, scope changes, or increases in computing resources and IDC costs. Our computing infrastructure and resources investments may not achieve anticipated utilization rates or commercial viability due to market changes, fluctuating customer demand or rapid technological evolution in the cloud gaming industry. Additionally, we require significant capital for R&D to maintain our competitive edge in cloud-based real-time rendering technology. Any failure in project execution or technology development could materially affect our business and financial performance.

We currently fund our operations primarily through equity, bank and other borrowings, and other financing channels. However, there is no assurance that our existing funding sources will sufficiently support our growth and development needs. External funding availability depends on various factors, including regulatory approvals, market conditions and our operating performance. Our significant computing infrastructure and resources investments require consistent capital access. If we cannot secure necessary financing on reasonable terms, we may need to delay the upgrade or expansion plans for our computing infrastructure and resources. This may impact our service capacity and quality, and ultimately may materially and adversely affect our business, financial condition and prospects.

We may be negatively impacted due to any material downturn in the overall gaming industry.

In 2022, 2023 and 2024, we derived 85.4%, 65.4% and 88.1% of our revenue from the cloud gaming industry. Any changes in the overall gaming industry may impact our customers from the cloud gaming industry, and in turn affect our sales of products and services to these customers. In order to achieve the sustainable growth of our business, we rely on the ability of the gaming industry to retain existing players, attract new players and ultimately improve their monetization in the games. This requires the consistently launch of popular games and release of updates for existing games to keep players engaged and grow player base through blockbuster games. If the market players in the gaming industry are unable to anticipate player preferences or behaviors or industry changes in order to market and promote new games, the player base in the gaming industry may not increase at the rate anticipated, or at all, and it may even decrease. There is also no guarantee that the games newly launched in the industry will gain popularity within a short period of time, and there is no assurance that the popular games will continue to sustain their current level of popularity. Players may lose interest in the games over time in spite of any improvements or upgrades to the existing games. They may also choose to play games offered by other publishers rather than our customers if those publishers offer better game services. If a game fails to gain the anticipated players acceptance or our customers do not introduce new games to maintain the player base, the phasing out of existing games could result in a prolonged period of

stagnation or permanent decrease in the total active and paying users. This may lead to a decrease in our customers' demands for our cloud-based real-time rendering services, and our business and results of operations may suffer from such impact.

The entire gaming industry is under extensive regulatory oversight. Governmental authorities have broad powers to regulate various aspects of the industry through licensing requirements, content restrictions and operational guidelines. If our customers fail to comply with these requirements, they may be required to suspend or cease the launch of new games and/or the operation of existing games, which may in turn lead to a decrease in their demands for our services. Moreover, the macroeconomic conditions may also affect user spending on games, and ultimately result in a downturn in the gaming industry, which may adversely affect our business and results of operations.

If our products and services experience material errors, defects or security issues, we may suffer financial loss as well as damages to our reputation, customer satisfaction and market acceptance.

Despite thorough and repeated testing, our products and services by their nature may contain technical errors, defects or security issues that are difficult to detect and rectify, particularly when first introduced or when new versions and upgrades are implemented. Due to the complexity of our products and services, we may not be able to fix these errors, defects and security issues in a timely manner, or at all. If we fail to provide the prescribed products or services to our customers in time, or at all, due to such material errors, defects or security issues, we may incur significant expenses rectifying any material error or defect. Any such incident may be broadly observed by end users, leading to significant damages to our reputation and market acceptance.

In addition, given that many of our customers use our products and services in critical parts of their businesses, any error, defect or service interruption of our products and services could result in significant losses for our customers. Our customers may seek significant compensation from us for any losses they incur because of such issues. While we have not been subject to significant customer claims during the Track Record Period and up to the Latest Practicable Date, any such claim, even if unsuccessful, could be costly, time-consuming and distracting to our management, and may result in a diversion of significant resources, and thus have a material and adverse effect on our business, financial condition and results of operations.

Security breaches and attacks against our systems and network, and any potentially resulting failure to protect personal, confidential and proprietary information, could damage our reputation and materially and adversely impact our business, financial condition and results of operations.

As we offer products and services that involve cloud-based infrastructure, our business may increasingly be subject to cyber threats. We also process and store our own and our customers' data and information during our business operations. Our customers generally enter into service agreements with confidentiality clauses with us. We have implemented various cybersecurity measures. However, such measures may not detect, prevent or control all attempts to compromise our systems, including but not limited to distributed denial-of-service attacks, computer viruses, malicious software, break-ins, phishing attacks, third-party manipulation, security breaches, employee misconduct or negligence or other attacks, risks, data leakage and similar disruptions that may cause service interruptions or jeopardize the security of data stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, there can be no assurance that we will be able to anticipate, or implement adequate measures to protect against these attacks. If we are unable to avert these attacks and security breaches, our reputation and our customers' confidence in us could be harmed, and we may lose customers and be subject to significant legal and financial liabilities. Occurrence of the above could materially and adversely impact our business, financial condition and results of operations.

We are subject to credit risk from our customers, and our inability to collect our trade receivables and bills receivables from our customers may materially and adversely affect our cash flows and operations.

Our cash flows and profitability are subject to the timely settlement of payments by our customers. We generally grant a credit period of up to 90 days to our customers in the service agreements, whereas in reality some customers may have longer settlement cycles. We recorded trade and bills receivables of RMB110.2 million, RMB192.3 million and RMB252.9 million as of December 31, 2022, 2023 and 2024, respectively. As of December 31, 2022, 2023 and 2024, we made impairment loss allowance for trade and bills receivables of RMB15.5 million, RMB25.7 million and RMB38.3 million, respectively. In 2022, 2023 and 2024, our trade receivables turnover days was 93, 112 and 133, respectively, as certain customers extended settlement cycles. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, bills and other receivables" for details. We cannot assure you that we will be able to collect all or any of our trade and bills receivables or collect the amount for any unbilled work on time. We may not properly assess and respond in a timely manner to changes in their credit profiles and financial condition. Adverse changes in our customers' financial condition may negatively affect their ability to settle trade and bills receivables with us in a timely manner,

or at all, which would in turn materially and adversely affect our business, financial condition and results of operations. As we grow our business, the amount of trade and bills receivables we record may increase, which may negatively impact our cash flow.

We are subject to risks in relation to leased properties.

Our office spaces are located on leased premises. Therefore, we are subject to a number of risks in relation to the leased properties in the ordinary course of our business.

As of the Latest Practicable Date, the intended purpose stated in the property ownership certificates or land use rights certificates of one of our leased properties was inconsistent with the actual use of the property, which may affect our ability to continue to use such property for office premises in the future. According to relevant laws and regulations, the lessors shall be responsible for the circumstances that the intended purpose stated in the property ownership certificates or land use rights certificates is inconsistent with the actual use of property. However, if the relevant governmental authorities take enforcement against our lessors, we may be subject to the risk of cessation of use. If we fail to find suitable replacement sites in a timely manner or on terms commercially acceptable to us, our business and results of operations could be adversely affected.

In addition, some of our leasehold interests in leased properties have not been registered with the appropriate governmental authorities as required by relevant PRC laws and regulations. As advised by our PRC Legal Adviser, according to the relevant PRC laws and regulations, we may be ordered by the relevant governmental authorities to register the relevant lease agreements within a prescribed period. If we fail to comply with the requirement, we may be subject to a fine of up to RMB10,000 for each non-registered lease. See "Business — Properties — Leased Properties."

The loss of or a reduction in government grants and any of preferential tax treatments could reduce our income.

We enjoyed certain preferential tax rates and government grants in relation to our operations during the Track Record Period. Our Company and certain of our PRC subsidiaries were recognized as High and New Technology Enterprises ("**HNTEs**") during the Track Record Period and therefore were eligible for a preferential EIT rate of 15% under the EIT Law. Such qualification is subject to renewal every three years. We cannot assure you that the PRC policies on preferential tax treatments will not change or we and our PRC subsidiaries will successfully renew the qualification upon expiration in the future. According to the EIT Law in the PRC, the

PRC enterprises are subject to a standard income tax rate of 25% on their taxable income. As a result, any change or cancelation of such preferential tax treatments could materially and adversely affect our results of operations.

We also recorded government grants of approximately RMB6.6 million, RMB6.2 million and RMB2.3 million in 2022, 2023 and 2024, respectively. The amounts and conditions of such government grants were determined at the sole discretion of the relevant PRC authorities. We cannot assure you that we will continue to receive government grants at the same level, if at all, or that we will be able to secure new grants in the future. Even if we remain eligible to receive such government grants, we cannot guarantee that any conditions attached to the grants will be as favorable to us as they have historically been or the government grants would be awarded to us in a timely manner. Any unfavorable changes in government grant policy or reduction or discontinuation of these government grants could adversely affect our financial condition and results of operations.

We rely on the effective interoperability of our products and services with computer and mobile operating systems, devices and networks, whose standards we do not control.

Our products and services must remain interoperable with mainstream computer and mobile operating systems, devices and networks. We have no control over these operating systems, devices or networks, which may be subject to changes due to various factors, such as technological advancements, business plans of their developers, operators or manufacturers, and regulatory regime and industry standards. Any such changes that degrade the functionality of our products or services or their certain features, or that give preferential treatment to competing products or services, could harm our competitive position. In addition, we plan to continue introducing new features to our products and services regularly and may launch additional products and services in the future. It takes time to upgrade such features, products or services to function effectively with these operating systems, devices and networks, which may impact the popularity of our products and services. There is no assurance that we can always successfully adapt our current or future products and services to such changes in a timely manner, or at all. We may also incur additional costs beyond our expectations in this regard. If we fail to respond promptly and cost-effectively to changes in operating systems, devices and networks, our business, financial condition and results of operations could be materially and adversely affected.

We may face dispute or complaint due to undetected flaws in software provided by our customers or open source community, which is out of our control.

Our services and platforms may incorporate open-source software or software provided by customer, in particular games, developed or operated by our customers, which are beyond our control. We follow internal guidelines to test such customer-provided software when integrating

them with our services. However, there is no assurance that we can always successfully detect all flaws in the software. Undetected flaws, bugs or vulnerabilities in these customer-provided software can lead to performance issues, security breaches or other malfunctions. Although we are not responsible for these flaws and have contractually disclaimed liabilities resulted from them, we may still face disputes, complaints or legal claims from customers or end-users who suffer losses attributable to these flaws and try to hold us liable. Such disputes, complaints or legal claims could result in negative publicity, harm our reputation, divert our management's attention and potentially lead to financial liabilities or increased costs related to legal defense and remediation efforts. Occurrence of any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We from time to time use software licensed from third parties to provide our products and services. Failure to maintain these licenses or any defect in such software could adversely affect our business.

From time to time, we incorporate third-party licensed software into our products and services to enhance user experience and customer acceptance, including intelligent software and development tools that enable us to provide tailored services to meet our customers' specific needs. We may continue to utilize such third-party software in our operations. Although we believe commercially reasonable alternatives to our current third-party software are available, their licensing terms may be less favorable than our current arrangements. Moreover, integrating any new third-party software into our existing systems and ensuring the smooth interoperability are inherently complex. As our products and services depend on the successful operation of third-party software within our integrated system, any undetected errors or defects in such software could impair our service quality and adversely affect customer satisfaction.

We rely on major telecommunication network operators for their provision of telecommunication resources.

Our business depends on the performance, reliability and security of the telecommunications and internet infrastructure in China and other jurisdictions in which we operate. We primarily operate our business in China. Almost all access to mobile and fixed communications and the internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the MIIT. We also have business presence in other countries and regions, such as Singapore and Vietnam. In addition, we are in the process of deploying computing nodes in the UK, France, Germany, Japan, South Korea, Australia, Poland and Canada. We primarily rely on a limited number of telecommunication service providers to procure data communications capacity through local telecommunications lines and internet data

centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with public communications networks, such as mobile, internet or fixed telecommunications networks.

With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We cannot assure you that the telecommunications infrastructure in the countries and regions where we operate will be able to support the demands associated with the continued growth in usage, and we may experience capacity constraints or power outages associated with our use of such telecommunications infrastructure. In addition, we have no control over the costs of the services provided by public communications service providers. If the prices we pay for their services rise significantly, our financial performance may be materially and adversely affected. Furthermore, if internet access fees or other charges to end users increase, our and our customers' businesses may be harmed.

Compliance with evolving laws and regulations, in particular regarding cybersecurity, information security, privacy and data protection may lead to substantial expenses or burdensome changes to our practices.

While we mainly serve enterprise customers, we also provide products and services directly to users in some application scenarios such as GPUaaS for virtual desktop and AI co-creation application platform. We may come across personal information and other potentially sensitive and/or regulated data from our customers, users, business partners and employees. The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of personal information and important data worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. In recent years, governmental authorities across the world have implemented and are considering a number of legislative and regulatory proposals concerning data protection and cybersecurity, including those jurisdictions in which we operate. For instance, the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) came into effect on June 1, 2017, the PRC Data Security Law (《中華人民共和國數據安全法》) came into effect on September 1, 2021, the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) came into effect on November 1, 2021, the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) came into effect on September 1, 2022, the Measures on Standard Contracts for Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》) came into effect on June 1, 2023, and the Regulation on Network Data Security Management (《網絡數據安全管理條例》) came into effect on January 1, 2025. For details, please see the section of "Regulatory Overview — Laws and Regulations Related to the Protection of Cybersecurity and Data Protection."

We have adopted various measures to ensure our legal compliance. See "Business — Data Privacy and Security" for more information. However, the laws and regulations regarding cybersecurity, privacy and data protection in China, as well as in other jurisdictions, are generally complex and evolving, with uncertainty as to the interpretation and application thereof. As such, we cannot assure you that our compliance measures are, and will be, always considered sufficient under applicable laws and regulations. While we strive to comply with our internal privacy policy as well as all applicable data privacy and security laws and regulations, and contractual obligations in respect of all data (including personal data), there is no assurance that we are able to comply with these laws, regulations and contractual obligations in all respects. Any failure or perceived failure by us, our customers, business partners or government authorities to comply may result in investigations, proceedings or actions against us, which could damage our reputation and business.

In addition, the Measures for Cybersecurity Review (《網絡安全審查辦法》, the "**CAC Measures**"), effective on February 15, 2022, stipulated that entities meeting certain standards shall be subject to a cybersecurity review. See "Regulatory Overview — Laws and Regulations Related to the Protection of Cybersecurity and Data Protection" for more information. Although we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed **[REDACTED]**, since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations. In addition, the interpretation of activities that "affect or may affect national security" under the current PRC laws and regulations requires further clarification from the competent authorities, and the governmental authorities may have wide discretion in the interpretation of "affect or may affect national security". If we were deemed as a data processor whose data processing activities "affect or may affect national security" by the governmental authorities, we may be subject to cybersecurity review. In addition, any failure or delay in the completion of the cybersecurity review procedures or any other noncompliance or perceived noncompliance with the PRC Cybersecurity Law or related regulations may prevent us from using or providing certain network solutions and services, and may result in fines or other penalties such as making certain required rectification, suspending our related business, closing our website or taking down our operations and reputational damages or proceedings or actions against us by governmental authorities, customers or others, which may have a material adverse effect on our business operations.

Further, the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》), effective since September 1, 2022, the Measures on Standard Contracts for Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》), effective since June 1, 2023, the Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》), effective since March 22, 2024 and the Regulation on Network Data Security Management (《網絡數據安全管理條例》), effective since January 1, 2025, stipulated that

the transfer of personal information and important data by data handler meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. As of the Latest Practicable Date, we had not conducted any cross-border data transfer activities. As our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such case, in order to satisfy the legal and regulatory requirements, we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business.

We may fail to obtain, maintain and renew government and industry licenses, permits and certificates in time, or at all.

We are required by the PRC law to obtain various government certifications and qualifications for our business operations, such as the Value-Added Telecommunications Business Operating License. For details, see "Business — Licenses, Permits and Approvals" in this Document. As a fast-growing company that is continuously exploring new approaches to conduct our business and capture growth opportunities, we may become subject to additional license, approval and other requirements as we develop and expand our business scope and engage in different business activities. In addition, as we expand our business overseas, we may need to apply for government and industry licenses, permits and certificates in various jurisdictions in the future. While we have not encountered significant difficulty in obtaining, maintaining and renewing our government and industry licenses, permits and certificates in the past, there is no assurance that we will always be successful in obtaining them in time, or at all. If we fail to obtain, maintain or renew a license, permit or certificate, we may be forced to modify or suspend the provision of affected services in the particular local market, which may in turn have a material and adverse effect on our business, results of operations and reputation.

The failure to maintain or protect our intellectual property rights, trade secrets and proprietary technologies and processes could have an adverse effect on our business, financial condition and results of operations.

Our trade secrets, trademarks, copyrights, patents and other intellectual properties are critical to our success. See "Business — Intellectual Property". We rely on, and expect to continue to rely on, multiple protective measures, including confidentiality and non-compete agreements with our employees, confidentiality clauses with third parties, and various intellectual property rights to protect our brand, proprietary technologies and competitive advantages. However, these protective measures may prove inadequate against events beyond our control that threaten our intellectual property rights, services and solutions. The effective protection of our intellectual property

portfolio could be both expensive and complex, requiring significant resources for filing and maintaining registrations, as well as monitoring, defending and enforcing these rights. We cannot assure you that our protective measures are sufficient or effective. Further, we may not have adequate intellectual property rights in certain proprietary technology in jurisdictions that are important to the business or that one day may become important to the business where we lack issued or pending patents. Consequently, our intellectual property rights may be infringed, misappropriated, or challenged, which could result in them being narrowed in scope or declared invalid or unenforceable.

Our competitive position also depends on unpatented proprietary information and technology, such as trade secrets and confidential information, which rely on contractual protections through agreements with our employees and third parties. These agreements may prove insufficient or may be breached, potentially resulting in unauthorized use or disclosure of our trade secrets and other intellectual property, including to our competitors. Additionally, we may be unable to detect or prevent unauthorized use of our intellectual property, or the cost of enforcing our rights may be prohibitive. Any significant impairment of our intellectual property rights, or limitations on our ability to assert these rights against others, could result in the loss of crucial competitive advantages and have a material adverse effect on our business, financial condition and results of operations.

We may be subject to claims by third parties for intellectual property infringement.

We may face claims from, or disputes with, third parties alleging ownership of certain intellectual property rights, trade secrets and proprietary technologies and processes. Third parties may also claim that our employees have misappropriated or divulged their former employers' trade secrets or confidential information. Our broad range of proprietary technologies increases the likelihood that third parties may claim infringement by us of their intellectual property rights. Certain technologies necessary for our business may, in fact, be patented by other parties either now or in the future. If such technologies were held under a valid patent by a third party, we would have to negotiate a license for the use of that technology, which we may not be able to negotiate on commercially reasonable terms, or at all. The existence of such a patent, or our inability to negotiate a license for any such technology on reasonable terms, could force us to cease using such technology and services incorporating such technology. In addition, even if we succeed in obtaining a license to continue using the relevant technology, we may incur substantial license fees, which could materially and adversely affect our business, financial condition and results of operations.

If we are found to have infringed upon the intellectual property rights of any third party in legal or other proceedings that may be asserted against us, we could be subject to material monetary liabilities for such infringement. We could also be required to refrain from using,

developing or selling certain services incorporating the affected intellectual property rights, which could materially and adversely affect our business and results of operations. We may continue to receive, in the future, notices of claims of infringement, misappropriation or misuse of other parties' proprietary rights. There can be no assurance that we will prevail in contesting these claims or that actions alleging infringement by us of third-party intellectual property rights will not be asserted or prosecuted against us. Furthermore, legal or other proceedings involving infringement of intellectual property rights may require significant time and expense to defend, may divert management's attention away from other aspects of our operations and, upon resolution, may have a material adverse effect on our business, financial condition and results of operations. Any negative publicity about our claimed infringement of a third party's proprietary rights could also harm our reputation.

Future strategic acquisitions and investments may fail to generate benefits to us as expected, or at all.

We may, in the future, acquire businesses that we believe can improve our products and services, enhance our technological capabilities, or expand our customer coverage. As of the Latest Practicable Date, we had not identified or pursued any acquisition or investment targets. The successful implementation of acquisition strategy depends on our ability to identify suitable targets, negotiate agreements with them on commercially reasonable terms within a reasonable timeframe, secure adequate financing and obtain required shareholder or government approvals. Our strategic acquisitions and investments could subject us to uncertainties and risks, including high acquisition and financing costs, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve our intended objectives, uncertainty of entering into markets in which we have limited or no experience, costs associated with and difficulties in integrating acquired businesses, and diversion of our resources and management attention. Our failure to address these uncertainties and risks may have a material adverse effect on our business, financial condition and results of operations. Even if we can successfully acquire or invest in suitable businesses, we cannot assure you that we will achieve our expected returns through successful integration.

Acquisitions may also expose us to potential successor liability relating to the actions by an acquired companies and their management before and after the acquisition. The due diligence we conduct in connection with an acquisition or investment may be limited and insufficient to discover unknown liabilities, and any contractual guarantees or indemnities that we receive from sellers may not be sufficient to protect us from, or compensate us for, actual liabilities. A material liability associated with an acquisition or investment could adversely affect our reputation and reduce the anticipated benefits of the transaction. Additionally, if the management team or key

employees of an acquired company fail to perform as expected, this may adversely impact the acquired company's business performance and, in turn, have a material adverse effect on our business, financial condition and results of operations.

Our results of operations are subject to seasonality of our customers' demands and may fluctuate. Therefore, our interim operating results may not be indicative of the annual operating results of the same year.

Our results of operations are subject to seasonality. Corresponding to the seasonality of the cloud gaming industry, we typically generate more revenue in the first and third quarters of the calendar year due to increased gaming activities during public holidays and school breaks. According to CIC, game developers and publishers often launch new games or updates to the games during these periods, further intensifying this seasonal variation. As such, any comparison of our interim and annual operating results may not be meaningful, and our interim operating results may not be indicative of the annual operating results of the same year. In addition, any failure to plan our business developments and allocate our resources well taking into account of the seasonality of our business will result in negative impact on our operating cash flows and business performance which may in turn adversely affect our business, financial condition and results of operations.

If we are not able to attract, motivate, retain or recruit capable staff while controlling labor costs, our ability to maintain and grow our business could be restricted.

We believe that our future success relies on the continued service of our capable staff. Competition for highly skilled R&D, management and sales and marketing personnel is intense in China. We may not be able to hire and retain these employees at compensation levels consistent with our existing compensation levels and structure. Some of the companies with which we compete for experienced employees may have greater resources than we do and may be able to offer more attractive terms of employment. In addition, we invest significant time and resources in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to attract and retain competent employees, our ability to maintain our competitive position and grow our business may be materially and adversely affected. We may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff. Occurrence of the above could materially and adversely affect our business, financial condition and results of operations.

Failure to pay the social insurance and housing provident funds on behalf of some of our employees in accordance with the Labor Contract Law or comply with other relevant PRC regulations may have an adverse impact on our financial condition and results of operations.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) implemented on December 29, 2018 and other relevant PRC regulations, an employer operating in China is obligated to contribute social insurance premium for its employees. Any failure to make timely and adequate contribution may trigger an order of correction from competent authority requiring the employer to make up the full contribution within a specified period of time, and the competent authority may further impose fines or penalties.

During the Track Record Period, we did not fully contribute to certain social insurance and housing provident funds for some of our employees. As such, we may be subject to government orders, fines or penalties. As of the Latest Practicable Date, we had not received any notice from local governmental authorities regarding any claim of inadequate contribution, and no relevant administrative action or penalty had been imposed by the relevant governmental authorities. Nonetheless, we cannot assure you that the local governmental authorities will not require us to pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us, which may materially and adversely affect our financial condition and results of operation.

During the Track Record Period, we engaged third-party agencies to make contributions to the social insurance and housing provident funds. As of the Latest Practicable Date, we had not received any administrative penalty or labor arbitration application from employees for such third-party agency arrangement. However, there is no assurance that such arrangement will be deemed sufficient by government authorities, or no labor arbitration application will arise in the future.

Our PRC Legal Adviser has considered the following in assessing our risks relating to social insurance and housing provident fund contributions: (i) Pursuant to the Urgent Notice on Enforcing the Requirement of the Executive Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018 by the Ministry of Human Resources and Social Security and other relevant rules, administrative authorities are prohibited from collectively recovering enterprises' historical social insurance arrears; (ii) we have obtained relevant credit report from the credit institutions authorized by local governmental authorities with confirmation of no violation records or administrative penalties in relation to our social insurance, medical insurance, or housing provident fund matters during the Track Record Period; (iii) we have consulted relevant local authorities to obtain confirmations; (iv) we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any material employee complaint

or have any material disputes with employees concerning their payment of social insurance and housing provident funds; and (v) if we receive a notice from relevant authorities requiring us to rectify within a specified period, we will promptly comply with the requirements of such notice.

Based on the foregoing, our PRC Legal Adviser is of the view that the risk that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions or being subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions within the stipulated period for our employees is remote.

We are subject to risks relating to litigation and disputes.

We may be subject to disputes or claims of various types brought by our competitors, employees, suppliers, customers, business partners or governmental entities against us relating to contractual disputes, labor disputes, intellectual property infringements or disputes involving misconducts of our employees. Such claims and disputes may evolve into litigations and damage our reputation and goodwill, thereby adversely affecting our customer base. Litigation is distractive and expensive as it may cause us to incur defense costs, utilize a significant portion of our resources and divert management team's attention from our day-to-day operations, any of which could harm our business. In addition, we may need to spend a significant amount to settle claims, or pay damages if we lose a lawsuit, which could have a material and adverse effect on our business, financial condition and results of operations.

The supply restrictions, trade controls or sanctions in relation to semiconductor chips, in particular GPUs, may disrupt the operations of our suppliers and in turn adversely impact us.

Semiconductor chips, in particular GPUs, are critical to our business. There has been a global shortage in the supply of semiconductor chips resulting from the COVID-19 pandemic, increased demand for consumer electronics, and disruption in semiconductor chip production due to labor shortage. Moreover, since mid-2022, the U.S. administration announced new rules and export controls policy on AI and semiconductor technologies in China. The restrictions block persons or entities from selling certain advanced chips, chip design software and semiconductor manufacturing equipment and components to or within China.

We generally lease servers with GPUs from suppliers for our daily operations. There is no assurance that our suppliers will be able to obtain sufficient quantities of semiconductor chips and other major components to satisfy our needs at a reasonable cost, or at all. Although to the best of our knowledge, our suppliers did not experience supply restrictions, trade controls or sanctions in relation to semiconductor chips or other major components which materially affected their business

during the Track Record Period and up to the Latest Practicable Date, there is no assurance that they will not be materially affected in the future. We may also purchase GPUs based on our business needs in the future. The relevant restrictions, controls and sanctions may limit our purchase options and costs.

Our international expansions are subject to legal, regulatory, operational, tax and other risks inherent in international and cross-border operations.

As of the Latest Practicable Date, we operated overseas subsidiaries in Hong Kong, and we had business presence in other countries and regions, such as Singapore and Vietnam. We plan to further expand our international operations. See "Business — Our Strategies" for further details. We are subject to inherent risks in relation to our international operations, such as increased competition, uncertain enforcement of our intellectual property rights and the complexity of compliance with foreign laws and regulations, such as import and export requirements, anti-corruption laws, tax laws, foreign exchange regulation and cash repatriation restrictions, data security and privacy requirements, environmental laws, labor laws, restrictions on foreign investment and anti-competition regulations.

We may also be negatively affected by the changes in the political and economic relationships among countries or regions where we operate, which may result in stricter international trade policies and trade protection measures, including sanctions and export control measures, and geopolitics challenges, including increased duties, tariffs, taxes and other costs, deteriorated economic and labor conditions and political instability.

We cannot assure you that we are able to anticipate and mitigate all such risks as we continuously expand our business, the failure of which will materially and adversely affect our business, financial condition and results of operations.

Any power outage, mechanical failure, disruption in utility supply, fire outbreak or other calamities at or near our IT infrastructure may affect our business operations.

We rely on our IT infrastructure to provide our products and services. We cannot assure you that our IT infrastructure will always operate at full capacity without problems, or that we will be able to address any such problems or obtain replacements in a timely manner. In particular, we procure IDC services from third party suppliers. Problems with IT infrastructure at one or more data centers or IDCs may affect our ability to provide services or cause us to incur significant expense to repair or replace the affected equipment while there is no assurance that we will be reimbursed by IDC service providers for such expenses timely or at all. Any of these may have a material adverse effect on our business, financial condition and results of operations. The operation of our data centers and IDCs depends on stable and continuous supply of utilities,

especially electricity. Any disruption to the supply of electricity at such IT infrastructure may disrupt our services to customers and damage our reputation, resulting in a material adverse effect on our business, financial condition and results of operations.

Furthermore, we are subject to operational risks, such as fire, earthquake, floods, outbreaks of contagious diseases, labor disputes, terrorist attacks and other events beyond our control, which may adversely affect our operations. We cannot assure you that the safety measures we take would be sufficient to prevent any above events, or at all. In the event of any unanticipated or prolonged interruption to our IT infrastructure, we may suffer significant loss and our business, financial condition and results of operations may be materially and adversely affected.

If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results, meet our reporting obligations or prevent fraud.

We have established risk management and internal control systems consisting of an organizational framework, policies, procedures and measures that are considered appropriate for our business operations, and seek to continue to improve these systems. For further information, see "Business — Risk Management and Internal Control." Our internal control procedures are designed to monitor our operations and ensure their overall compliance. However, our internal control procedures may be unable to identify all non-compliance incidents in a timely manner or at all. In addition, our risk management and internal controls depend on their effective implementation by our employees. Due to the significant size of our operations, we cannot assure you that such implementation will not involve any human errors or mistakes, which may lead to inaccurate reporting of our results of operations. We may also fail to prevent fraud from our employees. As we are likely to offer a broader and more diverse range of products and services in the future, the diversification of our service offerings will require enhanced risk management and internal control capabilities. If we fail to timely adapt our risk management and internal control policies and procedures to our changing operations, our business, financial condition and results of operations could be materially and adversely affected.

We may be unable to detect and prevent misconduct by our employees, former employees, customers or other third parties.

We have limited ability to control or anticipate the actions of our customers, either during their use of our products or services or otherwise. We explicitly prohibit our customers from using our products or services for illegal activities. However, if our customers use our products or services as a conduit for illegal activities, we may be subject to investigation, penalty, revocation of business licenses or other proceedings from relevant governmental authorities, which could materially and adversely affect our business, financial condition and prospects.

Possible misconduct by our employees includes but is not limited to unauthorized use of confidential information, conduct of business operations in breach of our internal policies and procedures, inappropriate accounting treatment, theft, embezzlement or misappropriation of funds and fraud. We cannot assure you that all our employees will fully comply with our internal control procedures and systems when performing their duties. While we enter into non-competition agreements with our key technical staff, there is no assurance that our former employees will not join our competitors in breach of, after the expiration of, or in the absence of their non-competition obligations, which may cause the leakage of our knowhow and sensitive market information to, and acquisition of customer relationships by, our competitors. We cannot assure you that we will be able to prevent or detect all incidents of wrongdoings by our employees, former employees or third parties. Any misconduct committed against us, which may include undetected past acts or future acts, could subject us to financial losses, harm our reputation and may have a material adverse effect on our business, financial condition and results of operations.

We may not have sufficient insurance coverage, which could expose us to significant costs and business disruption.

We face various operational risks, including business interruptions, leakage or loss of confidential information, and loss or damage of our IT equipment and other assets. As of the Latest Practicable Date, we had not obtained any business liability or disruption insurance to cover our daily operations, which was in line with general market practice. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material business disruption or unexpected material damages or claims regarding our assets. Although we have established various internal policies to safeguard against risks and unexpected events, our results of operations could be materially and adversely affected if we were to incur substantial losses or liabilities beyond our insurance coverage due to such risks and unexpected events.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Failure to respond to changes in the economic or social conditions or government policies in the jurisdictions where we operate could affect our business, financial condition and results of operations.

We conduct our business mainly in the PRC. We also operated overseas subsidiaries in Hong Kong, and have business presence in Singapore and Vietnam, and expect to further expand our business in more regions. Our business operations, financial condition and prospects are influenced by the economic, social and political environments in these jurisdictions. Over the past few years, many of these jurisdictions have experienced significant economic growth, but they remain vulnerable to both domestic and global economic shifts. Factors such as changes in governmental

policies, shifts in consumer behavior and external economic pressures could materially impact the stability of these markets. Given the complexity and unpredictability of these factors, it may be difficult for us to foresee all risks arising from them. Many of these factors are beyond our control, and our failure to adapt promptly to these changes could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with future financing activities.

PRC laws and regulations in relation to the share issuance and listing of Chinese companies overseas have been evolving, and we may be required to make filings with or report to the CSRC or other PRC regulatory authorities for future capital raising activities.

On July 6, 2021, the General Office of the State Council, together with other PRC regulatory authorities, jointly issued the *Opinions on Intensifying Crack Down on Illegal Securities Activities* (《關於依法從嚴打擊證券違法活動的意見》), which called for strengthening the administration over illegal securities activities and enhancing the supervision on overseas listings by Chinese companies.

On February 17, 2023, the CSRC promulgated the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant five guidelines, which came into effect on 31 March 2023. The Overseas Listing Trial Measures comprehensively improves and reforms the existing regulatory regime for overseas listing of PRC domestic companies' securities and regulate both direct and indirect overseas listing of PRC domestic companies' securities. Pursuant to the Overseas Listing Trial Measures, where a PRC domestic company submits an application for listing to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted. See "Regulatory Overview — Regulations relating to Overseas Listing" for further details.

There is no assurance that any new rules or regulations promulgated in the future will not impose additional requirements on us. If it is determined that we are subject to any CSRC approval, filing, other governmental authorisation or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may materially and adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial condition. Furthermore, any uncertainty and/or negative publicity regarding such an approval, filing or other requirements may also have a material adverse effect on the price of our Shares.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions against us and our Directors and management.

We are incorporated under the PRC laws, and a majority of our assets are located in the PRC. In addition, a majority of our Directors, Supervisors and senior management personnel reside within the PRC. As a result, it may not be possible to effect service of process outside Mainland China upon us or our Directors, Supervisors or senior management personnel.

On July 14, 2006, the Supreme People's Court of the PRC and the Hong Kong government signed the *Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned* (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**2006 Arrangement**"). Under the 2006 Arrangement, where any designated people's court of the PRC or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant people's court of the PRC or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the 2006 Arrangement in which a Hong Kong court or a PRC court is expressly selected as the court having sole jurisdiction for the dispute. In addition, the 2006 Arrangement has expressly provided for "enforceable final judgment", "specific legal relationship" and "written form". A final judgment that does not comply with the 2006 Arrangement may not be recognized and enforced in a PRC court.

On January 18, 2019, the Supreme People's Court of the PRC and the Hong Kong government entered into the *Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region* (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**2019 Arrangement**"), which seeks to establish a bilateral legal mechanism with further clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and the PRC, based on criteria other than a written choice of court agreement. The 2019 Arrangement took effect on January 29, 2024 and superseded the 2006 Arrangement. The Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Chapter 645 of the Laws of Hong Kong), which implements the 2019 Arrangement, also came into operation on the same day. The new regime no longer limits enforceable judgments to those granting monetary awards and whose parties have written and exclusive choice of forum agreement. However, uncertainties exist with respect to the interpretation and enforcement of the newly implemented laws in practice.

Regulations on currency exchange and the fluctuation of currency exchange rate may adversely affect our business and our ability to pay dividends to holders of our H Shares.

Government authorities in regions where we operate our business regulate the convertibility and remittance of currencies. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate government authorities or delegated banks is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The foreign exchange policies regarding payment of dividends in foreign currencies may be amended in the future. There is no assurance that we can successfully obtain approval from SAFE to convert RMB into any foreign exchange. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, which could materially and adversely affect our financial condition and results of operations, and may reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

We are also exposed to foreign currency risk. Our functional currency is RMB. The value of RMB against the U.S. dollar, the Hong Kong dollar or any other currencies is affected by a number of factors, such as regulatory updates and developments in the PRC's and international political and economic conditions. Any appreciation of RMB against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in a decrease of the RMB amount of our **[REDACTED]** from the **[REDACTED]** and the value of our assets and revenue denominated in foreign currency. Conversely, any depreciation of the RMB may affect the value of, and any dividends payable on, our H Shares in foreign currency and future fundings to foreign operations. As of the Latest Practicable Date, we did not enter into any hedging transactions in any effort to reduce our exposure to foreign currency exchange risks. In addition, there are limited instruments available for us to reduce such risks at reasonable costs. The above-mentioned factors may severely affect our business, financial condition, results of operations and prospects, and could lower the value of, and dividends payable on, our Shares in foreign currency terms.

Investors of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

Under the current PRC tax laws and regulations, non-PRC resident investors who receive dividends from us or dispose of our H Shares may be subject to PRC withholding tax and capital gains tax. Dividends distributed by PRC companies to non-PRC resident shareholders are generally

subject to a withholding tax at a rate of 10%, unless a reduced rate is available under an applicable tax treaty or arrangement. Similarly, any gains realized by non-PRC resident investors from the disposition of our H Shares may be subject to PRC tax, depending on their jurisdiction of tax residence.

The interpretation and implementation of PRC tax laws regarding the taxation of dividends and capital gains for non-PRC resident investors may change, and such changes could affect the tax liabilities of our shareholders. If non-PRC resident investors become subject to additional PRC taxes on dividends or capital gains, it could reduce the overall return on their investment in our H Shares.

Payment of dividends is subject to restrictions under PRC law.

Under PRC laws and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRSs in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries, which in turn, could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED]

No public market currently exists for our H Shares, and an active trading market for our H Shares may not develop and the market price for our H Shares may decline or became volatile.

No public market currently exists for our H Shares. The initial **[REDACTED]** for our H Shares will be the result of negotiations between our Company and the **[REDACTED]** (on behalf of themselves and the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the market price of our H Shares following the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]** in, our H Shares. However,

a **[REDACTED]** on the Stock Exchange does not guarantee the development of an active and liquid trading market for our H Shares, nor does it ensure that such a market, if it develops, will be sustained following the **[REDACTED]**, or that the market price of our H Shares will rise.

The price and trading volume of our H Shares may be volatile which may result in substantial losses to investors.

The price and trading volume of our H Shares may be subject to significant volatility. The market price of our H Shares may fluctuate rapidly and considerably due to factors including, but not limited to:

- variations in our results of operations (including those caused by foreign exchange rate fluctuations);
- loss of customers;
- changes in securities analysts' estimates of our financial performance;
- our announcements of significant acquisitions, greenfield developments, strategic alliances or joint ventures;
- addition or departure of key personnel;
- fluctuations in stock market price and volume;
- involvement in litigation;
- development in laws and regulations in regions where we operate; and
- general economic and stock market conditions.

In addition, stock markets and the shares of other companies listed on the Stock Exchange with significant operations and assets in China have from time to time experienced increasing price and volume fluctuations in recent years, some of which have been unrelated or disproportionate to the companies' operating performance. These broad market fluctuations may materially and adversely affect the market price of our H Shares.

Future sales or perceived sales of a substantial number of our H Shares in the public market following the [REDACTED] could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.

Before the **[REDACTED]**, no public market has existed for our H Shares. Future sales or perceived sales by the existing Shareholders of our H Shares after the **[REDACTED]** could lead to a significant decrease in the prevailing market price of our H Shares. Only a limited number of our H Shares currently outstanding will be available for sale or issuance immediately after the **[REDACTED]** due to contractual and regulatory restrictions on disposal and new issuance. However, after these restrictions lapse or are waived, future sales of significant amounts of our H Shares in the public market, or the perception that these sales may occur, could significantly lower the market price of our H Shares and affect our ability to raise equity capital in the future.

In addition, our Shareholders may experience dilution in their shareholdings if we issue additional share capital or share capital-linked securities in future **[REDACTED]**. If additional funds are raised through the issuance of new share capital or share capital-linked securities, other than on a pro rata basis to existing Shareholders, the shareholdings of such Shareholders may be reduced, and the new securities may confer rights and privileges that take priority over those conferred by the **[REDACTED]**.

Purchasers of our H Shares in the [REDACTED] may experience immediate dilution and may experience further dilution if we issue additional H Shares in the future.

The **[REDACTED]** of our H Shares is higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of our H Shares in the **[REDACTED]** may experience immediate dilution. To expand our business, we may consider **[REDACTED]** and issuing additional H Shares in the future. If we issue additional H Shares in the future at a price lower than the net tangible asset value per H Share at that time, purchasers of our H Shares may experience further dilution in the net tangible asset value per H Share they own.

The interests of the Company may conflict with those of the Single Largest Group of Shareholders, who may take actions that are not in, or may conflict with, the best interests of the Company or its [REDACTED].

Immediately after the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Single Largest Group of Shareholders will hold approximately **[REDACTED]**% of the issued share capital of our Company. The interests of the Single Largest Group of Shareholders may differ from those of our other Shareholders. If the interests of the Single Largest Group of Shareholders conflict with those of our other Shareholders, or if the Single Largest Group of

Shareholders direct our business towards strategic objectives that conflict with the interests of our other Shareholders, the other Shareholders may be disadvantaged by the actions taken by the Single Largest Group of Shareholders.

We cannot assure you whether and when we will declare and pay dividends in the future.

We did not declare or distribute any dividend during the Track Record Period. The declaration and distribution of dividends will be proposed and formulated at the discretion of our Board and will be subject to shareholder approval. Decisions regarding the declaration or payment of dividends, and the amount of any dividends, will depend on various factors, including, but not limited to, our financial condition, results of operations, operating and capital expenditure requirements, distributable profits, prospects and other factors deemed important by our Board. There is no assurance regarding whether and when we will declare and distribute dividends in the future. See "Financial Information — Dividend Policy" for more details of our dividend policy.

We cannot assure you that our H Shares will remain [REDACTED] on the Stock Exchange.

We currently intend to retain the **[REDACTED]** of our H Shares on the Stock Exchange. However, there is no guarantee of their continued **[REDACTED]**. Among other factors, our H Shares may also fail to meet the continuing **[REDACTED]** requirements of the Stock Exchange. Accordingly, Shareholders will not be able to sell their Shares through **[REDACTED]** on the Stock Exchange if our H Shares are no longer **[REDACTED]** on the Stock Exchange.

Certain facts, forecasts and statistics contained in this Document are derived from various official sources and third-party report, and may not be accurate, reliable, complete, or up to date.

Certain facts, forecasts and statistics in this Document, particularly in the section headed "Industry Overview" are derived from the CIC Report, which was commissioned by us, and from, among others, various official government publications and other publicly available materials provided by the PRC government or other third-party sources. The information from official government sources has not been independently verified by us, the Joint Sponsors, **[REDACTED]**, or any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]**. Therefore, we cannot guarantee the accuracy or reliability of such information and statistics, which may not be align with other information compiled within or outside the PRC. Due to potentially flawed or ineffective collection methods or discrepancies between published information and market practices, the statistics from government sources may be inaccurate or not

comparable with statistics from other economies. Consequently, you should not place undue reliance on them. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

Investors should read the entire Document carefully and should not rely on any particular statements in this Document or media reports without carefully considering the risks and other information contained in this Document.

Prior to the publication of this Document, there may be media coverage regarding us and the **[REDACTED]** with certain financial information, projections, valuations and forward-looking information. We have not authorized the disclosure of any such information in the press or media and accept no responsibility for the accuracy or completeness of any media coverage or forward-looking statements. We make no representation regarding the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any media information that is inconsistent with, or conflicts with, the information contained in this Document. Accordingly, prospective investors are cautioned to make their investment decisions only on the information in this Document instead of from other sources.

Forward-looking statements contained in this Document are subject to risks and uncertainties.

This Document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions may prove to be inaccurate. As a result, the forward-looking statements based on those assumptions may also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved. These forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to publicly update or revise the forward-looking statements in this Document, whether due to new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the **[REDACTED]**, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary **[REDACTED]** on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of, among others, the following conditions:

(a) pursuant to Rules 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Mr. Dang and Ms. Lee Li Li ("**Ms. Lee**", 李莉莉) (the "**Authorized Representatives**"). Ms. Lee is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;

(b) both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Company has implemented a policy whereby (1) each Director has provided their respective valid phone numbers or other means of communication to the Authorized Representatives; (2) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone; and (3) each Director has provided his/her mobile phone number, office phone number, e-mail address to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;

(c) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her contact information to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and the Authorized Representatives should have means for contacting all Directors promptly at all times as and when required;

(d) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;

(e) pursuant to Rules 3A.19 of the Listing Rules, we have retained the services of Patrons Capital Limited as compliance adviser (the "**Compliance Adviser**") upon **[REDACTED]** for a period commencing on the **[REDACTED]** and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]**, which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange. The contact details of the Compliance Adviser have been provided to the Stock Exchange;

(f) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through

our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Adviser;

(g) we will appoint other professional advisors (including legal advisors in Hong Kong) after the **[REDACTED]** to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and

(h) our Company has designated one of our staff members as the communication officer at our headquarters after the **[REDACTED]** who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company's professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules and Chapter 3.10 of the Guide for New Listing Applicants, a new applicant for **[REDACTED]** on the Stock Exchange must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Chang Yongheng ("**Mr. Chang**", 常永恆) and Ms. Lee as our joint company secretaries. See "Directors and Senior Management — Joint Company Secretaries" for their biographical details.

Mr. Chang has extensive experience in finance and accounting. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have as its joint company secretary a person such as Mr. Chang, who is the financial director of our Company and has day-to-day knowledge of the Company's affairs. Mr. Chang has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Mr. Chang presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Lee, who is a member of The Hong Kong Institute of Certified Public Accountants and fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Mr. Chang for an initial period of three years from the **[REDACTED]** to enable Mr. Chang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Chang may be appointed as a joint company secretary of our Company.

The waiver is valid for an initial period of three years from the **[REDACTED]**, and is granted on the condition that Ms. Lee, as a joint company secretary of our Company, will work closely with Mr. Chang to jointly discharge the duties and responsibilities as company secretaries and assist Mr. Chang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Ms. Lee will also assist Mr. Chang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Lee is expected to work closely with Mr. Chang and will maintain regular contact with Mr. Chang, the Directors and the senior management of our Company. In addition, Mr. Chang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the **[REDACTED]**. Mr. Chang will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisors of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be revoked immediately if Ms. Lee ceases to provide assistance to Mr. Chang as a joint company secretary for the three-year period after the **[REDACTED]** or where there are material breaches of the Listing Rules by our Company.

Prior to the expiration of the initial three-year period, the qualifications and experience of Mr. Chang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange to enable it to assess whether Mr. Chang, having benefited from the assistance of Ms. Lee for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the **[REDACTED]**. We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the announcement, circular and independent Shareholders' approval requirements under the Listing Rules. For details, please see "Connected Transactions".

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Dang Jinfeng (黨勁峰)	No. 4, Xueyuan South Road Haidian District Beijing, China	Chinese
Ms. Yin Li (印麗)	No. 1, South First Lane Sanlihe Area 2, Xicheng District Beijing, China	Chinese
Mr. Zhao Shen (趙珅)	Room 902, Unit 1 Building 12, No. 6 Courtyard Qingheying East Road, Chaoyang District Beijing, China	Chinese
Mr. Huang Qing (黃晴)	Room 332, Unit 3 Building 16, Area 2 Jiayunyuan, Changping District Beijing, China	Chinese
Non-executive Directors		
Mr. Su Yi (蘇毅)	Room 4442, Gate 4 Building 4, No. 41 Courtyard Tiancun Road, Haidian District Beijing, China	Chinese
Mr. Yang Yizhi (楊依志)	Room 301, No. 37 Lane 6888, Jiasong Middle Road Qingpu District Shanghai, China	Chinese

Name	Address	Nationality
Independent non-executive Directors		
Prof. Ma Xufei (馬旭飛)	Flat D, G/F, Tower 11 Centra Horizon NO 18 Chong San Road Tai Po NT Hong Kong	Chinese (Hong Kong)
Mr. So Chi Kai (蘇子佳)	Flat E, 24/F, Block 32 South Horizon Ap Lei Chau Hong Kong	Chinese (Hong Kong)
Mr. Yau Sai Leong (邱世亮)	Flat D, 3/F, Block 9 Royal Ascot 1 Tsun King Road Fo Tan NT Hong Kong	Chinese (Hong Kong)

See "Directors and Senior Management" for further details of our Directors.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central, Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

[REDACTED]

Legal advisers to our Company

As to Hong Kong and United States laws:

Haiwen & Partners LLP
Suites 1101–1104
11/F, One Exchange Square
8 Connaught Place, Central
Hong Kong

As to PRC laws (including PRC data compliance laws):

Haiwen & Partners
20/F, Fortune Financial Center
5 Dong San Huan Central Road
Chaoyang District
Beijing, China

Legal advisers to the Joint Sponsors and the [REDACTED]

As to Hong Kong and United States laws:

Baker & McKenzie
14/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

	As to PRC laws: **Jia Yuan Law Offices** F408, Ocean Plaza 158 Fuxing Men Nei Street Xicheng District Beijing, China
Auditor and Reporting Accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center, 88 Puji Road Jing'an District Shanghai, China
Compliance Adviser	**Patrons Capital Limited** Unit 3214, 32/F Cosco Tower 183 Queen's Road Central Sheung Wan Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office and headquarters in the PRC	27th Floor, Building A1 Zhong'an Chuanggu Technology Park No. 900, Wangjiang West Road, Hefei High-tech Zone China (Anhui) Pilot Free Trade Zone High-tech Zone, Hefei City, Anhui Province the PRC
Principal Place of Business in Hong Kong	Room 1912, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	***www.haimacloud.com*** (the information contained on this website does not form part of this Document)
Joint Company Secretaries	**Mr. Chang Yongheng (常永恆)** Room 501, Unit 1 Building C, Xinghe Haoyue Phase 5 Yanjiao Development Zone, Sanhe Hebei Province, China **Ms. Lee Li Li (李莉莉)** Room 1912, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Mr. Dang Jinfeng (黨勁峰)** No. 4, Xueyuan South Road Haidian District Beijing, China

	Ms. Lee Li Li (李莉莉) Room 1912, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Mr. So Chi Kai (蘇子佳) *(chairperson)* Prof. Ma Xufei (馬旭飛) Mr. Yau Sai Leong (邱世亮)
Remuneration and Appraisal Committee	Mr. Yau Sai Leong (邱世亮) *(chairperson)* Prof. Ma Xufei (馬旭飛) Mr. So Chi Kai (蘇子佳)
Nomination Committee	Mr. Dang Jinfeng (黨勁峰) *(chairperson)* Prof. Ma Xufei (馬旭飛) Mr. So Chi Kai (蘇子佳) Mr. Yau Sai Leong (邱世亮)
	[REDACTED]
Principal Banks	**China Merchants Bank Co., Ltd.** **Hefei Innovation Avenue Branch** Shops 103, 104, 105, 106, 107, 111 Building B2-B5, Xiangyuancheng Northwest Corner of the Intersection of Wangjiang West Road and Chuangxin Avenue High-tech Zone, Hefei City, Anhui Province the PRC **Hefei Science and Technology Rural Commercial Bank Dayang Branch** Building 24, China Railway Construction International City No. 118, Intersection of Silihe Road and Fangxun Road Hefei City, Anhui Province the PRC

The information and statistics set out in this section and other sections of this document were extracted from a report prepared by CIC under our commission, various official government publications and other publicly available sources. We engaged CIC to prepare an independent industry report, or the CIC Report, in connection with the **[REDACTED]**. *The information from official government sources has not been independently verified by us, or any of our directors and advisers, or any other persons or parties involved in the* **[REDACTED]**, *and no representation is given as to its accuracy.*

OVERVIEW OF GPUaaS

The Graphics Processing Unit ("**GPU**"), as a key component of computer systems, has become an indispensable part of modern computing technology due to the rapid digitalization wave. As a highly parallel processor, a GPU can handle tens of thousands of threads simultaneously, significantly enhancing the ability to perform graphics rendering and parallel computing. In recent years, the continuous development of deep learning and various real-time multimedia applications has significantly increased the demand for efficient, flexible and cost-effective computing resources for GPU-intensive applications. This trend is driving the whole society into a GPU computing era.

GPU as a Service ("**GPUaaS**") is a cloud-based solution that enables users to access GPU based computing resources remotely and cost-effectively through virtualization technology. It lowers the barrier to deploy GPU based computing resources across various industries and accelerates the ongoing digitalization revolution driven by GPUs. GPUaaS typically features three core advantages, namely cost efficiency, scalability and high accessibility.

In terms of application categories, GPUaaS can be segmented into (i) graphics GPUaaS, mainly representing cloud-based real-time rendering; and (ii) computational GPUaaS, mainly representing AI inference and AI training. On one hand, GPU-intensive applications such as gaming, video editing and computer-aided design ("**CAD**") continue to grow with evolving downstream demands. Users are raising higher expectations for level of detail ("**LOD**"), realistic lighting effects and smooth operations of user devices, which in turn requires improvement of graphics computing capabilities in user devices, and will ultimately unleash tremendous growth potential for graphics computing in the GPUaaS industry. Cloud-based real-time rendering, as an essential part of graphics GPUaaS, has emerged as a highly promising sector benefiting from the rapid advancement of the real-time multimedia industry. On the other hand, with sustained investments in AI industries across various regions, AI computing has become one of the major growth drivers for GPUaaS. As a revolutionary technology, AI has brought enormous computational challenges. As AI models often require the processing of large datasets and large-scale inferences, the demand for powerful computing resources to realize efficient data

processing is growing. Given the increasing reliance on AI for professional work and research tasks, cost-effective and scalable GPU resources are crucial. The rapid adoption of AI is expected to offer substantial growth opportunities for GPUaaS.

Source: The CIC Report

CLOUD-BASED REAL-TIME RENDERING INDUSTRY

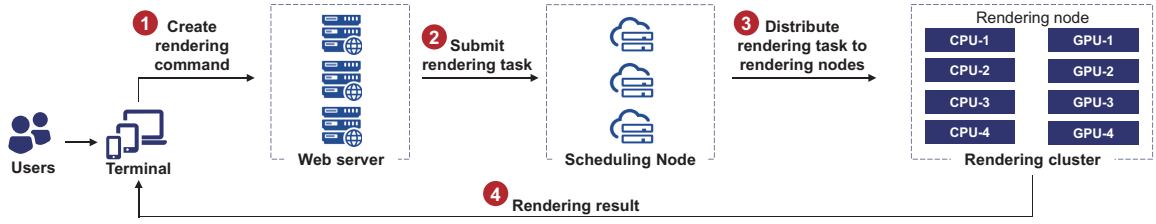
Cloud-based real-time rendering is a new rendering method based on cloud computing. Leveraging technologies such as virtualization, distributed computing, container management, real-time data transmission and audio and video encoding and decoding, rendering tasks are delegated to servers in real-time through rendering interaction commands initiated by users. The rendered images and audio are then encoded and transmitted to users in real-time as audio and video streaming over the network. With the rapid advancement of digital technologies and the swift evolution of information technology globally, the quality of digital content across various industries is constantly improving. However, the surging of data volume and rendering demands creates an urgent need for cost-effective, high-quality new technologies to address these challenges.

Compared with local real-time rendering, cloud-based real-time rendering can mobilize larger-scale computing resources to support higher resolutions, higher frame rates, and more complex lighting effects. Through elastic scheduling mechanisms, it allocates computing power on demand, supports multi-user concurrent usage, and significantly enhances resource utilization and service flexibility. In addition, users can achieve consistent rendering quality and low-latency interactive experiences without relying on high-performance end devices, effectively reducing overall costs. In contrast, local real-time rendering is typically limited by device performance, with fixed computing capacity, making it difficult to improve performance without additional hardware investment. As a result, real-time cloud rendering is gradually becoming the mainstream rendering method in scenarios that require efficient collaboration and real-time feedback, such as gaming, virtual reality, digital education, and digital cultural tourism.

Workflow and Value Chain of Cloud-based Real-time Rendering Services

End users initiate rendering tasks by sending instructions to the scheduling server. The server then allocates tasks to the cloud rendering servers, where a distributed rendering system handles task distribution and parallel processing. The system scales resources elastically, adjusting the

number of rendering nodes to ensure load balancing and optimal resource utilization. Once the rendering task is completed, the output is encoded by the rendering node and transmitted to the terminal, where the video streaming is decoded for interaction. The cloud rendering server plays a crucial role throughout the entire workflow, with its architecture and computing power directly influencing the quality of rendered results. Set forth below is the workflow of cloud-based real-time rendering service:



Source: The CIC Report

The upstream of the cloud-based real-time rendering service industry mainly comprises hardware suppliers and 5G telecommunication operators. The midstream mainly consists of two parts including (i) in-house rendering functions that serve enterprises' internal business needs and are generally not priced separately, commercially or independently, and (ii) service providers in the market that provide commercially-priced services to clients. The downstream encompasses a wide range of entities requiring cloud-based real-time rendering services for various application scenarios, such as: (i) digital content operators, gaming platforms, game developers, game tool service providers, mobile hardware manufacturers, internet/cloud gaming cafe and esports hotel operators and future cloud XR game developers in the gaming industry; (ii) metaverse applications in cloud-native scenario; and (iii) other application scenarios, such as cloud XR, virtual desktop and cloud terminal application.

Features of Cloud-based Real-time Rendering Services

Compared to local real-time rendering, cloud-based real-time rendering services have the following features:

- *Lower cost for user devices.* Cloud-based real-time rendering services migrate GPU computing requirements to the cloud, significantly reducing the need for purchasing high-end local user devices and eliminating the additional investment associated with frequent device upgrades for end users. As a result, wireless, mobile and lightweight configurations can be achieved, fully liberating users from operational constraints while further accelerating the scalable deployment of cutting-edge applications in the metaverse.

- *Elastic scalability.* Cloud-based real-time rendering services offer the ability to scale resources up and down flexibly based on users' needs, adapting to rendering tasks of varying scales and complexities. Through precise and structured deployment of cloud resources, it fully integrates computational resources to provide on-demand allocation and efficient scheduling, which effectively meets the diverse needs of users across various sectors such as cloud gaming, the metaverse and film production, thereby enhancing the overall flexibility and scalability of the services.

- *On-demand accessibility.* Cloud-based real-time rendering services allow users to access and manage their rendering tasks on multiple user devices anytime and anywhere, without limitation of time, location or hardware, as long as they have the internet connection, ensuring convenience and efficiency. It supports cross-platform and cross-system computing power sharing, enabling instant and convenient 3D applications and interactive experiences while significantly improving resource utilization efficiency and users' operational flexibility.

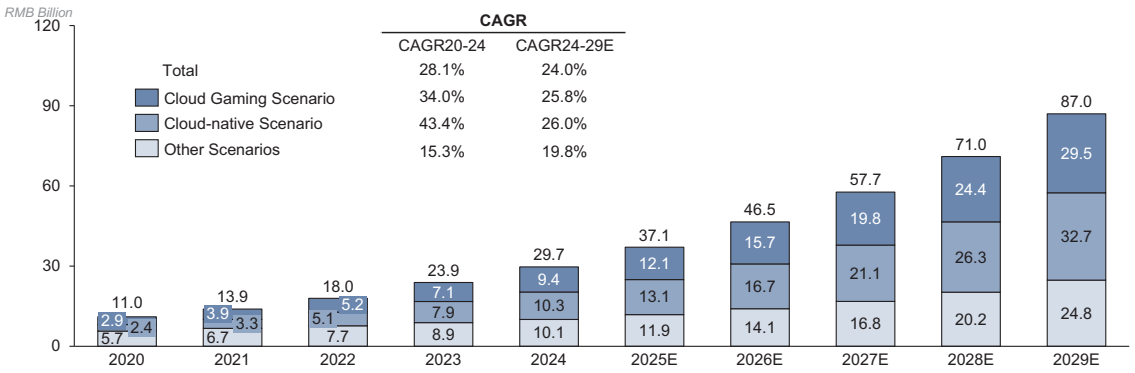
- *High-quality user experience.* Cloud-based real-time rendering services leverage robust cloud computing resources to execute graphical rendering tasks with high complexity, significantly enhancing output quality and interaction smoothness. It delivers an ultra-high-definition ("**UHD**"), deeply immersive visual experience for users. Under the same conditions, cloud-based real-time rendering capabilities outperform local real-time rendering, delivering higher-quality services with more frequent updates, and continuously optimizing user experience.

Market Size of Cloud-based Real-time Rendering Services

Cloud-based real-time rendering services can be broadly divided into three application categories: cloud gaming, cloud-native and other scenarios. Among them, cloud-native applications are primarily designed for constructing purpose-specific virtual spaces or metaverse, where additional costs are incurred throughout the space-building process, such as photogrammetry, scene modeling and digital art creation, while the actual value contribution from cloud-based real-time rendering remains relatively limited. From a market demand perspective, although cloud-native has a large potential market size, it remains largely in the exploratory stage. In contrast, cloud gaming requires continuous real-time rendering throughout all stages, placing significantly higher demands regarding latency and interactivity. It has already developed into a segment with relatively mature commercialization and rapid growth.

The cloud-based real-time rendering services market is still at a relatively early stage of development. According to CIC, the global market size of cloud-based real-time rendering services increased from RMB11.0 billion in 2020 to RMB29.7 billion in 2024, representing a CAGR of 28.1% from 2020 to 2024. It is expected to reach RMB87.0 billion by 2029 at a CAGR of 24.0% from 2024 to 2029.

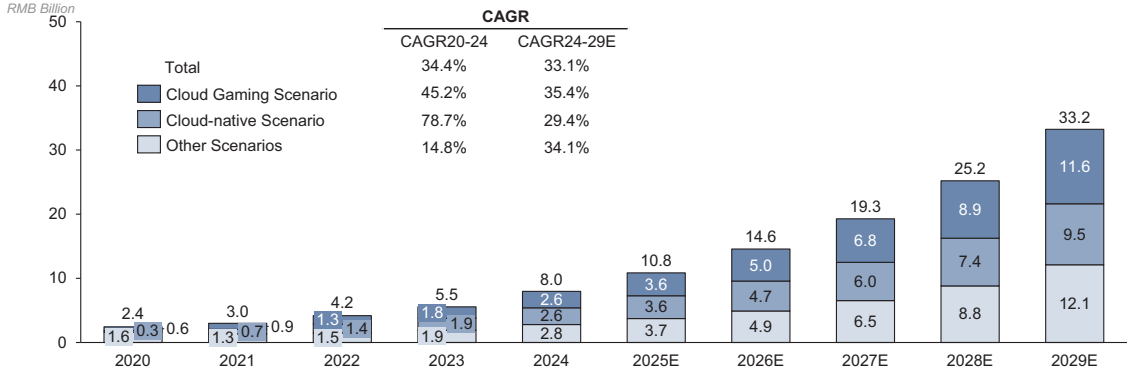
Market Size of Global Cloud-Based Real-Time Rendering Service Industry by Revenue, 2020-2029E



Source: Newzoo, Statista, The CIC Report

Generally, the cloud-based real-time rendering services market in China outgrows the global cloud-based real-time rendering services market in terms of growth rate. According to CIC, the market size of cloud-based real-time rendering services in China increased from RMB2.4 billion in 2020 to RMB8.0 billion in 2024, representing a CAGR of 34.4% from 2020 to 2024, and is further projected to reach RMB33.2 billion by 2029, representing a CAGR of 33.1% from 2024 to 2029.

Market Size of China's Cloud-Based Real-Time Rendering Service Industry by Revenue, 2020-2029E



Source: CNPUBG, CAICT, The CIC Report

Key Drivers for the Cloud-based Real-time Rendering Industry

The growth of cloud-based real-time rendering services market is expected to continue in the future, primarily driven by the following factors:

- *Development of the gaming industry.* Over the past few years, driven by the joint efforts of various components of the gaming ecosystem, the gaming industry has witnessed significant improvements in content quality, richness, distribution channels and playability. This has led to an increasing demand for enhanced graphics processing and computing power in gaming devices. As a result, cloud gaming has become a key driver for the high-quality and sustainable development of the gaming industry, liberating game players from hardware constraints, and will continue to propel the future growth of cloud-based real-time rendering services industry. In particular, cloud gaming represents a high-demand, high-performance application scenario within real-time rendering. It places stringent requirements on latency and interactive responsiveness, driving coordinated advancements in computing architecture, encoding efficiency and network transmission. Compared to cloud-native use cases which focus primarily on pre-constructed virtual content and involve lower levels of real-time responsiveness, cloud gaming involves continuous and intensive computational workloads throughout the entire product lifecycle. As a result, cloud gaming remains the most commercially mature, technically demanding and strategically important application scenario in the cloud-based real-time rendering industry.

- *Computing power bottlenecks driving the growing demand for rendering services in cloud XR.* With the continuous technological advancements, the application of XR develops rapidly across sectors like gaming, education and healthcare, whilst hardware limitations remain a major challenge. Most XR devices provide only mid-range mobile GPU performance, restricting rendering quality. However, cloud-based real-time rendering can offload intensive tasks to cloud GPUs and stream results back with low latency, enhancing visual experience while lowering hardware requirements for XR. As a result, it has become a key enabler of XR development.

- *Advances in core technologies.* The widespread adoption of new network technologies such as 5G and fifth-generation fixed network ("**F5G**") has enabled ultra-low latency and high-bandwidth transmission, ensuring real-time data transmission in complex scenarios. Advances in cloud computing has provided powerful computational resources, allowing users to handle more complex rendering tasks. Continuous improvements in graphics rendering technology have enhanced visual quality. Furthermore, the increased GPU performance and the introduction of specialized accelerators have provided

significant computing power. These technological advancements lay a solid foundation for the large-scale application of cloud-based real-time rendering services and continuously enhance the end user experience.

- *Increasing demands for cloud-native architecture powered by digital transformation.* As digital transformation accelerates across industries such as design, education, tourism, industrial manufacturing and automotive, software applications are increasing demands on computing power and real-time processing capabilities. In response, cloud-native architecture is emerging as a consensus within the industry. Characterized by elasticity, scalability and cross-platform deployment, cloud-based real-time rendering services enable agile delivery and efficient resource allocation. At the same time, driven by technologies such as virtual reality ("**VR**"), augmented reality ("**AR**"), and mixed reality ("**MR**"), users' expectations for interactive and immersive experiences continue to rise, fueling the future growth of the cloud-based real-time rendering service industry.

- *Supportive national policies.* Since 2022, the PRC government has introduced a series of policies to promote digital infrastructure and the development of emerging technologies, with a particular focus on innovation in rendering technologies. For example, in October 2022, the Ministry of Industry and Information Technology (工業和信息化部), along with the Ministry of Education (教育部), the Ministry of Culture and Tourism (文旅部), the National Radio and Television Administration (國家廣播電視總局), and the General Administration of Sport of China (國家體育總局), jointly issued the Virtual Reality and Industry Application Integration Development Action Plan (2022–2026) (《虛擬現實與行業應用融合發展行動計劃(2022–2026年)》). The plan emphasizes the promotion of rendering optimization technologies, such as hybrid cloud rendering, gaze-based rendering and AI rendering. It aims to drive virtual reality rendering towards a refined approach that integrates both software and hardware while balancing quality and efficiency. On January 7, 2025, the General Office of the Ministry of Industry and Information Technology (工業和信息化部辦公廳) issued Notice on Launching the 10-Gigabit Optical Network Pilot Program (《關於開展萬兆光網試點工作的通知》), which mandates the pilot implementation of cloud storage, cloud computing, cloud gaming, UHD video, glasses-free 3D, optical-sensing home security, health and wellness, and other 10-Gigabit optical network services.

Future Trends of Cloud-based Real-time Rendering Industry

- *Movements towards large-scale, diversification and specialization.* As digital transformation deepens across various sectors, the demand for cloud-based real-time rendering services is expanding, necessitating service providers to enhance their scalability. The rise of cloud gaming and XR applications is increasing the need for complex scenarios and object rendering. Among these, cloud gaming has become the primary pioneer of industry-wide

advancement, setting higher standards for real-time performance and scalability, while cloud-native applications remain more focused on content construction with relatively lower real-time demands. To meet these evolving needs, cloud-based real-time rendering services must be able to support diverse application scenarios, deliver large-scale service capacity, and offer comprehensive and customizable capabilities tailored to specific client requirements.

- *Enhancements in infrastructure capabilities.* With the increasing complexity and quality requirements of downstream application scenarios, there is a continuous demand for improved computing power, storage speed and network bandwidth. Cloud-based real-time rendering service providers need to strengthen their layout of computing nodes and overall architecture design capabilities to deliver high-quality services by leveraging robust GPUs, efficient storage, rapid data transmission, low-latency network connections and high-reliability infrastructure to ensure seamless real-time rendering experience.

- *Integration with AI.* As one of the most vibrant areas of technological innovation globally, AI is increasingly being integrated into cloud-based real-time rendering. By leveraging deep learning and reinforcement learning, AI enhances rendering efficiency and visual quality. Techniques such as deep learning-driven image super-resolution, content generation and intelligent interaction enable more refined visual effects and enhance system response efficiency. Through this process, cloud-based real-time rendering services will have stronger intelligent interactivity to improve user experience.

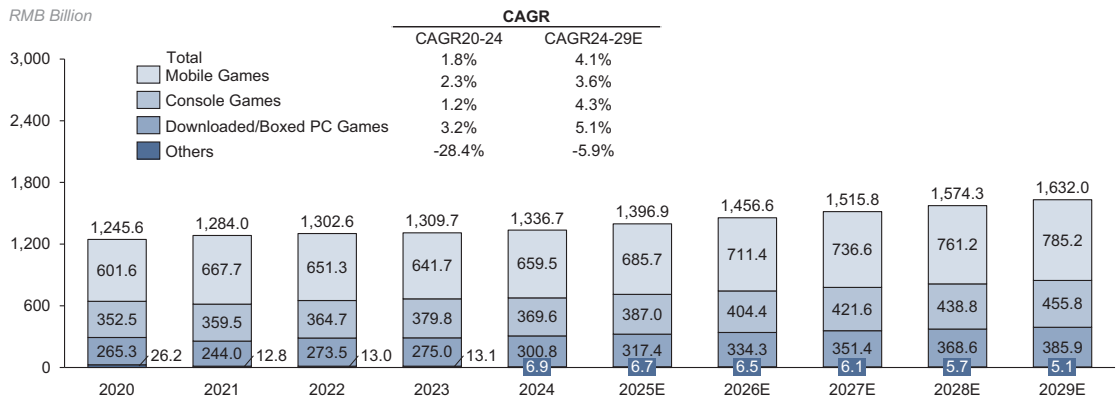
- *Thriving ecosystem of the entire industry*. The cloud-based real-time rendering service industry, with its promising prospects and vast potential, is attracting more market players. This influx of participants is collectively driving the robust growth of the industry. While a variety of application scenarios are emerging, most are still in the early stages of development. Apart from cloud gaming, which has already achieved meaningful commercial scale, other scenarios have yet to reach similar levels of market readiness and still require time and investment to mature.

CLOUD-BASED REAL-TIME RENDERING SERVICES FOR CLOUD GAMING

Overview of the Gaming Industry

With the steady growth in the number of game players worldwide, the global gaming market is experiencing consistent expansion. At the same time, game adaptations in movie and television have attracted numerous audiences into game fandoms, further boosting the development of the community, and endowing the gaming industry with strong vitality and long-term development potential. According to CIC, the market size of global gaming industry increased from RMB1,245.6 billion in 2020 to RMB1,336.7 billion in 2024, representing a CAGR of 1.8% from 2020 to 2024, and is further expected to reach RMB1,632.0 billion by 2029, representing a CAGR of 4.1% from 2024 to 2029.

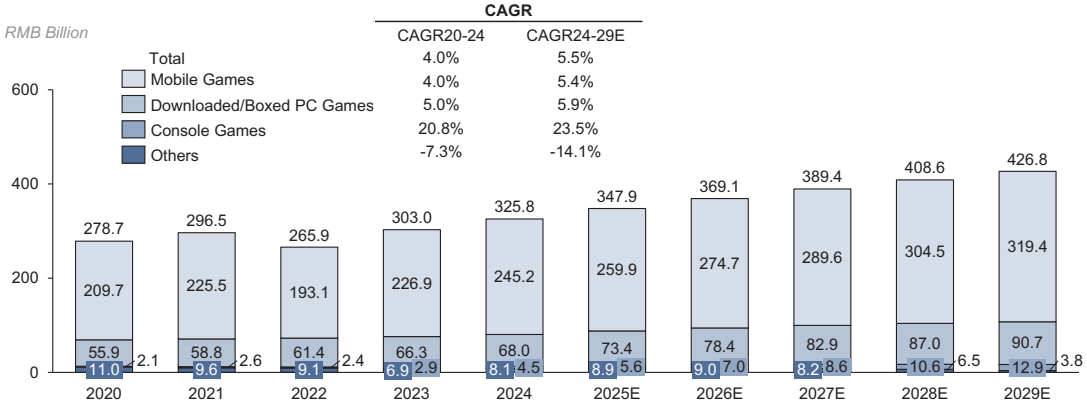
Market Size of Global Gaming Industry by Revenue, 2020-2029E



Source: Newzoo, The CIC Report

China is one of the key players in the global gaming market. In recent years, the focus of the gaming industry in China has shifted from game distributors to game developers, attracting more engagement of young players. According to CIC, the market size of gaming industry in China increased from RMB278.7 billion in 2020 to RMB325.8 billion in 2024, representing a CAGR of 4.0% from 2020 to 2024, and is further expected to reach RMB426.8 billion by 2029, representing a CAGR of 5.5% from 2024 to 2029.

Market Size of China's Gaming Industry by Revenue, 2020-2029E



Source: CNPUBG, The CIC Report

The gaming industry is prioritizing high-quality content like increasing visual details and more complex storylines. Also, social interaction and shopping functions have been integrated in games. Hence, the traditional gaming ecosystem encounters several pain points, which include: (i) high requirements for hardware computing power and storage space; (ii) lengthy downloads and

updates for games; (iii) compatibility issues across devices and platforms; (iv) game innovation and design limited by device hardware; and (v) difficulty and high costs associated with cross-platform game distribution.

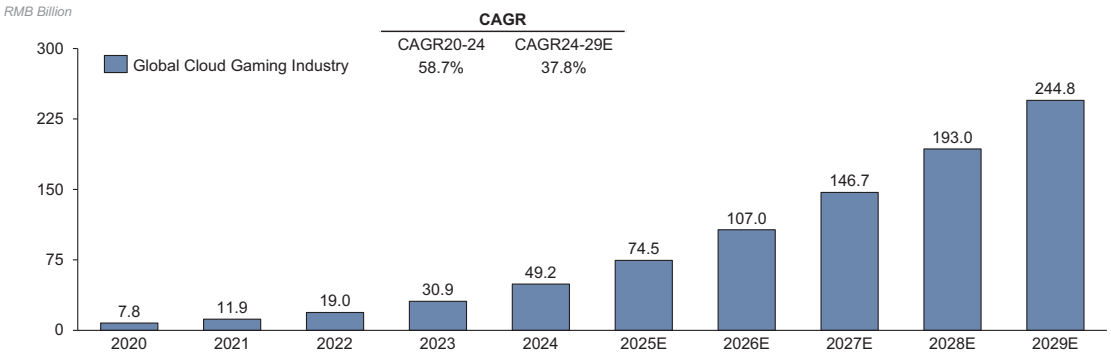
Overview of the Cloud Gaming Industry

Cloud gaming is widely considered the pinnacle of the development in the gaming industry, characterized by its core feature of performing game computations and rendering in the cloud, with visuals streamed in real-time to the user devices over the Internet. This allows users to no longer be restricted by the capabilities of local hardware and to enjoy high-quality games on any device. With respect to the industry evolution, cloud gaming signifies a transformative shift in game distribution models: the concept of games-as-a-service ("**GaaS**") becomes more prominent, eliminating the need for downloads and installations and enabling instant play, thereby significantly lowering the entry barrier for users. For game developers and publishers, cloud gaming has the potential to unify currently fragmented platform ecosystems, creating a "one cloud, multiple endpoints" model, which is viewed as the future direction of the gaming industry. As infrastructure improves and user awareness increases, cloud gaming is expected to transition from its early trial stage to widespread adoption, with its market penetration rising substantially and becoming a major growth engine for the future of gaming.

Content remains the most crucial driving force in the gaming industry. Currently, the most iconic blockbusters are primarily concentrated on PC platforms, particularly 3A games. Known for the high costs and exceptional quality, 3A games offer deeply immersive experiences that attract a large amounts of core players. In the past, 3A games required users to purchase expensive hardware, while the innovation of cloud gaming has revolutionized this landscape. Through cloudifying 3A games, users can enjoy top-tier games on any device with instant access, significantly lowering the entry barrier. Historical trends demonstrate that users tend to migrate with the high-quality content, such as exclusive titles driving hardware sales during the console era and mobile game hits attracting users during the mobile gaming boom. Therefore, as more 3A games become available on cloud gaming platforms, users will naturally migrate to cloud gaming, boosting the growth in the number of users and increasing platform stickiness. In turn, the expansion of user base will attract more developers to release core contents on cloud gaming platforms, creating a positive feedback loop. It is clear that the cloud-based supply of high-quality content will be the key driver of cloud gaming's rapid penetration, and the evolution of cloud gaming platforms will continue to focus on improvement of the content ecosystem.

The penetration rate of cloud gaming in the global markets increased from 0.6% in 2020 to 3.7% in 2024. The market size of global cloud gaming industry reached RMB49.2 billion in 2024, and is further expected to reach RMB244.8 billion by 2029 with a market penetration rate of 15.0%.

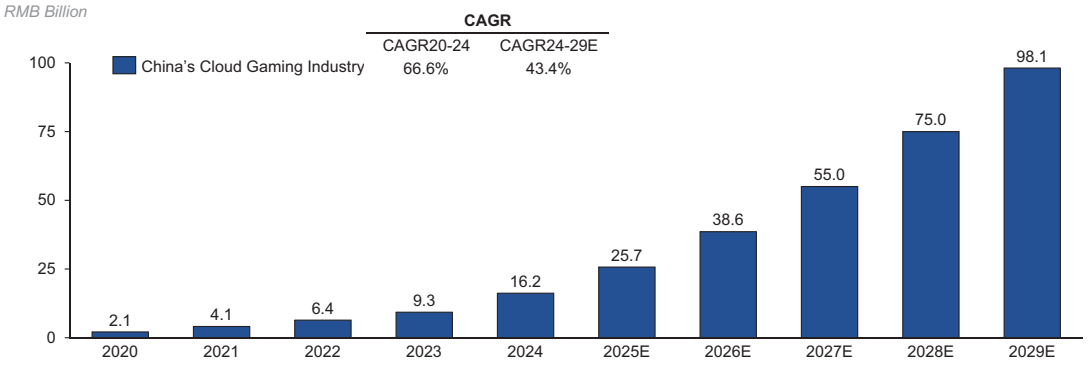
Market Size of Global Cloud Gaming Industry by Revenue, 2020-2029E



Source: Statista, The CIC Report

The market penetration rate of cloud gaming in China increased from 0.8% in 2020 to 5.0% in 2024. The market size of cloud gaming industry in China increased from RMB2.1 billion in 2020 to RMB16.2 billion in 2024, representing a CAGR of 66.6% from 2020 to 2024, and is further expected to reach RMB98.1 billion by 2029 with a market penetration rate of 23.0%.

Market Size of China's Cloud Gaming Industry by Revenue, 2020-2029E



Source: CAICT, The CIC Report

Cloud-Based Real-Time Rendering Services Empower Key Components of the Gaming Ecosystem

Cloud-based real-time rendering services offer a compelling value proposition to key components of the gaming ecosystem, effectively addressing the core requirements of game developers, publishers and end users.

- *End users.* Cloud-based real-time rendering services reduce hardware costs and frequent iteration of devices, thereby enhancing the user experience, and allowing instant play that can significantly reduce loading times and enhances seamless experience. They also support cross-platform and multi-devices without the need for specific hardware and further increasing the convenience and accessibility of games, thereby optimizing the overall experience.

- *Game developers.* Leveraging cloud-based real-time rendering services, game developers can explore more possibilities on game design, enabling the creation of more innovative and diverse games through cloud-native technology, thereby further reducing development and maintenance costs and streamlining game optimization and updates. Without concerns about user device performance, developers can focus on the quality of the content, further expanding the boundaries of game creation possibilities.

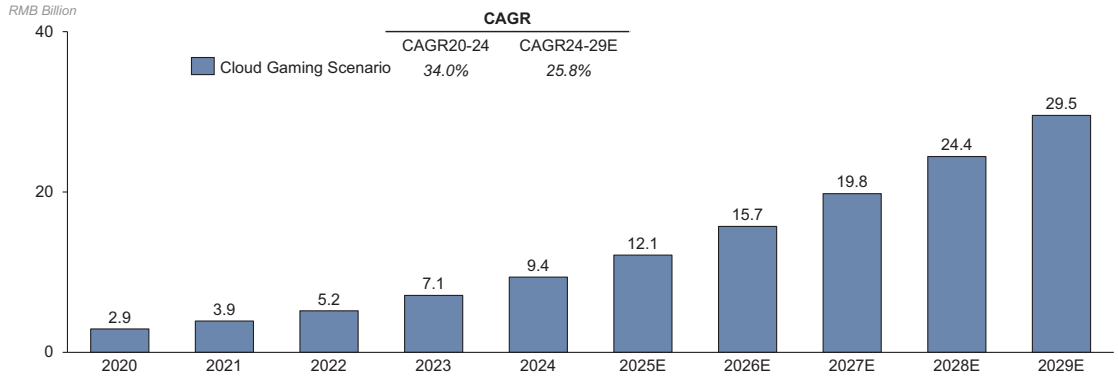
- *Game publishers.* With cloud-based real-time rendering services, game publishers can reach a wider scope of players, broadening game distribution channels, and increasing their market reach. Through the cross-platform compatibility and instant-play features of cloud gaming, traditional barriers related to device performance and download requirements are significantly lowered, helping to increase user penetration and payment conversion rates, thereby directly unlocking commercial value.

Market Size of Cloud-Based Real-Time Rendering Service for Cloud Gaming

Cloud-based real-time rendering services serve a wide range of downstream customers in the gaming industry, including digital content operators, gaming platforms, game developers, game tool service providers, mobile hardware manufacturers, internet/cloud gaming cafe and esports hotel operators and future cloud XR game developers in the gaming industry, and finally reach users on mobile, PC and consoles. While mobile game is currently the main customer segment for cloud-based real-time rendering services, there is an increasing demand for cost-effective and highly playable cloud gaming services from PC games. The application of cloud-based real-time rendering in PC games is expected to drive significant market growth in the future, contributing to the continued expansion of the cloud-based real-time rendering services market.

According to CIC, the market size of global cloud-based real-time rendering services for cloud gaming increased from RMB2.9 billion in 2020 to RMB9.4 billion in 2024, representing a CAGR of 34.0% from 2020 to 2024, and will further reach RMB29.5 billion by 2029, representing a CAGR of 25.8% from 2024 to 2029.

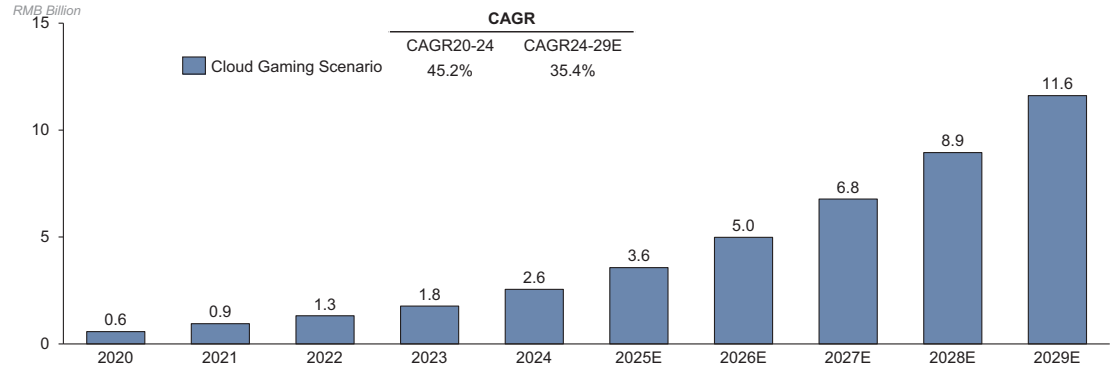
Market Size of Global Cloud-Based Real-Time Rendering Service in Cloud Gaming Scenario by Revenue, 2020-2029E



Source: Newzoo, Statista, The CIC Report

According to CIC, the market size of cloud-based real-time rendering services for cloud gaming in China increased from RMB0.6 billion in 2020 to RMB2.6 billion in 2024, representing a CAGR of 45.2% from 2020 to 2024, and is further expected to reach RMB11.6 billion by 2029, representing a CAGR of 35.4% from 2024 to 2029.

Market Size of China's Cloud-Based Real-Time Rendering Service in Cloud Gaming Scenario by Revenue, 2020-2029E



Source: CNPUBG, CAICT, The CIC Report

Key Drivers of Cloud-based Real-time Rendering Industry for Cloud Gaming

The following factors are expected to drive the development and growth of China's cloud-based real-time rendering services for cloud gaming:

- *Increasing demand for higher game content quality.* Advancements in game engines, real-time lighting and physics simulation have greatly enhanced visual fidelity. However, increasing computational demands surpass hardware upgrade cycles, restricting access to high-quality gaming. Cloud-based real-time rendering shifts rendering workloads to servers, delivering superior graphics without high-end hardware, and finally driving industry innovation and enhancing players' experiences.

- *The need for more efficient game distribution.* As game sizes continue to expand, traditional download and installation methods are becoming increasingly inefficient. 3A games often require downloads of hundreds of gigabytes, leading to long wait times and lower user conversion rates. Cloud-based real-time rendering enables instant play, thereby eliminating downloads, reducing wait times and optimizing content distribution efficiency.

- *Requirement for game development capabilities.* Multi-platform gaming requires developers to optimize content separately for PC, consoles and mobile devices, increasing costs and complexity. Global market expansion also demands seamless device compatibility. Cloud-based real-time rendering supports a model of "develop once, deploy everywhere", dynamically adapting content across platforms, reducing development costs and increasing resource efficiency.

- *Unified gaming experiences across multiple devices.* The widespread adoption of PC cloud gaming, 3A mobile game adaptations, and cross-platform gaming have increased demand for seamless experiences. However, performance disparities across devices still affect frame rates and visual quality. Cloud-based real-time rendering centralizes computation in the cloud, ensuring consistent and smooth performance across devices, allowing players to seamlessly switch between PC, consoles and mobile.

- *Rising high-end hardware costs.* GPUs, processors and high-performance storage costs continue to rise, restricting access to high-quality gaming. Cloud-based real-time rendering shifts computational workloads to the cloud, reducing hardware requirements and enabling cloud gaming cafes and cloud esports, lowering entry barriers and expanding market participation.

Competitive Landscape of Cloud-based Real-time Rendering Industry for Cloud Gaming

Cloud-based real-time rendering industry for cloud gaming is primarily divided into two parts: in-house rendering functions, which serve enterprises' internal business needs and are generally not priced separately, commercially or independently, and service providers in the market, which provide commercially-priced services to clients. The following chart demonstrates the revenue and market share of China's top five service providers of cloud-based real-time rendering in cloud gaming scenario in 2024.

Top Five Service Providers of Cloud-based Real-time Rendering in Cloud Gaming Scenario in China, by Revenue

Ranking	Market Player	Comparable Revenue in 2024[1]	Market Share
		(RMB in million)	*(%)*
1	Our Group	458	17.9%
2	Company A[2]	~280	10.8%
3	Company B[3]	~240	9.4%
4	Company C[4]	~200	8.0%
5	Company D[5]	~200	7.8%

Source: The CIC Report

(1) Excluding the sole sales of hardware.

(2) Founded in 2020 and headquartered in Shenzhen, Company A is a cloud computing technology company. It provides accelerated computing services for immersive digital applications. It is a privately held company.

(3) Founded in 2005 and headquartered in Hangzhou, its business covers areas such as e-sports technology, interactive entertainment, computing power, and artificial intelligence. It was listed on the Shenzhen Stock Exchange in 2010.

(4) Founded in 1998 and headquartered in Shenzhen, Company C is a leading integrated internet service provider and has developed business in cloud gaming. It was listed on the Hong Kong Stock Exchange in 2004.

(5) Founded in 2021 and headquartered in Beijing, Company D is a provider of cloud-based real-time rendering services, meta-application computing technology and metaverse services. It is a subsidiary of a company that was listed on New York Stock Exchange in 2014 and had its secondary listing on the Hong Kong Stock Exchange in 2019.

Key Success Factors in Cloud-based Real-time Rendering Industry for Cloud Gaming

- *Strong computing power resources and network resource management.* Leading service providers in the market must deploy a considerable number of data centers and computing nodes across the nation. The construction of such infrastructure requires substantial investment and technical management expertise, creating a significant entry barrier and making it difficult for new entrants to quickly replicate this business model.

- *Integrated hardware and software architecture.* Companies in the industry are required to develop the ability to integrate software and hardware seamlessly and maximize resource utilization in order to shorten response times and enhance processing efficiency. The architecture of software and hardware integration entails optimized resource scheduling and dynamic configuration adjustments to ensure service stability under high loads, effectively addressing instantaneous fluctuations in users' demand.

- *Core technology reserve.* The accumulation of core technological capabilities is a fundamental driver of competitive advantage. Service providers must continuously invest in frontier technologies such as GPU virtualization, containerized deployment and adaptive encoding to ensure efficient scalability and optimal resource allocation. Mastery of these underlying technologies significantly enhances system stability and computational efficiency while creating high technical entry barriers. A strong reserve of core technologies not only improves adaptability to high-concurrency and complex scenarios but also lays a solid foundation for securing first-mover advantages and sustaining long-term market leadership.

- *First mover advantage and strong ecosystem partnerships.* First movers in the industry are able to establish close partnerships with content producers, game developers and other relevant parties. Such collaboration can not only promote resource sharing and integration but also provide a foundation for product innovation. With these partnerships, first movers can gain access to exclusive content and technical support, enhance the added value of their services, and improve their market competitiveness.

- *Accumulation of industry technology and application models across diverse scenarios and enhancement of system reliability.* By deeply understanding the needs and characteristics of different types of clients, leading companies in the industry need to optimize their technology architecture and resource allocation to enhance the adaptability and flexibility of their services. Simultaneously, they are more mature in terms of system reliability, service stability and efficiency of customer support, which can attract high-end customers, and further promote brand credibility, and finally maintain an advantage in the competition.

Future Trends of Cloud-based Real-time Rendering Industry for Cloud Gaming

- *Diversification of deployment model.* With the expansion of cloud-based real-time rendering, the demand for diverse deployment models is growing. Service implementation relies highly on hardware, with computing nodes essential for ensuring low latency and high concurrency. As the business scales, more nodes must be deployed to maintain seamless cross-device experiences. Software and hardware integration has become the industry standard, enhancing system stability and scalability.

- *Progress in service technology.* Cloud-based real-time rendering services will provide enhanced technical support for advanced graphical effects, such as real-time ray tracing and other sophisticated rendering technologies. This will make game scenes more realistic and detailed. Additionally, cloud-based real-time rendering will improve interactivity, allowing players to engage in real-time interactions within complex scenarios, thereby increasing immersion. Meanwhile, with the continued expansion of the global 3A game market, content complexity and computational demands are steadily rising, while conventional end-user devices often struggle with handling of high-quality content. Cloud-based real-time rendering breaks through these hardware limitations by migrating intensive processing to the cloud, enabling 3A level and high-quality game content to run smoothly on mobile devices, thus enabling users' access of 3A games on mobile devices. Additionally, enhanced rendering capabilities provide content developers with greater creative freedom, accelerating content iteration and enriching the gaming ecosystem.

- *Expansion of service coverage.* As the gaming ecosystem continues to thrive, AIGC, intelligent optimization and real-time data analysis are empowering cloud-based real-time rendering, improving both visual quality and efficiency. Service providers will need to cater to the customized demands of mobile manufacturers and large platforms by enhancing scalability. Furthermore, AI applications in cloud XR gaming also support automatic content generation and intelligent interaction, requiring service providers to create virtual digital worlds capable of accommodating users at the hundred-million-level simultaneously, meeting evolving users' demand.

- *Global business layout.* With the growing demand for cloud gaming globally, cloud-based real-time rendering service providers will have significant opportunities for future growth. Leveraging the rich experience in the domestic market, market players in China can quickly adapt to localize in different regions, thereby expanding their global market shares.

- *Growth fueled by VR development.* The rapid adoption of VR technology is fueling a new wave of growth for cloud-based real-time rendering services. To deliver high frame rates and low-latency immersive experiences, VR imposes higher requirements on rendering performance, data transmission speed and edge computing deployment. Cloud-based real-time

rendering has become a key enabler for large-scale VR scenario, demonstrating significant advantages in complex use cases such as multi-user collaboration and cross-regional interaction. In the future, the service capabilities of market participants in the industry must further integrate with VR to achieve synchronized optimization of image and interactive experiences.

APPLICATION OF CLOUD-BASED REAL-TIME RENDERING SERVICES IN CLOUD-NATIVE AND OTHER SCENARIOS

With the acceleration of the digital transformation process and the growing demand for high-quality visual experiences, cloud-based real-time rendering services, with powerful computing capabilities and flexible collaboration, have become a key supporting technology across various industries, and can reduce hardware costs for enterprises and empower remote team collaboration. It also enables industries such as cultural tourism, traveling, education, industrial design and e-commerce to quickly adapt to market changes, providing users with more realistic interactive experiences. Driven by industry transformation, cloud-based real-time rendering services are shifting from enhancing production efficiency to reshaping customer experiences, thus becoming the core engine which drives industry innovation and future growth.

Cloud-based real-time rendering services have a wide range of applications in cloud-native scenario, including cultural tourism, digital marketing and education, as well as cloud XR, cloud smart cockpit and cloud terminals in other scenarios. As the digitalization of various sectors deepens, the applications of cloud-based real-time rendering services in cloud-native and other scenarios will expand both horizontally and vertically, accelerating the rapid growth of market scale.

SOURCE OF INFORMATION

We commissioned CIC, an independent market research and consulting company, to conduct research and analysis of, and produce a report on, the global and China's cloud-based real-time rendering service industry. We have agreed to pay a fee of RMB1.0 million to CIC in connection with the preparation of the CIC Report. We have extracted certain information from the CIC Report in this section, as well as in the sections headed "Summary," "Risk Factors," "Business," "Financial Information" and elsewhere in this Document to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

During the preparation of the CIC Report, CIC conducted both primary and secondary research utilizing diverse resources, and gathered knowledge, statistics, information and insights on industry trends within the target research markets. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as National Bureau of Statistics, CAICT and other industry associations.

The CIC report was compiled based on the following assumptions: (i) economy development in global is likely to maintain a steady growth trend in the next decade; (ii) related industry key drivers are likely to drive the continuing growth of the cloud-based real-time rendering service industry, such as the favorable policies, advancement on related technology; and (iii) there will be no extreme force majeure or unforeseen industry regulations in which the market may be affected in either a dramatic or fundamental way during the forecast period.

Our Directors confirm that, to the best of their knowledge, after making reasonable enquiries, there has been no adverse change in the market information since the date of the CIC Report which may qualify, contradict or have a material impact on the information in this section.

LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT

Company Law of the PRC

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People's Congress of the PRC (全國人民代表大會常務委員會) (the "**SCNPC**") on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign Investment Law of the PRC and Regulations on the Implementation of the Foreign Investment Law of the PRC

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Catalogue**"), amended on October 26, 2022 and effective since January 1, 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the National Development and Reform Commission (國家發展和改革委員會) (the "**NDRC**") and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the "**MOFCOM**"). The Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: "encouraged", "restricted", and "prohibited". Industries not listed in the Catalogue or the Negative List are generally deemed as falling into a fourth category, "permitted", unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**"), promulgated by the National People's Congress (全國人民代表大會) (the "**NPC**") on March 15, 2019, effective since January 1, 2020, and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations for FIL**"), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.

On December 30, 2019, the Ministry of Commerce and the SAMR, jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

Regulations Relating To Value-Added Telecommunications Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**"), which were promulgated by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, provide the regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations categorize telecommunications services in the PRC into basic telecommunications services and value-added telecommunications services, and value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructures. Under the Telecommunications Regulations, telecommunications services providers shall obtain operating licenses from the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (the "**MIIT**") or its provincial counterparts prior to the commencement of operations.

The Administrative Measures for Telecommunications Business Operating License (《電信業務經營許可管理辦法》) with latest amendments becoming effective from September 1, 2017 set forth more specific provisions regarding the types of licenses required for value-added telecommunications services and the qualifications and procedures for obtaining such licenses. The

value-added telecommunications services operators providing value-added services across multiple provinces are required to obtain inter-regional licenses from the MIIT, whereas value-added telecommunications services operators providing such services within a single province are required to obtain local licenses from the provincial level counterparts.

The MIIT issued a catalog as an appendix to the Telecommunications Regulations or the Classification Catalog of Telecommunications Services (《電信業務分類目錄》), which was last revised in June 2019. According to the Classification Catalog of Telecommunications Services, Internet Data Center Service (the "**IDC Service**") is classified as Category 1 of the value-added telecommunication service and the information service is classified as Category 2 of the value-added telecommunication service. The information service is further divided into information publication platform and delivery services, information search and inquiry services, information communities platform services, instant message services, and information security and management services. Internet information service (the "**ICP Service**") is regulated by The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council on September 25, 2000, and last amended on December 6, 2024, which classify internet information services into either commercial internet information services or non-commercial internet information services. Commercial internet information services refer to paid services such as provisions of information or website production to online users via the internet. Companies engaged in commercial internet information services shall obtain the licenses for internet information services from the competent telecommunications authorities.

In addition, the provision of application information services and application distribution services in the PRC is specially regulated by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) (the "**APP Provisions**"), which was promulgated by the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室) (the "**CAC**") on June 28, 2016 and last amended on June 14, 2022. According to the APP Provisions, the CAC and local offices of cyberspace administration shall be responsible for the supervision and administration of nationwide and local application information respectively. The application information service providers shall acquire relevant qualifications required by laws and regulations and implement the information security management responsibilities strictly and fulfill their obligations, including verifying user identity information, protecting users' information, examining and managing information content.

Regulations Relating to Foreign Investment in Value-Added Telecommunications Services

Foreign direct investment in telecommunications companies in the PRC is regulated by the Regulations for Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "**FITE Regulations**"), which were promulgated by the State Council on December 11, 2001 and amended on September 10, 2008 and February 6, 2016. The FITE

Regulations require foreign-invested telecommunications enterprises in the PRC to be established as sino-foreign joint ventures. Unless otherwise stipulated by the State, the equity interest acquired by the foreign investors in such enterprises shall not exceed 50%. In addition, the foreign investors of the enterprises engaged in value-added telecommunications services must satisfy a number of stringent performance and operational experience requirements, including demonstrating a track record and experience in operating such business. The enterprises that meet these requirements shall obtain approvals from the MIIT and the MOFCOM or their authorized local branches, before launching the value-added telecommunications business in the PRC. Moreover, pursuant to the Negative List, foreign equity in enterprises providing value-added telecommunications business shall not exceed 50%, but such stipulation is not applied to e-commerce, domestic multi-party communications, store-and-forward and call centers services.

However, the State Council promulgated the Decision of the State Council on Revising and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》) on March 29, 2022, according to which the FITE Regulations was amended and such amendment has come into effect on May 1, 2022 (the "**New FITE Regulations**"). The New FITE Regulations, except as otherwise provided, no longer require stringent performance and operational experience of the foreign investors in the enterprises providing value-added telecommunications services. The foreign-invested telecommunications enterprises shall obtain approvals from the MIIT or its authorized local branches prior to the commencement of the value-added telecommunications business in the PRC. In addition, the New FITE Regulations simplify the application process for telecommunication business operation licenses and shorten the review period.

Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement and (《內地與香港關於建立更緊密經貿關係的安排》) Mainland and Macao Closer Economic Partnership Arrangement (《內地與澳門關於建立更緊密經貿關係的安排》), as well as subsequent amendments from time to time, the Mainland has committed to open IDC services to service providers from Hong Kong and Macao Special Administrative Regions subject to certain restrictions. According to the notice of the MIIT on the pilot program for expanding the opening up of value-added telecommunications services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》) issued on April 8, 2024, in certain districts of Beijing, Shanghai, Hainan and Shenzhen, the restrictions on the foreign equity ratios for IDC services, information publication platform and delivery services and information security and management services are removed.

LAWS AND REGULATIONS RELATED TO THE PROTECTION OF CYBERSECURITY AND DATA PROTECTION

Laws and Regulations Relating to Cybersecurity

The PRC government has enacted laws and regulations with respect to internet information security and protection of personal information from any abuse or unauthorized disclosure. Internet information in the PRC is regulated and restricted from a national security standpoint. The SCNPC enacted the Decision on the Maintenance of Internet Security (《關於維護互聯網安全的決定》) on December 28, 2000, which was amended on August 27, 2009 and may subject persons to criminal liabilities in the PRC for any attempt to undermine the safe operation of the internet, sabotage national security and social stability, hinder the order of the socialist market economy and social administration, or infringe personal, property and other legitimate rights and interests of individuals, legal persons and other organizations.

The Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) that was issued by the Ministry of Public Security (公安部) (the "**MPS**"), National Administration of State Secrets Protection (國家保密局), State Council Information Office (abolished) and State Cryptography Administration (國家密碼管理局) and took effect on June 22, 2007 requires the entities that operate and use information systems to fulfill the obligation of the hierarchical protection of information security. The operator or the user of the information systems at Grade II or above shall, within thirty days since the date when its security protection grade is determined, complete the record filing procedures at the local public security authority at the level of city divided into districts or above.

The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》)(the "**Cybersecurity Law**"), which was promulgated on November 7, 2016 and came into effect on June 1, 2017, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. The Cybersecurity Law has also reaffirmed certain basic principles and requirements on personal information protection previously specified in other existing laws and regulations. Any violation of the provisions and requirements under the

Cybersecurity Law may subject an internet service provider to rectifications, warnings, fines, confiscation of illegal gains, revocation of licenses, cancelation of qualifications, closedown of websites or even criminal liabilities.

Cybersecurity Review

On December 28, 2021, thirteen PRC governmental and regulatory agencies, including the CAC, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. The Measures for Cybersecurity Review specifies that the procurement of network products and services by operator of critical information infrastructure and the activities of data process carried out by Internet platform operator that raise or may raise "national security" concerns are subject to strict cybersecurity review by Office of Cybersecurity Review established by the CAC. Before critical information infrastructure operator purchases internet products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give raise to national security concerns, it should apply for a cybersecurity review by the Cybersecurity Review Office and a report of analysis of the potential effect on national security shall be submitted when the application is made. In addition, Internet platform operators that possess the personal data of over one million users must apply for a review by the Cybersecurity Review Office, if they plan listing of companies in foreign countries. The CAC may voluntarily conduct cybersecurity review if any network products and services and activities of data process affects or may affect national security. The cybersecurity review focuses on the assessment of risk factors include (i) the risk of critical information infrastructure being illegally controlled, interfered or destroyed as a result of the use of the products or services; (ii) the continuous harm to the business of critical information infrastructure by the interruption of provision of products or services; (iii) the security, openness, transparency, diversity of sources, reliability of supply and potential supply interruptions of products and services due to political, diplomatic or international trade issues; (iv) whether the products and services provider comply with PRC laws and regulations; (v) the risk of core data, important data or a large amount of personal information being stolen, leaked, destroyed, illegally utilized or exited the country; (vi) regarding to listing, there are risks of critical information infrastructure, core data, important data or a large amount of personal information being influenced, controlled or maliciously used by foreign governments, as well as network information security risks; and (vii) other factors that may endanger the security of critical information infrastructure, cybersecurity and data security. It may take approximately 70 business days in maximum for the general cybersecurity review upon the delivery of their applications, which may be subject to extensions for a special review.

Pursuant to the Security Protection Regulations for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "**CII Regulations**") issued by the State Council, which took effect on 1 September 2021, critical information infrastructure means important network facilities

and information systems in important industries and fields, such as public communications and information services, energy, transportation, irrigation, finance, public services, e-government, and science and technology industries for national defense, that may seriously endanger national security, national economy and people's livelihood, and public interests in the event that they are damaged or lose their functions or their data are leaked. The CII Regulations further state that the competent departments and regulatory departments governing key industries and areas, which specifically and directly responsible of the security protection of the "critical information infrastructures", is referred to as the "Security Protection Department", and that the relevant Security Protection Departments shall also notify the operator that it is recognized as a CIIO. As of the Latest Practicable Date, we have not been notified in writing or orally by any Security Protection Departments as a CIIO.

On May 15, 2025, we and our PRC Data Compliance Legal Adviser have conducted a real-name telephone consultation and communication with the competent regulatory authority, the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心, the "**CCRC**"), and CCRC has confirmed that a listing in Hong Kong does not fall within the scope of the term of "listing abroad (國外上市)" under Article 7 of the CAC Measures, and CCRC did not raise any objection to our Proposed **[REDACTED]**, nor did CCRC give any specific instructions requiring us to apply for cybersecurity review for the Proposed **[REDACTED]**.

Given that (i) as of the Latest Practicable Date, we had not been notified by any Security Protection Departments as a CIIO; (ii) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad (國外上市); and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, and the interpretation of activities that "affect or may affect national security" under the current PRC laws and regulations requires further clarification from the competent authorities, therefore, as advised by our PRC Data Compliance Legal Adviser, we were of the view that the CAC Measures is not applicable to us to the extent that we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our Proposed **[REDACTED]**. However, as further advised by our PRC Data Compliance Legal Adviser, the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations, and we are suggested by our PRC Data Compliance Legal Adviser that we should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

Laws and Regulations Relating to Data Protection

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) adopted by the NPC on May 28, 2020, and effective on January 1, 2021, personal information of natural persons is protected by law. Any organization or individual must legally obtain the relevant personal information of others and must ensure the security of the relevant information, and must not illegally collect, use, process, or transmit the personal information of others, nor illegally trade, provide, or disclose the personal information of others.

In addition to the civil protection of personal information, pursuant to the Criminal Law of the PRC (《中華人民共和國刑法》) issued by the SCNPC and became effective on March 1, 2024, any Internet service provider who fails to fulfill the obligations related to the Internet information security administration as required by the applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty. Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Lawfully Punishing Criminal Activities of Infringement of Citizens' Personal Information (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, Article 253 of the Criminal Law of the PRC (《中華人民共和國刑法》), and the Interpretation of Supreme People's Court and Supreme People's Procuratorate on Several Issues regarding Application of Law in Handling of Criminal Cases Involving Infringement of Citizen's Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), which was issued on May 8, 2017, and took effect on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law**") was passed by the Standing Committee of the 13th NPC at the 29th Session on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires the data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities by using the Internet or any other information network, the data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection

system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

On August 20, 2021, the State Council promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), effective from November 1, 2021. The Personal Information Protection Law requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Entities handling personal information shall bear responsibilities for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to rectify, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) which took effective on September 1, 2022. On February 22, 2023, the CAC issued the Measures on Standard Contracts for Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》) which took effective on June 1, 2023. On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Flow of Data (《促進和規範數據跨境流動規定》), or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) and the Measures on Standard Contracts for Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》), the New Cross-border Data Flow Provisions shall prevail. According to the New Cross-border Data Flow Provisions, data processors are subject to security assessments conducted by the CAC prior to any cross-border transfers of important data and personal information, if falling under any of the following circumstances: (i) where the CIIO intends to provide important data or personal information overseas; (ii) where the data processor other than CIIO intends to provide important data overseas;(iii) where the data processor other than CIIO, who has provided personal information (excluding sensitive personal information) of at least one million individuals or sensitive personal information of at least 10,000 individuals to overseas recipients accumulatively since January 1 of any given calendar year, intends to provide personal information overseas; and (iv) other circumstances where the security assessment of cross-border data transfer is required as prescribed by the CAC. The New Cross-border Data Flow Provisions also set out scenarios under which certain obligations for the

cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification.

On December 8, 2022, the MIIT promulgated the Measures for the Administration of Data Security in the Field of Industry and Information Technology (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. Data processors in the field of industry and information technology shall take the main responsibility for the security of data processing activities, implement hierarchical protection for various types of data, and where different levels of data are being processed at the same time and it is difficult to take separate protection measures, the protection shall be implemented in accordance with the requirements of the highest levels, to ensure that the data continues to be effectively protected and legally utilized.

On September 24, 2024, the Regulation on Network Data Security Management (《網絡數據安全管理條例》) was promulgated by the State Council and has come into effect on January 1, 2025. The Cyber Data Security Management Regulations is to implement general requirements on data security management from the Cybersecurity Law, the Data Security Law, as well as the Personal Information Protection Law, reiterating the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers' obligations.

Under the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》) that was issued by MIIT on December 29, 2011 and came into effect on March 15, 2012, internet information services providers are prohibited from collecting any information that is relevant to the users and can be, solely or together with other information, used to identify the users to third parties without users' consent unless otherwise required by laws and administrative regulations. Internet information services providers must expressly inform their users of the methods, contents and usages of collecting and processing of users' personal information and may only collect information necessary for providing services. Internet information services providers are also required to properly store the users' personal information, and in case of any leak or possible leak of information, internet information services providers must take remedial measures immediately and report any leak of information that may result in serious consequences to the telecommunications regulatory authorities. In addition, the Decision on Strengthening Network Information Protection (《關於加強網絡信息保護的決定》), promulgated by the SCNPC on December 28, 2012 with immediate effect, emphasizes the need to protect electronic information that contains individual identification information and other private data. This decision requires internet information services providers and other enterprises, public institutions to publish policies regarding the collection and use of personal electronic information and to take necessary measures to ensure information security and to prevent any information leak, damage or loss. Furthermore, the MIIT's Rules on Protection of

Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》), which was promulgated on July 16, 2013 and came into effect on September 1, 2013, contains detailed requirements on the collection and use of personal information as well as the security measures to be taken by internet information services providers. "Personal information" includes the user's name, birth date, identification card number, address, phone number, account name, password and other information that can be used for identifying a user either independently or in combination with other information as well as the time, place, etc. for the use of services by the users. Collection and use of user personal information by internet information services providers are subject to users' consent and should abide by the principles of legality, appropriateness and necessity and be within the specified methods, scopes and purposes that are required to be published by such internet information services providers. Internet information services providers and their staff members shall strictly keep confidential the personal information of users collected or used in the course of providing services, and shall not divulge, tamper with, damage, sell or illegally provide others with the same. Internet information services providers should also provide their staff with knowledge and trainings in terms of the knowledge, skills and security responsibilities relating to the protection of the personal information of users.

LAWS AND REGULATIONS RELATED TO INTELLECTUAL PROPERTY

Trademarks

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》)(the "**Trademark Law**") became effective on March 1, 1983 and was last amended on April 23, 2019, and the Implementation Rules of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) became effective on September 15, 2002 and was last amended on April 29, 2014. The Trademark Law and its implementation rules provide the basic legal framework for the regulation of trademarks in the PRC, covering registered trademarks, including commodity trademarks, service trademarks, collective marks and certificate marks. Registered trademarks are protected under the Trademark Law and related rules and regulations. Trademarks are registered with the Trademark Office of the National Intellectual Property Administration. Where registration is sought for a trademark that is identical or similar to another trademark that has already been registered or given preliminary examination and approved for use on the same or similar commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

Patents

The Patent Law of the PRC (《中華人民共和國專利法》) and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions.

The Patent Law and its Implementation Rules recognize three patent types: "invention," "utility model" and "design." Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new esthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

China follows the "first to file" principle, granting patents to the earliest applicant for the same invention. Patentable inventions or utility models must be novel, inventive, and practical. Patent holders' rights are legally protected, allowing others to use the patent only with proper authorization. Unauthorized use constitutes patent infringement unless specified by law.

Copyright and Software Copyright

Copyright (including software copyright) is mainly protected by the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) as promulgated on September 7, 1990 and last amended on November 11, 2020 by the SCNPC and the Implementing Rules of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》) as promulgated on August 2, 2002 and last amended on January 30, 2013 by the State Council. Such law and rules prescribe that Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science.

In addition, internet activities, products disseminated over the internet and software products also enjoy copyright. Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended by the State Council on January 30, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center

shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Protection of Computer Software.

Domain Names

Internet domain name registration and related matters are regulated by the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and taking into effect on November 1, 2017, and the Implementation Rules for the Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) promulgated by China Internet Network Information Center and taking into effect on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a "first come, first file" principle. The applicants will become the holders of such domain names upon the completion of the registration procedure.

REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the PRC Civil Code, a lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract. Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

LAWS AND REGULATIONS RELATED TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUNDS

General Labor Contract Rules

Labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises, individual economic organizations, private non-enterprise entities, etc. and the employees under the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), promulgated on June 29, 2007 and last amended on December 28, 2012. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with national regulations. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely. According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve a system of labor safety and sanitation and shall strictly abide by national rules and standards on labor safety and sanitation and educate employees on labor safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labor safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labor safety and sanitation conditions that are in compliance with national standards and necessary articles for labor protection.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) passed by the SCNPC on October 28, 2010 and amended on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance and maternity insurance. Employer who fails to promptly pay social insurance contributions in full amount shall be ordered to pay or supplement within a prescribed period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) passed by the State Council on April 3, 1999 and last amended on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order

it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

LAWS AND REGULATIONS RELATED TO TAXATION

PRC Enterprise Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》) promulgated by the NPC on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Value-Added Tax

According to the Interim Value-Added Tax Regulations of the People's Republic of China (《中華人民共和國增值税暫行條例》), as announced by the State Council on December 13, 1993 and last amended on November 19, 2017, entities and individuals selling goods, providing labor services of processing, repairing or maintenance, selling services, intangible assets, real property in China, and importing goods to China, shall be identified as taxpayers of value-added tax.

Unless otherwise provided by laws, the value-added tax rate is: 17% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods; 11% for taxpayers selling transportation, postal, basic telecommunication, construction, or immovable property leasing services, immovable property, transferring the rights to use land, or selling or importing specific goods; 6% for taxpayers selling services or intangible assets; 0% for domestic

entities and individuals selling services or intangible assets within the scope prescribed by the State Council across national borders; 0% for exported goods, except as otherwise specified by the State Council.

Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》), promulgated by the Ministry of Finance and the State Administration of Taxation on March 23, 2016 and as amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner, and all taxpayers of business tax engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

According to the Circular of the Ministry of Finance and the State Administration of Taxation on Policies for Simplifying and Consolidating Value-added Tax Rates (《財政部、國家税務總局關於簡併增值税税率有關政策的通知》), announced by the Ministry of Finance and the State Administration of Taxation on April 28, 2017, the structure of value-added tax rates were simplified from July 1, 2017, and the 13% value-added tax rate shall be canceled. The scope of goods with 11% value-added tax rate and the provisions for deducting input tax are specified.

According to the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》) announced by the Ministry of Finance and the State Administration of Taxation on April 4, 2018, from May 1, 2018, where a taxpayer engages in a value-added tax taxable sales activity or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening Value-Added Tax Reform (《財政部、國家税務總局及海關總署關於深化增值税改革有關政策的公告》) promulgated on March 20, 2019, with respect to value-added tax taxable sales or imported goods of a value-added tax general taxpayer, the originally applicable value-added tax rate of 16% shall be adjusted to 13%; the originally applicable value-added tax rate of 10% shall be adjusted to 9%.

LAWS AND REGULATIONS RELATED TO DIVIDEND DISTRIBUTION

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納税人享受協定待遇管理辦法》), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, non resident taxpayers are entitled to preferential treatment under tax treaties through self determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

LAWS AND REGULATIONS RELATED TO FOREIGN EXCHANGE

Under the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008 and various regulations issued by the SAFE and other relevant PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments, payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the SAFE or its local branches. Payments for transactions that take place within China must be made in Renminbi. Unless otherwise provided by laws and regulations, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant PRC rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the relevant PRC rules and regulations.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on February 1, 2005, effective on March 1, 2005 and amended and implemented on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

The Notice on Further Simplifying and Improving Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by SAFE on February 13, 2015 and was amended on December 30,2019, allowing entities and individuals to apply for foreign exchange registrations through qualified banks. Under SAFE's supervision, these banks can directly review applications. On March 30, 2015, SAFE released the Circular on Reforming Settlement Management of Foreign Capital in Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》). This circular mandates Discretionary Foreign Exchange Settlement for foreign-invested enterprises, enabling them to settle foreign exchange capital based on operational needs, subject to document verification. The circular emphasizes authentic and self-use principles within the enterprise's scope, barring use for payments beyond business scope, securities investment (unless specified), Renminbi entrust loans, inter-enterprise borrowings, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

The Circular of Further Improving and Adjusting the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步改進和調整直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**"), which became effective on December 1, 2012 and was last amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), was promulgated by SAFE on June 9, 2016 and was amended on December 4, 2023. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

The Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), which was promulgated by the SAFE on October 23, 2019, and was amended on December 4, 2023. Among other things, it allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated with effect from April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

REGULATIONS RELATING TO OVERSEAS LISTING

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five relevant guidelines (the "**Overseas Listing Trial Measures**") were promulgated by the CSRC on February 17, 2023, and came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, issuers seeking an initial public offering or listing abroad must file with the CSRC within three working days following the submission of their application documents for issuance and listing abroad.

Pursuant to the aforementioned regulations, issuers are prohibited from overseas offering and listing if they fall under one of the following circumstances: (1) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (2) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (3) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; (5) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

Where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC, submit a filing report legal opinion, and other relevant materials and provide truthful, accurate and complete information on the shareholders, among other details.

Guidelines for the Application of "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Revision)

The Guidelines for the Application of "Full Circulation" of Domestic Unlisted Shares of H-share Companies (2023 Revision) (《H股公司境內未上市股份申請"全流通"業務指引(2023修訂)》) were issued and implemented by the CSRC on August 10, 2023. According to these guidelines, domestic unlisted joint stock companies may file with the CSRC for "full circulation" simultaneously with their initial public offerings or listings in overseas markets.

OVERVIEW

We are the largest GPUaaS provider in China for the provision of cloud-based real-time rendering services in cloud gaming scenario.

The history of our Group can be traced back to December 2013, when the predecessor of the Company, i.e., Beijing Haiyudongxiang Technology Company Limited (北京海譽動想科技有限公司), was established in the PRC. In December 2015, the Company was converted into a joint stock company with limited liabilities with its named changed into Beijing Haiyudongxiang Technology Co., Ltd. (北京海譽動想科技股份有限公司). The Company was renamed into Anhui Haimacloud Technology Co., Ltd. (安徽海馬雲科技股份有限公司) in January 2023. We have conducted a series of Pre-**[REDACTED]** Investments since our establishment. See "— Pre-**[REDACTED]** Investments" in this section for details. As of the Latest Practicable Date, the Company has an issued share capital with 57,104,526 Shares in a nominal value of RMB1.0 each.

Key Development Milestones

The following table sets forth our key development milestones:

Year	Key Development Milestones
2013	The predecessor of the Company, i.e., Beijing Haiyudongxiang Technology Company Limited (北京海譽動想科技有限公司), was established in the PRC.
2015	We released Droid4X, which is based on virtualization technology and supports the installation and running of Android applications on PCs.
2016	We developed the first generation of ARM (Advanced RISC Machine) array servers to support cloud multi-instance graphical computing for universal Android applications.
2017	We officially launched cloud gaming GPUaaS services and establishment cooperation relationship with Migu Culture. We were awarded the "Most Innovative Cloud Service Platform" (最具創新力雲服務平台) by China Internet Weekly. We were awarded the "Best Startup of the Year in Internet Industry" (互聯網行業年度最佳初創企業) by DoNews.

Year	Key Development Milestones
2019	Our cloud gaming GPUaaS services were officially commercialized on a large scale.
2020	We were awarded the "2020 Outstanding Case of Cloud Gaming" (2020年度雲遊戲優秀案例) by Information and Communicate Technology of Chinese Academy of Sciences.
2021	Our computing nodes completed upgrading to a 100G all-optical network throughput capacity. We obtained strategic investment from China Mobile.
2023	We obtained the Certificates of Excellence in Platform Service Capability, Comprehensive Capability, and Output Capability of Cloud-Based Real-Time Rendering awarded by China Telecommunication Technology Labs (中國泰爾實驗室).
2024	We launched the GPUaaS for virtual desktop. We launched "RunningHub", a powerful online AIGC workflow creation platform for professional individual users with programming knowledge. We were awarded the certificate of the Specialized, Sophisticated, Special and New "Little Giant" Enterprise (專精特新"小巨人"企業) by MIIT. Our monthly active users exceed 26 million, covering 63 edge computing nodes, and serving over 28,000 games and applications. According to CIC, we ranked first in 2024 by revenue among cloud-based real-time rendering service providers in China in cloud gaming scenario with a market share of 17.9%.

OUR SUBSIDIARIES

Principal Subsidiaries

As of the Latest Practicable Date, we conducted our business principally through the Company and the following principal subsidiaries, which made a material contribution to our results of operation and financial position during the Track Record Period or of strategic significance to our Group.

Name of company	Date of establishment	Place of establishment	Ownership as of the Latest Practicable Date	Principal business activities
Haimacloud (Tianjin) Information Technology Co., Ltd. (海馬雲(天津)信息技術有限公司)	October 25, 2016	PRC	a directly wholly-owned subsidiary of our Company	Technology service and development, and software development
Haimacloud (Beijing) Technology Co., Ltd. (海馬雲(北京)科技有限公司)	July 4, 2023	PRC	a directly wholly-owned subsidiary of our Company	Technology service and development, and software development
Anhui Haimacloud Intelligent Technology Development Co., Ltd. (安徽海馬雲智能科技發展有限公司)	February 13, 2025	PRC	an indirectly non-wholly-owned subsidiary of our Company	IDC services

Other Subsidiaries

As of the Latest Practicable Date, our other subsidiaries were principally involved in, among others, software and technology services. A summary of the business activities of our other subsidiaries are set out in Note 37 to the Accountant's report as set out in Appendix I to this Document.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(1) Establishment of our Company in December 2013

The predecessor of our Company, i.e., Beijing Haiyudongxiang Technology Company Limited (北京海譽動想科技有限公司), was established in the PRC in December 2013, with an initial registered capital of RMB100,000. The shareholding of our Company upon establishment was as follows:

Shareholder	Registered capital held	Percentage of shareholding
	(RMB)	
Ms. Zhang Wenjing (張雯菁)	100,000	100%

(2) Share Transfer in August 2014

On August 20, 2014, Ms. Zhang Wenjing transferred all the equity interests held in the Company to Mr. Zhang Quanlin (張泉林) at a consideration of RMB100,000. The capital transfer was conducted based on arm's length negotiation between the two parties, and did not involve increase of registered capital by our Company. The shareholding structure of our Company upon such transfer was as follows:

Shareholder	Registered capital held	Percentage of shareholding
	(RMB)	
Mr. Zhang Quanlin	100,000	100%

(3) Series Angel Financing in 2014

On September 15, 2014, each of Mr. Dang, Shanghai Giant and Shanghai Laibu Investment Consulting Center (Limited Partnership) (上海錸鈽投資諮詢中心(有限合夥)) ("**Shanghai Laibu**"), subscribed for an increased registered capital of RMB4,963,580, RMB4,487,650 and RMB448,770 at a consideration of RMB4,963,580, RMB30,000,000 and RMB3,000,000, respectively. Upon completion of the series angel financing, the registered capital of the Company was increased from RMB100,000 to RMB10 million.

(4) Capital Transfers and Series A1 Financing in 2015

In 2015, certain of our then Shareholders completed a number of transfers of equity interests in our Company, the details of which are set out below. The capital transfers were conducted based on arm's length negotiation between the then Shareholders or the Pre-**[REDACTED]** Investors, and did not involve increase of registered capital by our Company.

Date of completion of transfer	Transferor	Transferee	Registered capital transferred	Consideration
			(RMB)	*(RMB)*
June 30, 2015	Mr. Dang	Beihai Aixin Investment Consulting Co., Ltd. (北海艾歆投資諮詢有限公司) ("**Beihai Aixin**")	100,000	101,000

Date of completion of transfer	Transferor	Transferee	Registered capital transferred	Consideration
			(RMB)	*(RMB)*
June 30, 2015	Mr. Dang	Beihai Hezhong Chuangxiang Investment Consulting Co., Ltd. (北海合眾創想投資諮詢有限公司) ("**Beihai Hezhong**")	1,500,000	1,505,000
June 30, 2015	Mr. Dang	Beihai Zhixing Chuangxiang Investment Consulting Co., Ltd. (北海知行創想投資諮詢有限公司) ("**Beihai Zhixing**")	3,363,580	3,370,000
June 30, 2015	Shanghai Giant	Beihai Aixin	519,000	519,000
	Shanghai Giant	Guangzhou Aijing Investment Consulting Co., Ltd. (廣州愛菁投資諮詢有限公司) ("**Guangzhou Aijing**")	303,230	303,230
	Shanghai Giant	Beihai Zhixing	865,420	865,420
June 30, 2015	Shanghai Laibu	Guangzhou Aijing	168,770	168,770
	Shanghai Laibu	Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司) ("**Beihai Laibu**")	280,000	280,000
June 30, 2015	Mr. Zhang Quanlin	Guangzhou Aijing	100,000	101,000
July 29, 2015	Beihai Hezhong	Shanghai Giant	222,200	6,400,000

Date of completion of transfer	Transferor	Transferee	Registered capital transferred	Consideration
			(RMB)	*(RMB)*
July 29, 2015	Beihai Aixin	Shanghai Giant	55,555	1,600,000
July 29, 2015	Guangzhou Aijing	Shanghai Giant	55,555	1,600,000
August 31, 2025	Beihai Zhixing	Shanghai Juzhi Investment Management Co., Ltd. (上海鉅致投資管理有限公司) ("**Shanghai Juzhi**")	185,189	10,000,000
August 31, 2025	Beihai Aixin	Donghai Ruijing Asset Management (Shanghai) Co., Ltd. (東海瑞京資產管理(上海)有限公司) ("**Donghai Ruijing**")	27,778	1,500,000
August 31, 2025	Guangzhou Aijing	Donghai Ruijing	157,411	8,500,000
October 29, 2015	Beihai Zhixing	Zhixing Jiashi	4,043,811	nil*note(1)*
October 29, 2015	Beihai Hezhong	Huiju Jiashi	1,277,800	nil*note(1)*
October 29, 2015	Beihai Aixin	Aixin	535,667	nil*note(1)*
October 29, 2015	Guangzhou Aijing	Aijing	359,034	nil*note(1)*

Note:

(1) Such transfers of equity interests were conducted between different entities all controlled by Mr. Dang, one of our Single Largest Group of Shareholders.

On July 29, 2015, we completed our series A1 financing through increase of the registered capital of our Company as detailed below.

Subscribers	Registered capital subscribed for	Consideration
		(RMB)
Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新線投資合夥企業(有限合夥)) ("**Hangzhou New Line**")	666,667	24,000,000
Shenzhen CDF Capital Co., Ltd. (深圳市創東方投資有限公司) ("**Shenzhen CDF**")	277,778	10,000,000
Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)) ("**Jiangxi CDF**")	166,666	6,000,000

Upon completion of the series A1 financing, the registered capital of our Company was increased from RMB10 million to RMB11,111,111.

(5) Conversion into a Joint Stock Company with Limited Liability in 2015

On December 28, 2015, our Company was converted into a joint stock company with limited liability and was renamed into Beijing Haiyudongxiang Technology Co., Ltd. (北京海譽動想科技股份有限公司). Upon completion of such conversion, the registered capital of Our Company was RMB20,000,000 divided into 20,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion.

(6) Series A2 Financing in 2016

On May 9, 2016, Shenzhen CDF Evergreen Investment (Limited Partnership) (深圳市創東方長榮投資企業(有限合夥)) ("**CDF Evergreen**") subscribed for 80,059 Shares at a consideration of RMB15,948,000. Upon completion of the series A2 financing, the registered capital of our Company was increased from RMB20 million to RMB20,080,059.

(7) Share Transfers and Share Subscriptions in 2017

In 2017, certain of our then Shareholders completed two rounds of Share transfers, the details of which are set out below:

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
June 19, 2017	Donghai Ruijing	a natural person*note(1)*	333,340	14,940,298.8
September 12, 2017	Huiju Jiashi	CDF Evergreen	451,279	nil*note(2)*

Note:

(1) The natural person is not one of the Directors, supervisors or senior management of our Company, and is an Independent Third Party.

(2) Such transfer was conducted pursuant to the anti-dilution right granted to CDF Evergreen under the investment agreement entered into among the Company, CDF Evergreen, our Single Largest Group of Shareholders and other Pre-**[REDACTED]** Investors.

The share transfer was conducted based on arm's length negotiation between the then Shareholders or the Pre-**[REDACTED]** Investors, and did not involve increase of registered capital by our Company.

On September 12, 2017, each of Haima Leyun, Yifeng Joint, Tianjin Jiashi Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津嘉實樂雲企業管理諮詢合夥企業(有限合夥)) ("**Tianjin Jiashi Leyun**"), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司) ("**Beihai Kangrui**") and Shanghai Giant subscribed for the registered capital of RMB2,546,650, RMB1,858,040, RMB1,788,792, RMB619,348 and RMB1,238,692, respectively. Upon such subscription, the registered capital of our Company was increased from RMB20,080,059 to RMB28,131,581. Consideration for such subscriptions are the equity interests in Tianjin Haimacloud held by each of the subscribers. The consideration for such subscriptions was determined based on arm's length negotiations between our Group and each of such Pre-**[REDACTED]** Investors, with reference to the valuation reports on the Company and Tianjin Haimacloud, both of which were issued by an independent third-party valuer. Tianjin Haimacloud became a wholly-owned subsidiary of our Company upon completion of such subscriptions.

(8) Share Transfers and Series B1 Financing in 2018

In 2018, certain of our then Shareholders completed a number of Share transfers, the details of which are set out below. These Share transfers were conducted based on arm's length negotiation between the then Shareholders or the Pre-**[REDACTED]** Investors, and did not involve increase of registered capital by our Company.

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
May 11, 2018	Tianjin Jiashi Leyun	Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)) ("**Guangyi Culture Investment**")	644,481	22,222,222
May 11, 2018	Tianjin Jiashi Leyun	Linghang Guangyi	757,623	26,123,466
May 11, 2018	Tianjin Jiashi Leyun	Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)) ("**Tianpu Asset**")	386,688	13,333,333
May 11, 2018	CDF Evergreen	Linghang Guangyi	531,338	18,320,979

On May 11, 2018, we completed our series B1 financing through increase of the registered capital of our Company as detailed below. Upon completion of the series B1 financing, the registered capital of our Company was increased from RMB28,131,581 to RMB36,252,038.

Subscribers	Shares subscribed for	Consideration
		(RMB)
Guangyi Culture Investment	2,255,683	77,777,778
Linghang Guangyi	4,511,364	155,555,555
Tianpu Asset	1,353,410	46,666,667

(9) Series B2 Financing in 2019

On March 29, 2019, we completed our series B2 financing through increase of the registered capital of our Company as detailed below. Upon completion of the series B2 financing, the registered capital of our Company was increased from RMB36,252,038 to RMB38,079,141.

Subscribers	Shares subscribed for	Consideration
		(RMB)
Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)) ("**Xinglu Dingtai**")	1,450,082	50,000,000
Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)) ("**Guotai Jiaze**")	377,021	13,000,000

(10) Share Transfers and Series C Financing in 2021

On May 27, 2021, our Single Largest Group of Shareholders transferred certain Shares to certain Pre-**[REDACTED]** Investors, including Shanghai Juzhi, Hangzhou New Line, Tianpu Asset, Guangyi Culture Investment, pursuant to the anti-dilution right granted to such Pre-**[REDACTED]** Investors at nil consideration, and certain of our then Shareholders completed a number of Share transfers, the details of which are set out below. These Share transfers were conducted based on arm's length negotiation between the then Shareholders or the Pre-**[REDACTED]** Investors, and did not involve increase of registered capital by our Company.

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
May 27, 2021	Guangyi Culture Investment	Migu Culture	1,086,209	23,961,039
May 27, 2021	Tianpu Asset	Migu Culture	434,484	9,584,416
May 27, 2021	Hangzhou New Line	Migu Culture	868,967	19,168,831
May 27, 2021	Guangyi Culture Investment	UCloud	273,760	6,038,961
May 27, 2021	Tianpu Asset	UCloud	109,504	2,415,584
May 27, 2021	Hangzhou New Line	UCloud	219,008	4,831,169
May 27, 2021	Shanghai Juzhi	UCloud	725,317	16,000,000

On May 27, 2021, we completed our series C financing through increase of the registered capital of our Company as detailed below. Upon completion of the series C financing, the registered capital of our Company was increased from RMB38,079,141 to RMB46,456,552.

Subscribers	Shares subscribed for	Consideration
		(RMB)
Migu Culture	5,385,479	127,285,714
UCloud	2,991,932	70,714,286

(11) Share Transfers and Series D1 Financing in 2023

On September 14, 2023, certain of our then Shareholders completed a number of Share transfers, the details of which are set out below. These share transfers were conducted based on arm's length negotiation between the then Shareholders or the Pre-**[REDACTED]** Investors, and did not involve increase of registered capital by our Company.

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
September 14, 2023	Linghang Guangyi	Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)) ("**Railway Fund**")	445,376	16,000,000
September 14, 2023	Linghang Guangyi	Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司) ("**Hefei New Economy**")	222,688	8,000,000
September 14, 2023	Linghang Guangyi	Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)) ("**Hefei Emerging Industry**")	222,688	8,000,000
September 14, 2023	Linghang Guangyi	Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)) ("**Hefei Hongshuo**")	3,340	120,000
September 14, 2023	Tianpu Asset	Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)) ("**Anhui AI Phase II**")	222,688	8,000,000

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
September 14, 2023	Xinglu Dingtai	Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)) ("**Zhixin Venture Capital**")	222,688	8,000,000
September 14, 2023	Beihai Laibu	Zhixin Venture Capital	55,672	2,000,000
September 14, 2023	Shenzhen CDF	Zhixin Venture Capital	55,672	2,000,000

On September 14, 2023, we completed our series D1 financing through increase of the registered capital of our Company as detailed below. Upon completion of the series D1 financing, the registered capital of our Company was increased from RMB46,456,552 to RMB53,335,914.

Subscribers	Shares subscribed for	Consideration
		(RMB)
Zhixing Jiashi	5,040,000	116,726,400*note(1)*
Railway Fund	561,781	24,000,000
Hefei New Economy	280,890	11,999,986
Hefei Emerging Industry	280,890	11,999,986
Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥海雲管理諮詢合夥企業(有限合夥)) ("**Hefei Haiyun**")	9,363	399,987
Anhui AI Phase II	280,890	12,000,000
Zhixin Venture Capital	421,335	18,000,000
Hefei Hongshuo	4,213	180,000

Note:

(1) Such shares were issued to Zhixing Jiashi as the incentive shares under the Employee Incentive Plan.

(12) Share Transfers and Series D2 and Series D3 Financing in February 2024

On February 7, 2024, certain of our then Shareholders completed a number of Share transfers, the details of which are set out below. These share transfers were conducted based on arm's length negotiation between the then Shareholders or the Pre-**[REDACTED]** Investors, and did not involve increase of registered capital by our Company.

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
February 7, 2024	Linghang Guangyi	Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司) ("**Anhui Anhua**")	334,032	12,000,000
February 7, 2024	Guangyi Wentou	Anhui Anhua	222,688	8,000,000
February 7, 2024	Tianpu Asset	Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) (安徽省人工智能主題投資基金合夥企業(有限合夥)) ("**AI Fund of Funds**")	111,344	4,000,000
February 7, 2024	Xinglu Dingtai	Hefei High-tech Industry Intellectual Property Operation Equity Investment Fund Partnership (Limited Partnership) (合肥高技術產業知識產權運營股權投資基金合夥企業(有限合夥)) ("**Intellectual Property Fund**")	111,344	4,000,000

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
February 7, 2024	Shenzhen CDF	Hefei Xinglu Science and Technology Innovation Investment Fund Partnership (Limited Partnership) (合肥興盧科創投資基金合夥企業(有限合夥)) ("**Xinglu Kechuang Fund**")	41,754	1,500,000
February 7, 2024	Guotai Jiaze	Xinglu Kechuang Fund	125,262	4,500,000
February 7, 2024	Guotai Jiaze	Beijing Baosheng Intelligence Venture Capital Center (Limited Partnership) (北京寶盛智能創業投資中心(有限合夥)) ("**Baosheng Intelligent**")	361,868	13,000,000

We completed our series D2 financing and D3 financing through increase of the registered capital of our Company as detailed below on February 7, 2024 and April 26, 2025, respectively. Upon completion of the series D2 and D3 financing, the registered capital of our Company was increased from RMB53,335,914 to RMB54,529,698.

Subscribers	Shares subscribed for	Consideration
		(RMB)
Series D2		
Anhui Anhua	702,226	30,000,000
Series D3		
Xinglu Kechuang Fund	210,668	9,000,000
Intellectual Property Fund	140,445	6,000,000
AI Fund of Funds	140,445	6,000,000

(13) Share Transfer in November 2024

On November 29, 2024, Shenzhen CDF and Ningbo Yueran Textile Co., Ltd. (寧波悦然紡織品有限公司) ("**Ningbo Yueran**") entered into a share transfer agreement, pursuant to which, Shenzhen CDF agreed to transfer 402,574 Shares to Ningbo Yueran at a consideration of RMB8,600,000. Such Share transfer was conducted based on arm's length negotiation between the two parties, and did not involve increase of registered capital by our Company.

(14) Share Transfer and Series D4 Financing in May 2025

On May 29, 2025, certain of our then Shareholders completed a number of Share transfers, the details of which are set out below. These share transfers were conducted based on arm's length negotiation between the then Shareholders or the Pre-**[REDACTED]** Investors, and did not involve increase of registered capital by our Company.

Date of completion of transfer	Transferor	Transferee	Shares transferred	Consideration
				(RMB)
May 29, 2025	Linghang Guangyi	Anhui Anhua	248,311	8,920,000
May 29, 2025	UCloud	Anhui Anhua	148,272	5,330,000
May 29, 2025	Xinglu Dingtai	Anhui Anhua	61,151	2,200,000
May 29, 2025	Shanghai Giant	Anhui Anhua	50,830	1,830,000
May 29, 2025	Tianpu Asset	Anhui Anhua	33,574	1,200,000
May 29, 2025	Guotai Jiaze	Anhui Anhua	14,581	520,000

On May 29, 2025, we completed our series D4 financing through increase of the registered capital of our Company as detailed below. Upon completion of the series D4 financing, the registered capital of our Company was increased from RMB54,529,698 to RMB57,104,526.

Subscribers	Shares subscribed for	Consideration
		(RMB)
Changchun Changxing Equity Investment Fund (Limited Partnership) (長春長興股權投資基金合夥企業(有限合夥)) ("**Changchun Changxing**")	468,150	20,000,000
Anhui Hua'an Zhiche Equity Investment Fund (Limited Partnership) (安徽華安智車股權投資基金合夥企業(有限合夥)) ("**Anhui Hua'an**")	702,226	30,000,000
Chengdu Huatai Tianfu Digital Venture Investment (Limited Partnership) (成都華泰天府數智創業投資合夥企業(有限合夥)) ("**Chengdu Huatai**")	1,404,452	60,000,000

(15) Share Transfer in April 2025

On April 8, 2025, Ningbo Yueran and Zhejiang Shengyue Textile Co., Ltd. (浙江聖越布業有限公司) ("**Zhejiang Shengyue**") entered into a share transfer agreement, pursuant to which Ningbo Yueran agreed to transfer 402,574 Shares to Zhejiang Shengyue at a consideration of RMB8,600,000. Such Share transfer was conducted based on arm's length negotiation between the two parties, and did not involve increase of registered capital by our Company.

(16) Establishment of the ESOP Holding Entity

The ESOP Holding Entity, namely Anhui Dongxiang, was established as a limited partnership under the laws of the PRC in May 2025, where Mr. Zhao Shen, an executive Director and vice president of the Company, acts as the general partner. The ESOP Holding Entity was established to hold Shares indirectly through Zhixing Jiashi, one of our Single Largest Group of Shareholders, as our employee ownership platform. As of the Latest Practicable Date, Anhui Dongxiang held approximately 49.78% partnership interests in Zhixing Jiashi.

For further details of the ESOP Holding Entity, please see "Employee Incentive Plan" and "Appendix IV — Statutory and General Information — ESOP Holding Entity".

PRC Legal Adviser's Confirmation

As advised by our PRC Legal Adviser, our Company has made all necessary registrations or filings with the relevant local branch of SAMR in respect of the transfers and capital increases set out above in all material respects.

PRE-[REDACTED] INVESTMENTS

Overview

Between 2014 and 2025, we completed series of Pre-**[REDACTED]** Investments in our Company. Details of the Pre-**[REDACTED]** Investments are summarized below.

Pre-[REDACTED] Investment[(1)]	Timing of investment agreement(s) or shareholders' approval	Amount of consideration *(RMB)*	Payment timing of consideration[(2)]	Amount of registered share capital/number of Shares subscribed for	Cost per registered share capital/Share[(3)] *(RMB)*	Discount to the [REDACTED][(4)]
Series Angel	September 2014	33,000,000	October 23, 2014	4,936,420	6.69	**[REDACTED]**
Series A1	July 2015	40,000,000	July 28, 2015	1,111,111	36.00	**[REDACTED]**
Series A2	April 2016	15,948,000	April 21, 2016	80,059	199.20[(5)]	**[REDACTED]**
Series B1	April 2018	280,000,000	April 4, 2018	8,120,457	34.48	**[REDACTED]**
Series B2	March 2019	63,000,000	December 29, 2018	1,827,103	34.48	**[REDACTED]**
Series C	May 2021	198,000,000	July 6, 2021	8,377,411	23.63	**[REDACTED]**
Series D1	July 2023	78,579,959	July 28, 2023[(6)]	1,839,362	42.72	**[REDACTED]**
Series D2	September 2023	30,000,000	August 18, 2023	702,226	42.72	**[REDACTED]**
Series D3	March 2024	21,000,000	April 10, 2024	491,558	42.72	**[REDACTED]**
Series D4	April 2025	110,000,000	April 23, 2025	2,574,828	42.72	**[REDACTED]**

Note:

(1) The Pre-**[REDACTED]** Investments consist of both (i) subscription of additional registered capital of the Company or new Shares by the Pre-**[REDACTED]** Investors, for which the Company was a party to such Pre-**[REDACTED]** Investments and received proceeds from such Pre-**[REDACTED]** Investors, the details of which are set out in this table; and (ii) transfer of existing registered capital or Shares to the Pre-**[REDACTED]** Investors, for which the Company was not a party to such Pre-**[REDACTED]** Investments and received no proceeds from such Pre-**[REDACTED]** Investors, and for further details of such transfers, please refer to the paragraph headed "— Major Shareholding Changes of our Company" above.

(2) This refers to the time of last payment made by the relevant Pre-**[REDACTED]** Investors in the relevant series of Pre-**[REDACTED]** Investment.

(3) The cost per registered capital/Share of each series of Pre-**[REDACTED]** Investment is calculated by dividing the total amount of consideration by the amount of registered capital or number of Shares subscribed by the Pre-**[REDACTED]** Investors in that series of Pre-**[REDACTED]** Investment.

(4) The discount to the **[REDACTED]** is calculated based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**) as compared with the adjusted cost per Share.

(5) The Company planned to be listed on the National Equities Exchange and Quotations (NEEQ) at the time, which was not initiated later, resulting a relatively high valuation and a relatively high subscription price.

(6) The payment of RMB78,179,972 out of the total consideration was completed on July 28, 2023, and the payment of the remaining RMB399,987 was completed on June 27, 2025.

Principal terms of the Pre-[REDACTED] Investments

Use of Proceeds from the Pre-**[REDACTED]** Investments	The gross proceeds from the Pre-**[REDACTED]** Investments involving increase of registered capital and/or issuance of new Shares by our Company amounted to approximately RMB752.80 million. All the proceeds were intended to be used for the operation and further development of our Group's business, including research and development, marketing and settlement of payments to our suppliers. As of the Latest Practicable Date, except for proceeds from the series D4 round financing in April 2025, the proceeds from other rounds of financing had all been utilized. No proceeds were received by our Company from the Pre-**[REDACTED]** Investments that involved transfers of existing registered capital or Shares by our Company to the Pre-**[REDACTED]** Investors.
Strategic benefits the Pre-**[REDACTED]** Investors brought to our Company	We are of the view that our Group can benefit from the additional capital provided by the Pre-**[REDACTED]** Investments. Some of the Pre-**[REDACTED]** Investors are investors in the relevant industries, and can provide us with their knowledge and experience, which we believe would be helpful to our Group's future development. The Pre-**[REDACTED]** Investments also demonstrated the confidence of the Pre-**[REDACTED]** Investors in our Group's operations and served as a validation of our Group's performance, strengths and prospects.

Basis of determining the consideration paid	The consideration for each of the Pre-**[REDACTED]** Investments which involved increase of registered capital and/or issuance of new Shares in which the Company was a party was determined based on arm's length negotiations between our Group and each of the Pre-**[REDACTED]** Investors, after taking into consideration the timing of investment, and the then status of our business operation and financial conditions. To the best knowledge of our Company, for the Pre-**[REDACTED]** Investments which involved the transfer of existing registered capital or Shares to the Pre-**[REDACTED]** Investors, the considerations were determined among the relevant then Shareholders and the relevant Pre-**[REDACTED]** Investors based on their respective arm's length negotiations.
Lock-up period	Pursuant to the applicable PRC laws, within the 12 months following the **[REDACTED]**, all existing Shareholders (including the Pre-**[REDACTED]** Investors) cannot dispose of any of the Shares held by them.

Rights of the Pre-[REDACTED] Investors

Pursuant to the investment agreement and the shareholders' agreement entered into among shareholders of our Company on April 2, 2025, the Pre-**[REDACTED]** Investors were granted certain special rights, including, among others, rights of first refusal, co-sale rights, drag-along rights, pre-emptive rights, anti-dilution rights, rights of most favored treatment, information and inspection rights, and director nomination rights. Pursuant to the supplemental agreement to the previous investment agreement and the shareholders' agreement entered into among shareholders of our Company on June 25, 2025 (the "**Supplement Agreement**"), except for the return guarantee and redemption rights as described below, all other special rights shall cease to be effective and be discontinued upon **[REDACTED]**.

Pursuant to the Supplemental Agreement, the redemption rights of all Pre-**[REDACTED]** Investors other than Tianpu Asset shall cease to be effective and be discontinued before the first **[REDACTED]** of the Company to the Stock Exchange, and resume to be effective and exercisable automatically upon the earlier of (i) the **[REDACTED]** is rejected, returned or disapproved by the relevant regulatory authorities, or our Company voluntarily withdraws the **[REDACTED]**; or (ii) our Company fails to achieve the **[REDACTED]** of the H Shares on the Stock Exchange within 20 months after the **[REDACTED]** is filed.

Return Guarantee of Guangyi Culture Investment

On May 18, 2021, our Company, our Single Largest Group of Shareholders and Guangyi Culture Investment, entered into a return guarantee agreement, as amended by a supplemental agreement in November 2023 and a further supplemental agreement dated June 20, 2025 (the "**Guangyi Supplemental Return Guarantee Agreement**"), pursuant to which, Guangyi Culture Investment shall be guaranteed by our Single Largest Group of Shareholders a fixed rate of return of 10% per annum calculated on a simple interest basis, and shall be payable to Guangyi Culture Investment on the earlier of the following two dates: (i) the date which is two years after the signing of the Guangyi Supplemental Return Guarantee Agreement, or (ii) the date which is six months after the **[REDACTED]** is rejected, returned or disapproved by the relevant regulatory authorities or our Company voluntarily withdraws the **[REDACTED]**.

On the basis that (i) the return guarantee is a private arrangement between our Single Largest Group of Shareholders and Guangyi Culture Investment, and our Company is not liable for compensating Guangyi Culture Investment under such arrangement; and (ii) the return guarantee is based on historical investment amount of Guangyi Culture Investment at a fixed return rate, which does not link to the **[REDACTED]** or our Company's market **[REDACTED]** upon or after the **[REDACTED]**, our Directors are therefore of the view that, such return guarantee arrangement complies with Chapter 4.2 of the Guide for New Listing Applicants and may survive after the **[REDACTED]**.

Return Guarantee and Redemption Rights of Tianpu Asset

On May 18, 2021, our Company, our Single Largest Group of Shareholders and Tianpu Asset, entered into a return guarantee agreement, as amended by a supplemental agreement dated June 17, 2025 (the "**Tianpu Supplemental Return Guarantee Agreement**"), pursuant to which:

(a) Return Guarantee

Tianpu Asset shall be guaranteed by our Single Largest Group of Shareholders a fixed rate of return of 10% per annum calculated on a simple interest basis during the period of holding the Shares (including both H Shares and Unlisted Shares). If, in a sale of part or all of the Shares (including both H Shares and Unlisted Shares) held by Tianpu Asset, the actual return from the sale of such Shares (excluding taxes and fees) fall short of such guaranteed return, our Single Largest Group of Shareholders shall agree to compensate Tianpu Asset in cash for such shortfall.

On the basis that (i) the return guarantee is a private arrangement between our Single Largest Group of Shareholders and Tianpu Asset, and our Company is not liable for compensating Tianpu Asset under such arrangement; and (ii) the return guarantee is based on historical investment amount of Tianpu Asset at a fixed return rate, which does not link to the **[REDACTED]** or our Company's market **[REDACTED]** upon or after the **[REDACTED]**, our Directors are therefore of the view that, such return guarantee arrangement complies with Chapter 4.2 of the Guide for New Listing Applicants and may survive after the **[REDACTED]**.

Our Single Largest Group of Shareholders charged 748,373 Shares held by them, representing approximately 1.31% of the total issued Shares as of the Latest Practicable Date, in favor of Tianpu Asset ("**Share Charge to Tianpu Asset**") as security to the aforementioned return guarantee. Considering the small number of the charged shares, our Directors are of the view that the Share Charge to Tianpu Asset will not result in material change in the shareholding structure of our Company or cause any substantial impediment to the **[REDACTED]**.

(b) Redemption Rights

Tianpu Asset was granted redemption rights to request our Largest Group of Shareholders to purchase the Shares Tianpu Asset holds, which is exercisable upon the occurrence of the earlier of: (a) our Company fails to complete the **[REDACTED]** on Shanghai Stock Exchange or Shenzhen Stock Exchange or the Stock Exchange before December 31, 2026; or (b) the **[REDACTED]** to Shanghai Stock Exchange or Shenzhen Stock Exchange or the Stock Exchange is rejected, returned or disapproved by the relevant regulatory authorities, or our Company voluntarily withdraws the **[REDACTED]**.

Information about our Major Pre-[REDACTED] Investors

Set out below is a detailed description of our major Pre-**[REDACTED]** Investors which held 1% or more of our total issued Shares as of the Latest Practicable Date. To the best of the Company's knowledge, information and belief, except for their respective shareholding in the Company and save as disclosed below, all the Pre-**[REDACTED]** Investors are Independent Third Parties.

Migu Culture

Migu Culture is a limited liability company established under the laws of the PRC and principally engages in digital media services. It is wholly owned by China Mobile, a company listed on the Stock Exchange (stock code: 00941). Migu Culture consists of five business segments, namely Migu Music, Migu Video, Migu Digital Media, Migu Interactive Entertainment and Migu Animation. As of the Latest Practicable Date, Migu Culture is a substantial Shareholder.

Linghang Guangyi

Linghang Guangyi is a limited partnership established under the laws of the PRC and principally engages in industry investment. The general partner of Linghang Guangyi is Jiangsu Guangyi Guiren Equity Investment Fund Management Co., Ltd (江蘇光一貴仁股權投資基金管理有限公司) ("**Jiangsu Guangyi**"). Linghang Guangyi is held as to 0.50% by Jiangsu Guangyi, and as to 99.50% by its limited partner, namely Wuxi Jintou Linghang Industry Upgrading Merger and Acquisition Investment Enterprise (Limited Partnership) (無錫金投領航產業升級併購投資企業(有限合夥)) ("**Wuxi Jintou**"). Jiangsu Guangyi is ultimately controlled by an individual, and Wuxi Jintou is ultimately controlled by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality, both of which are Independent Third Parties. As of the Latest Practicable Date, Linghang Guangyi is a substantial Shareholder.

Shanghai Giant

Shanghai Giant is a limited liability company established under the laws of the PRC and principally engages in the design and development of computer hardware and software. It is wholly owned by Giant Network Group Co., Ltd. (巨人網絡集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002558). As of the Latest Practicable Date, Shanghai Giant is a substantial Shareholder.

UCloud

UCloud is a joint stock limited company established under the laws of the PRC, which is listed on the Shanghai Stock Exchange (stock code: 688158). It is principally engaged in network technology services.

Xinglu Dingtai and Hangzhou New Line

Xinglu Dingtai is a limited partnership established under the laws of the PRC and principally engages in private equity investment in big data industry, investment management and investment consulting. The general partner of Xinglu Dingtai is Hangzhou Xinglu Investment Management Co., Ltd (杭州星路投資管理有限公司) ("**Xinglu Investment Management**"), which holds 0.71% of the partnership interest in it. Xinglu Dingtai has nine limited partners and none of them holds 30% or more partnership interests in it.

Hangzhou New Line is a limited partnership established under the laws of the PRC and principally engages in industrial investment and investment consulting. The general partner of Hangzhou New Line is Xinglu Investment Management, which holds 2.12% of the partnership interests in it. Hangzhou New Line has eight limited partners and none of them holds 30% or more partnership interests in it.

Xinglu Investment Management is the general partner of both of Xinglu Dingtai and Hangzhou New Line, which is ultimately controlled by an individual, an Independent Third Party.

Guangyi Culture Investment

Guangyi Culture Investment is a limited partnership established under the laws of the PRC and principally engages in investment in culture industry and science and technology industry. The general partners of Guangyi Culture Investment include Beijing Hepu Yunzhou Investment Management Co., Ltd (北京和浦雲洲投資管理有限公司) ("**Hepu Yunzhou**") and Jiangsu Guangyi. Although both of Hepu Yunzhou and Jiangsu Guangyi are general partners of Guangyi Culture Investment, Hepu Yunzhou is the only executive partner which controls Guangyi Culture Investment pursuant to the partnership agreement of Guangyi Culture Investment. Hepu Yunzhou is ultimately controlled by an individual, an Independent Third Party. Guangyi Culture Investment is held as to 0.35% and 0.35% by Hepu Yunzhou and Jiangsu Guangyi, respectively, and the remaining 99.30% are held by two limited partners, among which Shanghai Dongxing Investment Holding Development Co., Ltd (上海東興投資控股發展有限公司) ("**Shanghai Dongxing**") holds 79.79%. Shanghai Dongxing is ultimately controlled by Ministry of Finance, an Independent Third Party.

Anhui Anhua, Anhui Hua'an and AI Fund of Funds

Anhui Anhua is a limited liability company established under the laws of the PRC and an investment fund focusing on equity investments. Hua'an Jiaye Investment Management Co., Ltd. (華安嘉業投資管理有限公司) ("**Hua'an Jiaye**") is the largest shareholder of Anhui Anhua, which holds 26.18% shares in it, and none of the shareholders of Anhui Anhua holds 30% or more shares in it.

Anhui Hua'an is a limited partnership established in accordance with the laws of the PRC and principally engages in capital market services. Its general partner is Hua'an Jiaye, which holds 19% partnership interests in it. Anhui Hua'an has five limited partners and none of them holds 30% or more partnership interests in it.

AI Fund of Funds is a limited partnership established in accordance with the laws of the PRC and principally engages in equity investment, investment management and asset management through private equity funds. Its general partner is Hua'an Jiaye, which holds 1% partnership interest in it. AI Fund of Funds has seven limited partners, among which Anhui Caijin Investment Co., Ltd. (安徽省財金投資有限公司) ("**Anhui Caijin**") holds 50% partnership interests in it, and none of the remaining limited partners holds 30% or more partnership interests in it. Anhui Caijin is ultimately controlled by Anhui Provincial Department of Finance (安徽省財政廳).

Hua'an Jiaye is the largest shareholder of Anhui Anhua, and is the general partner of both of Anhui Hua'an and AI Fund of Funds, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of People's Government of Anhui Province ("**Anhui SASAC**"), an Independent Third Party.

Railway Fund

Railway Fund is a limited partnership established under the laws of the PRC and principally engages in equity investment, investment management and asset management. The general partner of Railway Fund is Shanghai Nuotie Asset Management Co., Ltd. (上海諾鐵資產管理有限公司) ("**Shanghai Nuotie**"), which holds 1.01% of the partnership interests in it. Anhui Railway Construction Investment Fund Co., Ltd. (安徽省鐵路發展基金股份有限公司, "**Railway Construction Fund**") is the limited partner of Railway Fund, which holds 98.99% partnership interests in it. Both Shanghai Nuotie and Railway Construction Fund are ultimately controlled by Anhui SASAC, an Independent Third Party.

Tianpu Asset

Tianpu Asset is a limited partnership established under the laws of the PRC and principally engages in industrial investment and investment management. Tianpu Asset is held by its general partner, Shanghai Tianpu Asset Management Partnership Enterprise (Limited Partnership) (上海田僕資產管理合夥企業(有限合夥)) ("**Shanghai Tianpu Asset**"), as to 0.02%, and by its limited partner, Ningguo Zhongding Tianpu Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (寧國中鼎田僕創業投資合夥企業(有限合夥), "**Zhongding Investment**"), as to 99.98%. Shanghai Tianpu Asset is ultimately controlled by Mr. Ren Zhong (任重), one of our current supervisors.

Zhongding Investment is held by its general partner, Ningguo Zhongding Tianpu Asset Management Co., Ltd. (寧國中鼎田僕資產管理有限公司), which is ultimately controlled by Mr. Ren Zhong, as to 1%, and by its limited partner, Anhui Zhongding Sealing Parts Co., Ltd. (安徽中鼎密封件股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000887), as to 99%.

Zhixin Venture Capital

Zhixin Venture Capital is a limited partnership established under the laws of the PRC and principally engages in industrial investment, project investment, venture capital investment, equity investment and socio-economic consulting services. The general partner of Zhixin Venture Capital is Anhui Innoval Private Equity Funds Management Co., Ltd. (安徽創谷股權投資基金管理有限公司), which holds 2% of the partnership interests in it and is ultimately controlled by Anhui SASAC. Zhixin Venture Capital has six limited partners and none of them holds 30% or more partnership interests in it.

Beihai Kangrui

Beihai Kangrui is a limited liability company established under the laws of the PRC and principally engages in enterprise investment management, enterprise asset management, enterprise management consulting, technical development and technical services in computer network technology. Beihai Kangrui is held as to 50% and 50% by two individuals, both of which are Independent Third Parties.

Chengdu Huatai

Chengdu Huatai is a limited partnership established in accordance with the laws of the PRC. Its main businesses include venture capital investment, equity investment, investment management, and asset management activities. Its general partner is Huatai Zijin Investment Co., Ltd. ("**Huatai Zijin**"), which holds 0.20% partnership interest in it and is controlled by Huatai Securities Co., Ltd. (華泰證券股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 601688) and the Stock Exchange (stock code: 6886). Chengdu Huatai has four limited partners, with Chengdu Tiantou Jinli Equity Investment Fund Partnership (Limited Partnership) (成都天投錦利股權投資基金合夥企業(有限合夥)) ("**Chengdu Tiantou**") holding 59.88% of the partnership interests and none of the remaining three limited partners holding 30% or more partnership interests in it. Chengdu Tiantou is ultimately controlled by Sichuan Tianfu New Area Finance and State-owned Assets Bureau (四川天府新區財政國資局), an Independent Third Party.

Confirmation from the Joint Sponsors

On the basis that (i) the considerations for the Pre-**[REDACTED]** Investments were irrevocably settled no less than 120 clear dates before the **[REDACTED]**; and (ii) the special rights granted to the Pre-**[REDACTED]** Investors shall cease to be effective and be discontinued upon

[REDACTED] (save for the profitguarantee and redemption rights as disclosed above), the Joint Sponsors confirm that the Pre-**[REDACTED]** Investments are in compliance with the guidance under Chapter 4.2 of the Guide for New Listing Applicants.

PRC Legal Adviser's Confirmation

As advised by our PRC Legal Adviser, our Company has made all necessary registrations or filings with the relevant local branch of SAMR in respect of the Pre-**[REDACTED]** Investments in all material respects.

EMPLOYEE INCENTIVE PLAN

In recognition of the contribution of our senior management and core personnel and to incentivize them to promote the business development of our Company, our Company adopted the Employee Incentive Plan in 2023 and issued 5,040,000 Shares to Zhixing Jiashi in September 2023 as the future incentive Shares to our senior management and core personnel at a subscription consideration of RMB23.16 per share. As of the end of May 2025, Zhixin Jiashi had not yet completed the payment for such Shares as funds have not yet been raised.

The Company established the ESOP Holding Entity (namely Anhui Dongxiang) as a limited partnership under the laws of the PRC in May 2025 to serve as an employee ownership platform, with the ESOP Holding Entity indirectly holding 5,040,000 Shares issued by our Company to Zhixing Jiashi by holding 49.78% partnership interests in Zhixing Jiashi, one of our Largest Group of Shareholders, representing approximately 8.83% of the total issued Shares as of the Latest Practicable Date. Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the ESOP Holding Entity will indirectly hold approximately **[REDACTED]** of the total issued Shares. As of the Latest Practicable Date, the ESOP Holding Entity had one general partner, namely Mr. Zhao Shen, an executive Director and vice president of the Company, who has decision-making power and management control over the ESOP Holding Entity, and 25 limited partners, all of whom are employees of the Company.

In order to complete the payment for the 5,040,000 Shares, and to alleviate the funding pressure on the participants of the Employee Incentive Plan to further optimize the effectiveness of the Employee Incentive Plan, the Company entered into borrowing agreements with each participant (i.e., one general partner and 25 limited partners of the ESOP Holding Entity) respectively, in June 2025, pursuant to which the Company provided borrowings for the consideration to be paid for the subscription of the incentive Shares by each participant, with an interest rate calculated based on the interest rate of the comparable term LPR loan. The borrowings

are solely for the purpose of implementing the Employee Incentive Plan and the participants are not allowed to change the use of the funds without the consent of our Company. As of the Latest Practicable Date, the payment for consideration of the 5,040,000 Shares had been completed.

The Employee Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards or any issuance of new Shares by our Company after **[REDACTED]**. For further details of our employee' ownership platform and the Employee Incentive Plan, see "Appendix IV — Statutory and General Information — Employee Incentive Plan".

CONCERT PARTY GROUP

To formalize the cooperation among the members of the Concert Party Group in achieving the shared goals and objectives of our Company, Zhixing Jiashi, Aixin and Aijing entered into the Concert Party Agreement in September 2020 which was renewed in May 2025. Pursuant to the Concert Party Agreement, each of Zhixing Jiashi, Aixin and Aijing agreed to be parties acting in concert in (i) aligning their votes in the board meetings of our Company, and (ii) aligning their votes in the Shareholders' meeting of our Company in respect of the Shares beneficially owned by each of them from time to time, since they became and remained as Shareholders, and that members of the Concert Party Group will follow Zhixing Jiashi's vote to arrive at a unanimous consent in case of any disagreement. Such concert party arrangement shall be effective until September 30, 2030.

As of the Latest Practicable Date, the Concert Party Group is collectively interested in approximately 19.70% of the total issued Shares. Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the Concert Party Group will be interested in approximately **[REDACTED]** of the total issued share capital of our Company. The Concert Party Group forms part of our Single Largest Group of Shareholders. See "Relationship with our Single Largest Group of Shareholders" for further details.

REASONS FOR THE [REDACTED]

The Company is seeking **[REDACTED]** on the Hong Kong Stock Exchange in order to optimize our shareholding structure, lay a foundation for the development of our international business, further improve our level of corporate governance and enhance our comprehensive competitive strengths. See "Business" and "Future Plans and Use of **[REDACTED]**".

PUBLIC FLOAT

[REDACTED] H Shares converted from Unlisted Shares and controlled by our Single Largest Group of Shareholders, all being our core connected persons or otherwise fall under the situations as contemplated under Rule 8.24 of the Listing Rules (representing approximately **[REDACTED]** of our total issued Shares as of the Latest Practicable Date, approximately **[REDACTED]** of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised), or approximately **[REDACTED]** of our total issued Shares (upon exercise of the **[REDACTED]** in full)), will not be considered as part of the public float of our Company in accordance with Rule 8.08 of the Listing Rules.

[REDACTED] H Shares, **[REDACTED]** H Shares and **[REDACTED]** H Shares converted from Unlisted Shares and controlled by Migu Culture, Linghang Guangyi and Shanghai Giant, respectively, which will be our core connected person upon **[REDACTED]** (representing in aggregate approximately **[REDACTED]** of our total issued Shares as of the Latest Practicable Date, approximately **[REDACTED]** of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised), or approximately **[REDACTED]** of our total issued Shares (upon exercise of the **[REDACTED]** in full)) will not be considered as part of the public float of our Company in accordance with Rule 8.08 of the Listing Rules.

In addition, **[REDACTED]** Unlisted Shares that will not be converted into H Shares (representing approximately **[REDACTED]** of our total issued Shares as of the Latest Practicable Date, approximately **[REDACTED]** of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised), or approximately **[REDACTED]** of our total issued Shares (upon exercise of the **[REDACTED]** in full)) will not be considered as part of the public float of our Company, as the Unlisted Shares will not be converted into H Shares and will not be **[REDACTED]** following the completion of the **[REDACTED]**.

To the best knowledge and information of our Directors, taking into account the Conversion of Unlisted Shares into H Shares upon **[REDACTED]** and the **[REDACTED]**, **[REDACTED]** H Shares (representing approximately **[REDACTED]** of our total issued Shares upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised)), or **[REDACTED]** H Shares (representing approximately **[REDACTED]** of our total issued Shares (upon exercise of the **[REDACTED]** in full) both calculated based on the low-end of the indicative **[REDACTED]** range) will be counted towards the public float of our Company in accordance with Rule 8.08 of the Listing Rules. For further details of the Conversion of Unlisted Shares into H Shares, see "Share Capital" in this Document.

ACQUISITION OF MILA

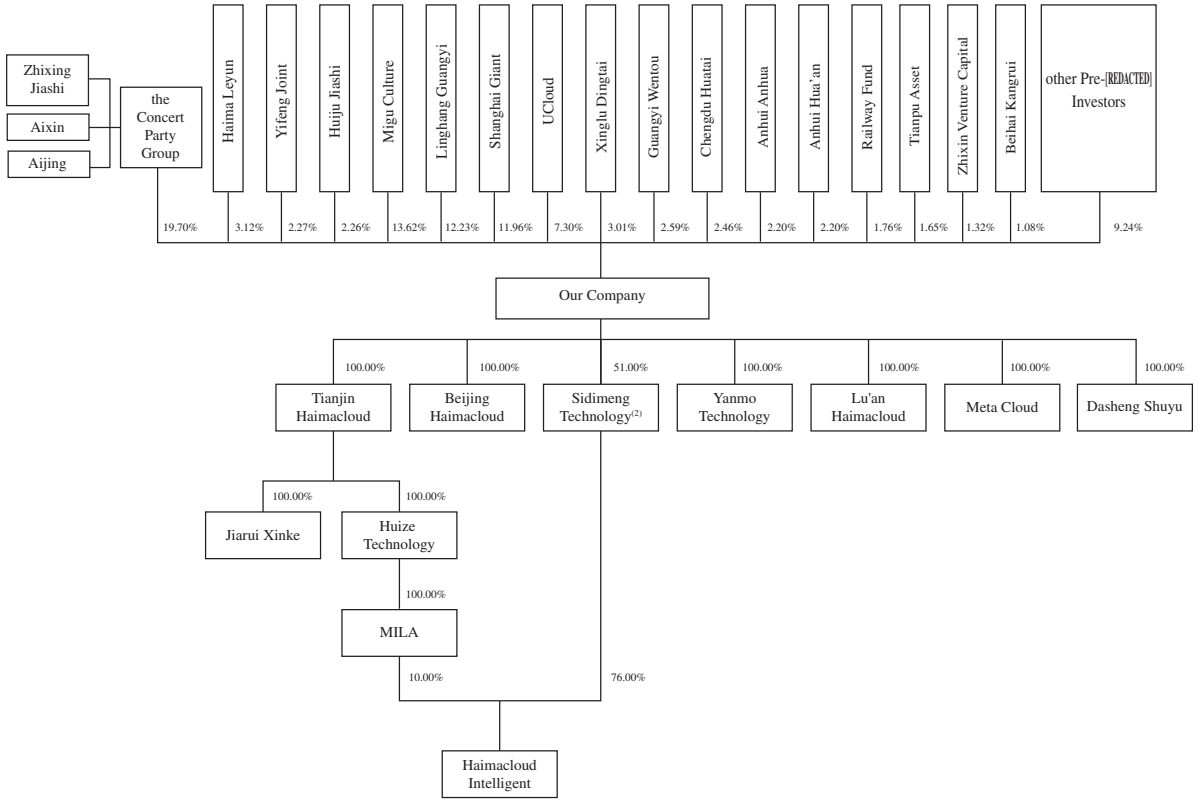
On December 2, 2024, Huize Technology, one of our wholly-owned subsidiaries, entered into a share transfer agreement with a natural person, who is an Independent Third Party, pursuant to which, Huize Technology agreed to acquire all the shares of MILA at a consideration of HK$250,000 (the "**MILA Acquisition**"). The consideration for MILA Acquisition is determined on arm's length negotiation by the parties. Upon completion of MILA Acquisition on January 8, 2025, MILA became an indirectly wholly-owned subsidiary of our Company. MILA is principally engaged in Internet services, advertising services, sales services and technical services, and MILA Acquisition facilitates the operation of IDC services provided by the Group.

Our Directors have confirmed that none of the applicable percentage ratio as defined under the Listing Rules in respect of MILA Acquisition exceeds 25%. Accordingly, the pre-acquisition financial information of MILA is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we have not conducted any other acquisitions, disposals or mergers.

OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart illustrates the shareholding structure and simplified corporate structure of the Group immediately prior to the completion of the **[REDACTED]**:



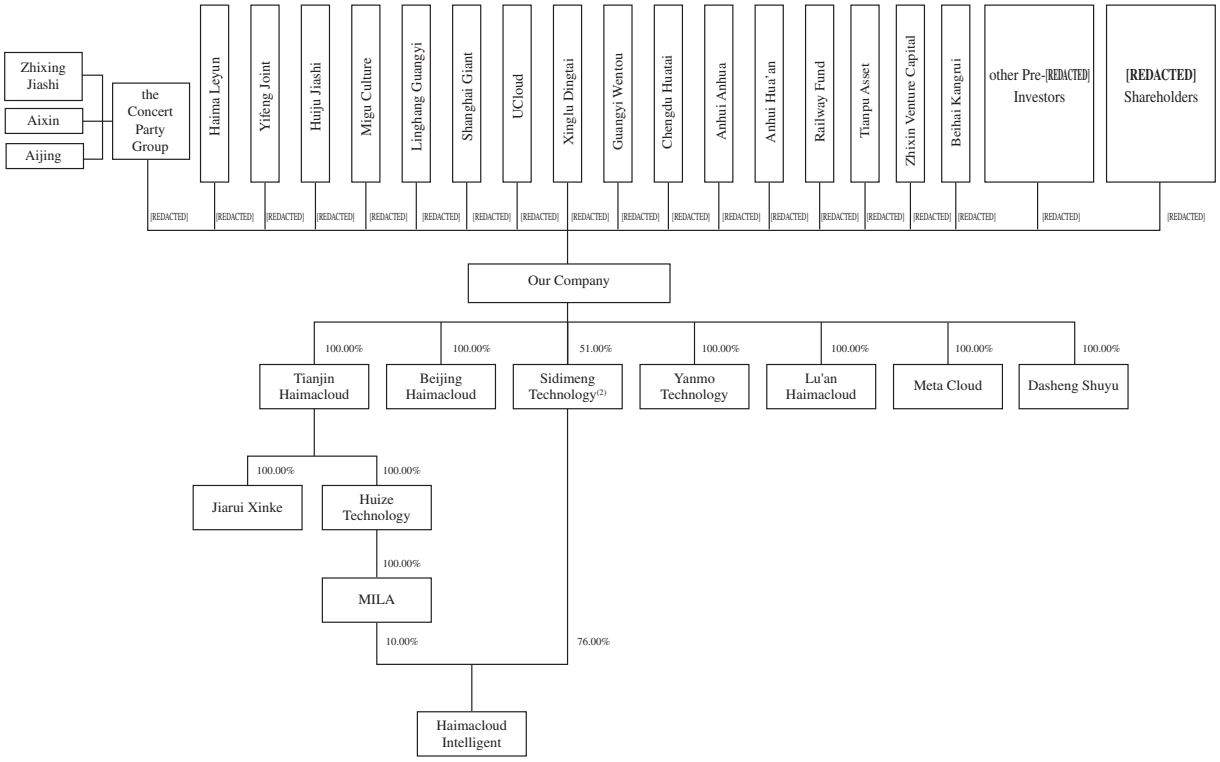
Notes:

(1) The Concert Party Group, Haima Leyun, Yifeng Joint and Huiju Jiashi form our Single Largest Group of Shareholders. See "Relationship with our Single Largest Group of Shareholders" for details. Also see "— Pre-**[REDACTED]** Investments — Information about our Major Pre-**[REDACTED]** Investors" above for the detailed background information of each of the major Pre-**[REDACTED]** Investors.

(2) The remaining 49.00% shares of Sidimeng Technology is held by Hefei Haiyu Intelligent Technology Partnership (Limited Partnership) (合肥海譽智能科技合夥企業(有限合夥) ("**Hefei Haiyu Intelligent**"). Hefei Haiyu Intelligent is a limited partnership established in the PRC on May 21 2025, with Mr. Kang Xuming, a vice president of the Company, who holds 90% partnership interests in Heifei Haiyu Intelligent, as the general partner.

OUR STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following chart illustrates the shareholding structure and simplified corporate structure of the Group immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):



Note:

See the corresponding notes for the chart under "Our structure Immediately prior to the **[REDACTED]**" above.

OUR MISSION

To provide professional, efficient and cost-effective full-stack GPUaaS solutions, driving a revolutionary upgrade in global digital content and application experiences.

OUR VISION

To enable ubiquitous and on-demand access to a high-quality digital content and applications ecosystem.

OVERVIEW

We are the largest GPUaaS provider in China for the provision of cloud-based real-time rendering services in cloud gaming scenario. According to CIC, we ranked first in 2024 by revenue among cloud-based real-time rendering service providers in cloud gaming scenario in China with a market share of 17.9%. We provide cloud-based real-time rendering services and related solutions to customers in industries such as gaming, pan-entertainment, digital cultural tourism and digital education. These services and solutions are powered by our self-developed and deeply integrated platform software and infrastructure hardware centered on GPU based graphic computing. This architecture enables end users to access high-performance GPU based digital content and applications on-demand across different devices and locations overcoming user device limitations.

We implement a "1+1+N" strategy, which consists of (i) one core technological foundation: our GPU based computing infrastructure and platform software capabilities, which serve as the foundation and backbone of our services; (ii) one core application scenario: cloud gaming scenario, where our proprietary full-stack cloud-based real-time rendering technology empowers the gaming industry; and (iii) a rich and growing variety of extended application scenarios: the expansion of our capabilities to other scenarios that require high-performance, real-time graphic rendering, such as pan-entertainment, digital cultural tourism, digital education, AIGC, XR, live streaming and e-commerce.

We provide cloud-based real-time rendering services and related solutions to a diverse customer base, which mainly comprises enterprise customers such as digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers. Our enterprise customers can integrate our proprietary SDK and API into their own products, enabling their end users to access high-performance GPU based digital content and applications, such as games, 3D design software, AIGC software and digital cultural tourism content, on various types of hardware including PCs, mobile phones, tablets and smart TVs. The devices of end users serve solely as input and output interfaces for digital content and applications,

while such content and applications run on our cloud platform and we transmit rendering results to user devices through streaming. This mechanism eliminates the need for significant local computing power, thereby making such digital content and applications more accessible to end users.

Our cloud-based real-time rendering capabilities as a GPUaaS provider have been fully validated in the field of cloud gaming, making us the market leader in China in this field. As of December 31, 2024, we provided cloud-based real-time rendering services for cloud gaming to nine out of the top ten market participants in China's cloud gaming industry, and had established long-term partnerships with renowned market players including China Mobile, several well-known mobile hardware manufacturers, leading gaming platforms and top-tier game developers. As of December 31, 2024, our platform supported more than 28,000 games, including a number of major blockbuster games on different devices in recent years such as a phenomenal action role-play 3A game developed in China and released in 2024, and a ground-breaking open world game developed in China and released in 2020 with the landmark achievement of elevating mobile gaming experience.

Beyond cloud gaming scenario, we also apply our cloud-based real-time rendering service capabilities to other industries and scenarios, including both traditional industries undergoing digital transformation and emerging innovative initiatives. We believe that our leading technology capabilities honed in cloud gaming give us a competitive edge in other fields.

Our Market Opportunities

The rapid evolution in many industries such as gaming, pan-entertainment, AIGC, XR, digital cultural tourism and digital education is driving an increasing demand for high-performance GPU computing in digital content and applications. To meet this growing demand, the computing architecture is comprehensively shifting from device-based to cloud-based, driving the rapid and steady expansion of the cloud-based real-time rendering service market. According to CIC, the size of cloud-based real-time rendering service market in China is expected to grow from RMB8.0 billion in 2024 to RMB33.2 billion by 2029, representing a CAGR of 33.1% from 2024 to 2029.

Among cloud-based real-time rendering scenarios, we believe that cloud gaming has significant growth potential, particularly in China. According to CIC, the total market size of China's gaming industry reached RMB325.8 billion in 2024, and is expected to reach RMB426.8 billion by 2029. As the gaming industry continues to shift towards higher-quality and 3A games, the requirements for high-quality content, greater data volumes, and stronger real-time rendering computing capabilities have surged significantly. However, traditional game computing models face key challenges, including high hardware costs for computing power and storage, lengthy installations and updates on local devices, and compatibility issues across different devices and

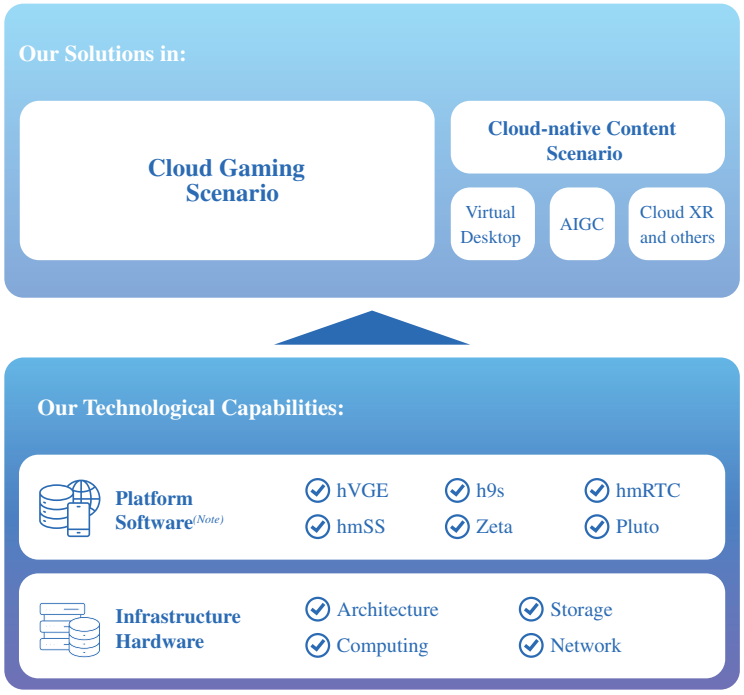
platforms. As a result, cloud gaming has become an inevitable trend. According to CIC, the market penetration rate of cloud gaming in China was 5.0% in 2024, and is projected to reach 23.0% by 2029. In particular, the adoption of cloud-based real-time rendering services is accelerating among enterprises such as digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers, driven by the following advantages: (i) enhanced efficiency of traffic monetization; (ii) reduced the cost for end users to access games; (iii) enhanced stickiness of end users; and (iv) expansion of the active end user base. According to CIC, the market size of cloud-based real-time rendering services for cloud gaming in China was RMB2.6 billion in 2024, and is expected to reach RMB11.6 billion by 2029, representing a CAGR of 35.4% from 2024 to 2029.

In addition, the future of cloud-based real-time rendering services in cloud-native scenario is expected to be shaped by the following key factors: (i) enhanced content diversity driven by AI; (ii) higher computational demands for realistic environments; and (iii) rising hardware requirements for seamless user experiences. According to CIC, the market size of cloud-based real-time rendering services for cloud-native and other scenarios in China was RMB5.4 billion in 2024, and is expected to reach RMB21.6 billion by 2029, representing a CAGR of 31.9% from 2024 to 2029.

Core Technologies and Solutions

Since 2017, we have strategically launched large-scale R&D, including the design of dedicated GPU servers and the computing architecture of our infrastructure, and self-developed our platform capabilities based on the actual needs of various application scenarios. As a result, we have established a technical foundation designed to meet the specific characteristics of cloud-based real-time rendering scenarios, consisting of our reliable and efficient infrastructure as well as the full-stack self-developed platform capabilities. These efforts have enabled us to offer diversified cloud-based real-time rendering solutions.

The following chart illustrates our core technologies and solutions:



Note: See below for an explanation of technical terms.

Our Core Technologies

Platform software: All of our core platform software is self-developed, and we have formed full-stack platform capabilities.

- *Heterogeneous Virtual Graphics Engine ("**hVGE**"):* an adaptive graphics virtualization engine designed to support the multiplexing of GPU resources under different architectures;

- *Hippocampus ("**h9s**"):* a large-scale, high-performance container scheduling system designed to manage and schedule our computing capabilities in real-time and dynamically;

- *Haima Real-Time Streaming System ("**hmRTC**"):* an advanced real-time streaming system with high-bandwidth and ultra-low latency specifically designed for high-performance cloud-based real-time rendering services;

- *Haima Storage System ("**hmSS**"):* a large-capacity, high-concurrency, high-performance distributed storage system that supports fully dynamic real-time read and write capabilities of resources based on the operation requirements of diverse digital content and applications;

- *Zeta:* a big data platform that enables real-time streaming data processing and offline computing of big data, based on which we can achieve cloud platform monitoring, alerting and expert system analysis; and

- *Pluto:* an intelligent operation and maintenance platform built on Zeta, enabling us to efficiently and cost-effectively achieve the operation and maintenance management of tens of thousands of servers and dozens of computing nodes globally.

Infrastructure Hardware: We have built an infrastructure based on edge architecture with GPU computing as the core.

- *Architecture.* Unlike traditional CPU centralized computing architecture, our computing system is based on GPU computing and fully adopts an edge architecture. As of December 31, 2024, we had deployed 63 computing nodes globally.

- *Computing.* All our dedicated GPU servers are custom-designed and optimized for cloud-based real-time rendering application scenarios to maximize the satisfaction of service scenarios, improve service efficiency and reduce operational costs.

- *Storage.* The distributed storage system we have built for gaming and digital applications can achieve high concurrency, high throughput, and flexible and efficient management.

- *Network.* Each computing node provides a 100G full-fiber network throughput capacity. Our advanced network optimization capabilities allow us to adapt to different local environments and telecommunication operators, ensuring a consistent and high-quality service experience for our customers.

Our Solutions

Leveraging robust infrastructure and platform capabilities, we provide cloud-based real-time rendering solutions adapted for a wide range of industries, including gaming, pan-entertainment, digital cultural tourism, digital education, AIGC, XR, live streaming and e-commerce.

- *GPUaaS for cloud gaming.* Cloud gaming is our core application scenario and accounted for the majority of our revenue throughout the Track Record Period. Through our proprietary SDK, our enterprise customers, including digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers, can offer cloud gaming services powered by high-performance GPU computing to end users on PCs, mobile phones, tablets and smart TVs, without being restricted by the computing performance and storage capacity of user devices. We offer monthly, daily, or a combined subscription plans to customers based on their demand for cloud-based real-time rendering services. Beyond software delivery, we expanded our offerings since 2023 to include solutions that integrate both software and hardware into a single package to meet our customers' demands.

- *Cloud-native content services.* Our cloud-native content services mainly target scenarios such as digital cultural tourism and e-commerce marketing, assisting customers in building end-to-end digital content and application experiences realized via cloud-based real-time rendering. We deliver our services to customers on a project basis.

- *Other services.* We provide customized services for a rich and growing variety of application scenarios in both traditional industries undergoing digital transformation and emerging innovative initiatives. Some of these initiatives are still at an early stage with unproven growth potential, profitability or long-term viability. Yet we maintain our strategic engagement in order to capture any new growth opportunities once they emerge. Set out below are a few examples of our business in emerging industries where we have seen rapid recent growth:

  (i) *GPUaaS for virtual desktop.* We provide virtual desktop services based on high-performance GPUs to enterprise and individual customers. Customers can access these services through our application installed on their devices, purchasing service packages based on service volume, thus enabling the use of high-performance GPU based virtual desktop at low costs. GPUaaS for virtual desktop is primarily used for playing 3A games, 3D design and AI application development. The increasing demand for high-performance GPU computing in these application scenarios has driven rapid growth in our services;

(ii) *AIGC co-creation application platform*. Our RunningHub.ai is an online AIGC co-creation application platform for images, audio and video, providing globally competitive workflow-based developer platform services to enterprise and individual customers, including workflow development toolchain, highly integrated and rapidly iterating runtime environment, efficient and stable computing infrastructure, one-stop AIGC application publishing capability and AI application ecosystem community; and

(iii) *Cloud XR services.* We provide GPUaaS in cloud XR scenario, allowing users to enjoy high-quality immersive experiences on lighter, simpler, cooler and cheaper XR devices.

Our Services and Value Proposition

Enterprise Customers

Enterprise customers in the gaming and other industries have huge demands for cloud-based real-time rendering. However, due to technical limitations, lack of infrastructure resources and high costs, they need third-party providers of real-time rendering service to support their businesses.

Through the mature and efficient cloud-based real-time rendering services we provide, our enterprise customers can enable end users to seamlessly access high-quality digital content and applications on a variety of devices. This greatly extends the reach of digital content and applications with elevated convenience and enhanced user engagement. This seamless experience helps our customers attract and retain an expanding and loyal user base.

Our cross-platform support also enhances the efficiency of digital content and application distribution for our enterprise customers, and reduces end-user barriers to adoption and usage. Additionally, our services eliminate concerns related to compatibility and performance, allowing customers to focus on the innovation of digital content and applications without device limitations.

Individual Customers

While we primarily serve end users through enterprise customers, we also directly serve individual customers with our GPUaaS for virtual desktop. End users are no longer restricted by device performance, allowing them to access high-quality digital content and applications cost-effectively while eliminating concerns about device upgrades.

Additionally, our RunningHub.ai serves as a one-stop workflow-based AIGC co-creation application platform, cultivating an open AIGC application ecosystem for developers and users worldwide in the field of image, audio and video creation.

Our Financial Performance

We achieved significant growth during the Track Record Period. Our revenue increased from RMB290.3 million in 2022 to RMB336.6 million in 2023, and further increased to RMB519.5 million in 2024, representing a CAGR of 33.8% between 2022 and 2024. Our gross profit increased from RMB61.6 million in 2022 to RMB89.4 million in 2023, and further increased to RMB129.4 million in 2024, representing a CAGR of 44.9% between 2022 and 2024.

OUR COMPETITIVE STRENGTHS

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

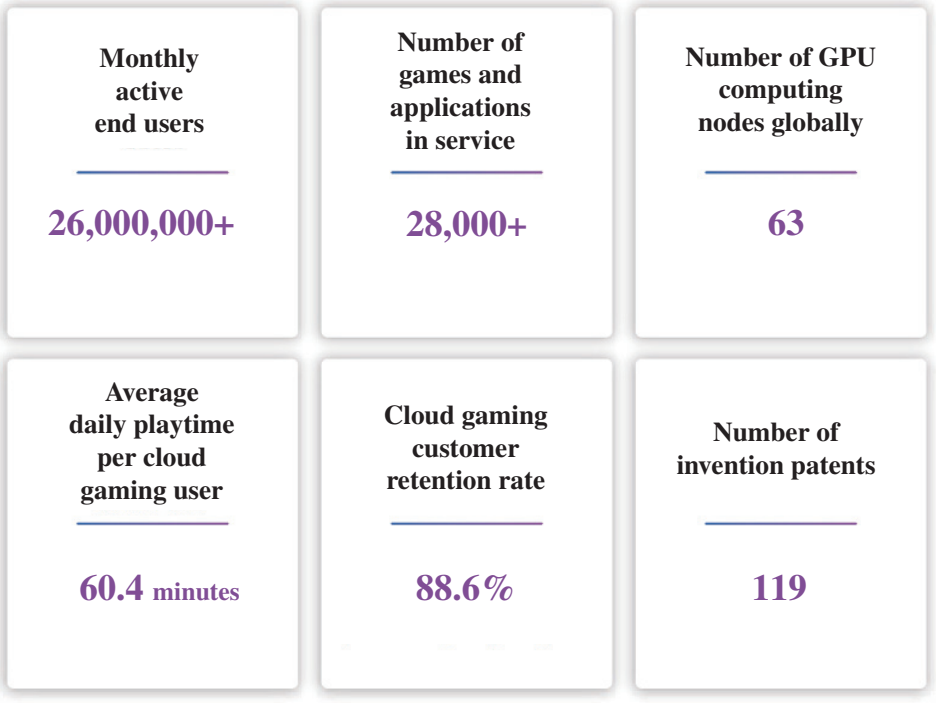
Pioneer and leader in China's cloud-based real-time rendering services market

With the rapid growth of the gaming industry, we identified the increasing demand for cloud-based real-time rendering services and the associated high-performance computing infrastructure. We strategically began the large-scale commercial deployment of our GPUaaS in 2019, making us a pioneer in cloud-based real-time rendering business and technology. We were also the first company to self-design and develop our own servers and build GPU clusters for cloud-based real-time rendering in China, according to CIC.

As of December 31, 2024, we operated a GPU computing cluster with over 10,000 GPU servers and 63 high-performance GPU computing nodes globally. We are building a computing network that spans multiple regions across the globe. While the majority of our computing nodes are located in China, we had also deployed computing nodes in other countries and regions, such as Singapore and Vietnam by December 31, 2024. In addition, we are in the process of deploying computing nodes in the UK, France, Germany, Japan, South Korea, Australia, Poland and Canada. Our network is one of the largest and most widely distributed GPU computing infrastructure supporting cloud-based real-time rendering with edge architecture in China.

Our early insightful deployment in the cloud-based real-time rendering industry enabled us to develop mature service capabilities ahead of our competitors, making us the first cloud-based real-time rendering service provider for cloud gaming in China. According to CIC, we ranked first in 2024 by revenue among cloud-based real-time rendering service providers in cloud gaming scenario in China with a market share of 17.9%.

The following chart shows some of our business statistics for the year ended/as of December 31, 2024:



Our expertise in cloud-based real-time rendering has been widely recognized across the industry. We have been recognized as an outstanding leader in terms of technical capabilities in cloud-based real-time rendering platform by the China Academy of Information and Communications Technology (中國信息通信研究院). We have played a key role in shaping technology standards and promoting industry best practices in China. In particular, as a key contributor, we have co-authored and published two sets of industry standards and 11 sets of group standards, and is currently involved in drafting two sets of industry standards and one set of group standards.

Additionally, we hold prominent positions in key industry alliances and associations. We are a director unit of the Special Committee for Platform Economy Innovation of the China Communications Industry Association (中國通信工業協會平台經濟創新專委會), which operates under MIIT (中國工業和信息化部), as well as a vice chairman unit of its expert think tank. We were also selected by Migu Culture as one of the first batch of strategic tier-1 partners enterprises of MIGU Large Video Integrated Innovation Chain (大視頻MIGU融合創新鏈首批"鏈核"企業), and our founder, Mr. Dang, serves as a management committee member of such Innovation Chain.

With our first-mover advantage, industry leadership and deep technological expertise, we believe we have established a strong competitive edge in market expansion. Our proven track record and innovative solutions make us the preferred and, in many cases, exclusive partner for customers. We are therefore well-positioned to seize the immense growth opportunities in the cloud-based real-time rendering industry and solidify our leadership in the market.

Robust infrastructure and full-stack, self-developed technologies

We have established a high-performance, low-latency and highly reliable infrastructure to support our cloud-based real-time rendering services. Its key features include:

- *GPU based computing architecture.* We have established a GPU based computing network. As of December 31, 2024, we had strategically deployed over 10,000 GPU servers globally. This enables us to meet the growing demand for high-quality, real-time graphics rendering across a wide range of industries and application scenarios.

- *Ultra-low latency computing network architecture.* Unlike traditional CPU centralized computing networks, our system is fully based on edge architecture. With 63 computing nodes deployed globally as of December 31, 2024, we minimize the physical distance between users and computing nodes. Each node is equipped with 100G full-fiber network throughput capacity, and we optimize transmission performance locally to ensure a consistent ultra-low latency experience for users across different regions. As a result, 99.0% of user scenarios can achieve a network latency of under 30ms.

- *Efficient and reliable hardware foundation.* Our GPU servers are built with a proprietary fully integrated multi-architecture design, supporting ARM CPUs, x86 CPUs, and a variety of heterogeneous GPU configurations. This gives us full architecture compatibility and ensures broad adaptability across different computing environments. This architectural flexibility lays a solid foundation for synergistic integration between hardware and software, enabling optimal performance across diverse workloads, improving service efficiency and reducing operational costs. Furthermore, we have reengineered and optimized the alignment of server, storage and network components to enhance both computing efficiency and service availability.

Our advanced self-developed technologies have enhanced the scalability and performance of our infrastructure hardware in particular:

- *Adaptive graphics virtualization engine.* hVGE is one of the few graphics virtualization engine in China that supports all mainstream operating systems. We are the first company in China to achieve seamless integration of graphics rendering and encoding through a unified interface, solving the cross-platform and cross-system compatibility challenges for our customers.

- *Million-level container scheduling management.* h9s is the only system in China capable of simultaneously managing and scheduling GPU-accelerated containers at million level. It offers a scalable scheduling framework with visual task orchestration and distributed architecture compatibility, enabling real-time and dynamic management and scheduling of our computing power. Even under high concurrency requests, h9s can ensure a scheduling time within milliseconds, achieving real-time and flexible resource allocation and thereby maximizing computing power utilization.

- *High-bandwidth and low-latency real-time streaming system.* hmRTC has achieved an ultra-low end-to-end transmission latency at a minimum of 8ms, ensuring that users can have a real-time interaction experience that is virtually indistinguishable from local operation. Our proprietary gaze-tracking-based encoding technology fully utilizes the visual characteristics of the human eye and can reduce video encoding bitrate by over 50%. Meanwhile, hmRTC supports cinematic-quality streaming technology, such as HDR, wide color gamut ("**WCG**"), 5.1 surround sound and 8K at 120FPS. Combined with YUV444 format, it achieves lossless visual streaming, ensuring that the streaming process provides users with a high-quality, real-time interactive experience.

- *High-capacity distributed storage system.* Through advanced resource management algorithms and intelligent scheduling strategies, hmSS manages resources in real-time, improving system efficiency and reducing storage costs. Its intelligent hotspot access mechanism utilizes caching and preloading techniques to accelerate the access to frequently used resources, effectively reducing network bandwidth consumption.

- *Big-data platform and Intelligent operation and maintenance platform.* Leveraging our extensive network of thousands of Hadoop big data servers, Zeta achieves millisecond-level data processing, enabling us to efficiently perform functions such as data query, data storage and analysis. Pluto collects real-time operational data from all our computing nodes, allowing us to monitor, analyze and optimize our system and network performance continuously.

As of December 31, 2024, we had 119 authorized invention patents. Our R&D center continuously advances our technologies, supported by a highly skilled R&D team. As of December 31, 2024, our R&D team comprised 262 employees, accounting for approximately 65.8% of our total workforce. The majority of our R&D personnel hold undergraduate or higher degrees from top-tier universities and are responsible for driving continuous technological innovation across our core business areas. In 2022, 2023 and 2024, our total R&D expenses were RMB133.7 million, RMB112.7 million and RMB100.8 million, respectively, equal to 46.1%, 33.5% and 19.4% of revenue, respectively.

Leading cloud gaming service capabilities to foster thriving ecosystem

With our first-mover advantage, we have established strong, long-term relationships with industry-leading customers, reinforcing our ability to expand our customer base. Meanwhile, we deepen our industry insights through service delivery, which in turn enhances our service capabilities, creating a positive feedback loop that allows us to benefit from the rapid growth of the cloud gaming industry.

We are the primary supplier and the first-choice provider for many top-tier gaming and technology companies, and maintain stable, long-term partnerships with them. We continuously enhance cloud gaming performance and service efficiency for our customers, so that our cloud gaming services can also bring significant commercial value to our customers. For instance, after implementing our cloud gaming service for a blockbuster game on a customer's gaming platform in 2021, the monthly active users of the game on this platform increased rapidly from 15,000 to over 1.2 million. Notably, as a third-party service provider, we are also capable of adapting our solutions or collaboratively developing specific features to meet customer needs. For instance, we customized and developed over 800 platform functions for Migu Culture's cloud gaming services. Through deep integration with our customers' business operations, we aim to maintain high customer loyalty and retention. In 2022, 2023 and 2024, our customer retention rate was 77.8%, 78.4% and 88.6%, respectively.

Our successful collaboration with industry-leading customers strengthened our market position and accelerated customer acquisition. The number of our customers for cloud gaming, including digital content operators, game platforms, game developers, game tool service providers and mobile hardware manufacturers, increased from 44 in 2023 to 69 in 2024, representing an increase of 56.8%. As of December 31, 2024, we provided cloud-based real-time rendering services for cloud gaming to nine out of the top ten market participants in China's cloud gaming industry.

Through strategic partnerships with industry-leading customers, we have gained deep industry insights, which has in turn significantly enhanced our technological capabilities. We leverage our extensive experience to accelerate our technology iteration cycle, develop standardized and modular functional components, and effectively improve the stability and maturity of our services.

As of December 31, 2024, our platform supported over 28,000 games, including a number of major blockbuster games on different devices in recent years such as a phenomenal action role-play 3A game developed in China and released in 2024, and a ground-breaking open world game developed in China and released in 2020 with the landmark achievement of elevating mobile gaming experience. Further, by December 31, 2024, we had provided cloud gaming services that reached end users in over 170 countries, with over 26 million monthly active users. We are also one of the few companies in China capable of achieving instant cloud availability for new game releases within two hours. Moreover, we are one of the few cloud-based real-time rendering service providers in the industry offering 10K-level gaming content, according to CIC.

This creates an effect where our scale, technical capabilities and market dominance reinforce one another in a self-sustaining cycle to boost our long-term growth and expansion. We aim to capture the rapid future growth of the cloud gaming market and further scale up our GPUaaS for cloud gaming business, forming the foundation for our stable and high-speed overall growth.

Diversified products and solutions driving future growth

Guided by our "1+1+N" development strategy, we leverage our cloud-based real-time rendering platform capabilities, extended robust infrastructure and successful experience in the cloud gaming sector to expand our offerings of diversified products and solutions into new industries and scenarios. Such diversification unlocks new revenue streams for us while our strategic engagement in emerging industries and scenarios places us advantageously to capture new growth opportunities as they rise.

As digital cultural tourism gained traction in recent years, we developed our cloud-native content services. We are able to create ultra-realistic virtual environments based on millimeter-level 3D scanning and replication, and deliver immersive virtual experience through real-time ray tracing, as well as dynamic seasonal and environmental variations. We have successfully completed multiple metaverse tourism projects. These projects allow users to explore cultural landmarks from any device, creating audiovisual experiences that aim to rival real-world visits. Among them, "Cloud Tour of Dazu Rock Carvings (雲遊大足石刻)" was awarded the Best Metaverse Cultural Tourism Innovation Application at the 4th Digital Interaction and Metaverse Industry Innovation Competition organized by Interactive Video Computing Association of Fuzhou.

Our GPUaaS for virtual desktop enables users to access high-performance computing and application environments across different devices at a lower cost. Notably, we have pre-installed privately deployed DeepSeek R1 model in our virtual desktop products, ensuring that all user access data remains within their private virtual desktop environment, thereby enhancing data security during user interaction with large language model. Furthermore, learning from user-specific private data, the AI model can better understand and adapt to user behavior, habits and knowledge structures for the delivery of personalized AI capabilities. Our GPUaaS for virtual desktop business grew rapidly since its launch in the second half of 2024, with monthly active users exceeding 500,000 as of the Latest Practicable Date.

In the AI field, we have developed a powerful online AIGC co-creation application platform, RunningHub.ai. Based on our platform capabilities, we offer ready-to-use one-stop workflow development tools and AIGC application publishing capabilities for developers. At the same time, we offer AIGC application discovery and instant access services for layman users. The RunningHub.ai operating environment has integrated over 5,000 function nodes and over 40,000 LoRAs and Checkpoints in images, audio and video. It aims to effectively solve challenges that developers may encounter in the traditional development process, such as the difficulty in maintaining a complex development environment with multiple models and nodes and the shortage of computing power. As of December 31, 2024, RunningHub.ai had served developers and users in over 130 countries.

Experienced management team and stable R&D team driving innovation

Our success is driven by an experienced and visionary management team with deep industry expertise. Their leadership has been instrumental in shaping our strategic direction, making technological advancements and achieving market expansion. Mr. Dang Jinfeng, our founder and CEO, recognized the potential of GPU cloud-based real-time rendering early on and established our Company in 2013. Over the past decade, Mr. Dang has been responsible for the overall strategic planning of our Company, as we focused on software and hardware deep integration of cloud-based real-time rendering for cloud gaming and expanded into diversified industry sectors. Mr. Wen Jian, our co-founder and Chief Technology Officer, has abundant industry experience in system-level software and virtualization technologies. He has been leading our R&D team in the pursuit of technological innovations and breakthroughs. Our core management team has an average of over 15 years of experience in the technology sector, with extensive and diversified expertise in technology, sales, finance, operations and compliance. Their combined expertise has laid a solid foundation for our sustained growth and industry leadership position.

Our R&D capability has been instrumental in maintaining our industry leadership. Over the past five years, our core technical team has remained stable, ensuring continuity in technological innovation and expertise retention. Our core R&D team comprises of top-tier talent, with experience from leading technology giants like VMWare, Alibaba and Baidu. Some of our team members have served as technical experts for MIIT (中國工業和信息化部) and the China Academy of Information and Communications Technology (中國信息通信研究院), contributing to national technology advancements. Our core R&D members also include graduates with PhDs or Master's degrees from top-tier universities, such as Peking University and the University of Chinese Academy of Sciences. As we continue to expand and innovate, our strong talent pool will remain a crucial driver in achieving our mission.

OUR STRATEGIES

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

Continuously strengthen infrastructure and platform capabilities to maintain technological leadership

We will continue to enhance our GPU-centric infrastructure by increasing the capacity of our computing nodes globally. We also plan to strengthen our proprietary server design capabilities to ensure higher efficiency, cost optimization and enhanced computing power.

We aim to enhance the scalability, stability and capacity of our systems to support our cloud-based real-time rendering services. With the expanded system storage and robust maintenance capability, we aim to serve users globally at the hundred-million-level. To achieve this, we will further invest in cutting-edge R&D, particularly in (i) container management systems for efficient multi-instance operations; (ii) distributed storage systems to improve data accessibility and cost efficiency; (iii) big-data platforms for real-time analytics and insights; and (iv) intelligent operation and maintenance platforms for system stability and automation.

We are also committed to advancing our 16K UHD cloud XR solutions. At both the computing and transmission architecture levels, we aim to make technological breakthroughs to address challenges such as high costs and bandwidth consumption, with the goal of enabling faster responsiveness and more efficient computing. If cost barriers can be further lowered, our cloud XR solutions are expected to offer VR experiences that closely approximate real-world visual perception.

Deepen our presence in cloud gaming and expand customer base

We will continue to focus on cloud gaming services and enhance customer service capabilities. Specifically, we intend to strengthen cooperation with existing customers to deepen engagement, improve customer loyalty and increase upselling to scale up business operations. In addition, we will continuously develop and broaden our customer base through acquiring new enterprise customers to increase our market shares.

Furthermore, we plan to continuously explore new business opportunities, including the mobile adaptation of 3A level PC games, cloud XR and VR games, and further promote the cloud gaming business model to improve monetization efficiency for our enterprise customers.

Establish international footprint through overseas business expansion

In order to capture the potential opportunities of global cloud gaming, we will further expand into international markets. We will prioritize our expansion in North America, Europe, East Asia and Southeast Asia. We plan to build localized infrastructure, such as computing nodes, to provide cloud-based real-time rendering services for cloud gaming scenario to international customers. We plan to first collaborate with local telecommunication operators and gaming companies to integrate our cloud-based real-time rendering services into their ecosystems, and gradually provide customized solutions for different regional markets.

Build game AI solutions based on unique data capabilities to empower the gaming ecosystem

By providing services in the cloud gaming industry, we have accumulated a vast amount of data on user behavior in games and real-time operational data during game operation. Leveraging these unique data capabilities, we have a strategic advantage in developing game-related AI capabilities to empower the gaming ecosystem:

(i) *AI gaming copilot.* Relying on our powerful cloud-based real-time rendering platform capabilities, we offer AI gaming copilot service for game players, meeting users' needs for assistance in complex gaming scenario and companionship in solo gameplay. With our global deployment, we strive to provide revolutionary AI-powered gaming experiences for users worldwide.

(ii) *Automatic creation of game content based on generative AI.* We are exploring the development of generative AI technologies for the automatic creation of game content, laying the technical foundation for building a persistent massively multiplayer online ("**MMO**") metaverse for users at the hundred-million-level.

Explore diverse industry scenarios for new business opportunities

We have developed a range of industry solutions, including cloud-native content services, GPUaaS for virtual desktop, AIGC co-creation application platform and cloud XR solutions, among others. Going forward, we aim to accelerate the commercialization of these solutions to scale up our business and diversify our revenue streams. We have also integrated AI capabilities into our GPUaaS for virtual desktop, enabling users to access private and personalized AI tools and workflows. In the future, we will further enhance the integration of AI into our solutions, improving service efficiency and expanding application scenarios.

With our proven success in the cloud gaming industry, we will continue to optimize our capabilities to serve various industries and explore emerging high-growth verticals such as new energy, digital education, industrial engineering, design and digital cultural tourism.

OUR PLATFORM SOFTWARE AND INFRASTRUCTURE HARDWARE

We strive to provide customers with secure, reliable and high-performance cloud-based real-time rendering services. Our success is built upon our GPU based infrastructure and full-stack cloud technologies, all of which have been self-developed to meet the demands of next-generation digital applications. As of December 31, 2024, we had built an extensive cloud-based GPU computing network comprising over 3.5 million GPU cores and more than 10,000 TB of distributed storage.

Platform Software

Our platform is built on cutting-edge, self-developed technologies, including:

Adaptive Graphics Virtualization Engine

hVGE is one of the few fully architecture-adaptive graphics virtualization engine in China that supports all major operating systems. It seamlessly collaborates with a wide range of mainstream GPUs across different operating systems, including those from leading international and domestic manufacturers. Through innovative technological solutions, hVGE enables efficient GPU resource allocation and management, providing robust support for cross-platform graphics processing. Its core advantage lies in its unified middleware interface design, which abstracts and standardizes underlying GPU drivers and programming interfaces, allowing for dynamic loading and management of different GPU drivers. Additionally, hVGE unifies the video processing unit ("**VPU**") functionalities and driver interfaces, achieving seamless integration of dynamic graphics rendering and video encoding.

As the first company in China to offer an integrated solution for graphics rendering and encoding through a unified interface, we have successfully solved the critical challenges faced by our customers in terms of cross-platform and cross-system compatibility through hVGE. Whether for complex graphics rendering tasks or high-performance video encoding requirements, hVGE can provide efficient, stable and flexible solutions, enabling customers to achieve superior performance across diverse application scenarios.

Million-level Container Scheduling Management

h9s is a high-performance container scheduling system designed to efficiently manage and schedule containers. A container is a standard software unit that encapsulates an application's code, configuration files, libraries and dependencies required for the application to run into an isolated environment to ensure fast and reliable deployment across diverse computing environments. Unlike traditional virtual machines that require hardware-level virtualization, containers virtualize applications at the operating system level, enabling greater efficiency in resource allocation. Multiple containers could run on the same server and share an operating system kernel with other containers, each running as isolated processes in user space, thereby maximizing resource utilization.

In GPUaaS for cloud gaming, containerized applications must efficiently share GPU resources to handle real-time graphics rendering, physics simulations and AI-driven in-game interactions. With its proprietary, innovative container scheduling technology, h9s dynamically allocates optimal computing power to each container, balancing workloads across multiple servers while minimizing resource waste. This system enables real-time resource scaling, allowing us to handle sudden spikes in demand without compromising performance.

h9s is the only system in China capable of managing and scheduling graphic containers simultaneously at million level. It offers a highly scalable scheduling framework with visual task orchestration and distributed architecture compatibility, enabling real-time and dynamic management and scheduling of our computing power. h9s ensures a scheduling time within milliseconds, even under high concurrency requests, enabling real-time and flexible resource allocation and thereby maximizing computing power utilization.

High-bandwidth and Low-latency Real-time Streaming System

hmRTC is an advanced real-time streaming system for high-performance cloud rendering and transmission. Key features of hmRTC include:

- *Intelligent rendering and resource allocation.* hmRTC's adaptive cloud rendering technology dynamically adjusts rendering quality based on real-time feedback from user devices, networks and cloud resources. It dynamically adjusts rendering processes and balances transmission delay, video quality and latency jitter through a feedback-balancing algorithm, and utilizes dynamic error correction techniques to enhance performance and user experience. This ensures stable performance across various devices and network conditions. Additionally, hmRTC integrates cloud-network-device transmission control strategy and intelligently optimizes network, computing and storage resources, ensuring efficient data transmission between cloud, network and devices. This commits stable performance and ultra-smooth user experiences across various devices and network conditions.

- *Industry-leading low latency performance.* hmRTC achieves an industry-leading position in low-latency performance, manifested as follows:

  (i) In the context of weak network conditions, the end-to-end latency is maintained below 50ms;

  (ii) Over 5G networks, the latency is kept below 30ms; and

  (iii) On high-quality WiFi networks, the latency remains below 15ms.

  To maintain stable communication, our dynamic adaptive packet loss recovery monitors network conditions in real-time, automatically implementing recovery measures. Even with packet loss rates of up to 10%, the system ensures consistent communication quality. Additionally, our RTC-based adaptive streaming technology continuously monitors network bandwidth and dynamically adjusts streaming parameters, reduces jitter and visual distortion and latency in weak network environments, and guarantees seamless real-time interaction and stable network performance.

- *Ultra-HD audio and video with high-efficiency encoding.* hmRTC supports next-generation high-resolution and high-frame-rate streaming, delivering exceptional video and audio quality. Our x86 servers provide up to 4K at 240FPS, with a maximum resolution of 8K, ensuring ultra-clear, color-accurate visuals. Meanwhile, ARM SoC servers support up to 2K at 120FPS, optimized for cloud gaming and interactive

applications. In terms of audio, hmRTC supports lossless audio encoding, delivering high-fidelity sound reproduction with a maximum sampling rate of 48 kilohertz ("**kHz**"). To optimize bandwidth usage, our adaptive gaze-tracking-based encoding technology reduces transmission bandwidth by over 50%, prioritizing visual quality in areas of focus while preserving exceptional detail.

- *Device adaptability for seamless compatibility.* hmRTC is designed to seamlessly support all major desktop and mobile operating systems, including Windows, macOS, Android, iOS and HarmonyOS (Hongmeng). Our technology automatically detects hardware performance and screen resolution, enabling pixel level perfect rendering and encoding across any device or resolution and ensuring a consistent and optimized experience for all users.

- *Superior audio-visual experience.* hmRTC is designed to deliver an immersive audio-visual experience and supports the following advanced features:

  (i) HDR10+ rendering and streaming, supporting richer dynamic range and color depth;

  (ii) WCG, presenting more realistic color reproduction;

  (iii) 5.1-channel high-fidelity surround sound, creating an immersive audio experience;

  (iv) 8K at 60FPS, achieving ultra-high definition and ultra-smooth visual effects; and

  (v) Lossless encoding in YUV444 format, ensuring a higher-quality real-time interactive experience at the transmission layer.

High-capacity Distributed Storage System

hmSS supports fully dynamic resource loading and unloading in real-time based on the actual content operation demands, ensuring smooth and stable performance. As an industry-leading high-capacity distributed storage system, it adopts advanced resource management algorithms and intelligent scheduling strategies to manage massive storage resources in real-time and efficiently, ensuring the operation efficiency of the system under strict requirements such as large-scale data processing, high concurrency, and real-time read and write, and significantly reducing storage costs. In particular, hmSS supports for storage capacities exceeding 100 TB per node and unlimited game storage scalability, ensuring ample space for even large game titles and allowing for continuous expansion in line with market demand.

hmSS ingeniously integrates an intelligent hotspot access mechanism, combined with file system optimization and advanced caching and preloading technologies, to significantly accelerate access to frequently used resources while minimizing network bandwidth consumption. It allows segmented access and multi-machine caching strategies, ensuring efficient data retrieval and smooth gameplay, even under heavy user loads. hmSS supports point-to-point game distribution, which improves bandwidth efficiency by more than 600% compared to traditional HTTP-based downloads, particularly under high-concurrency scenarios with over 100 simultaneous requests.

Big-data Platform

Zeta is our self-developed big data platform that enables real-time streaming data processing and offline computing of big data, based on which we can achieve cloud platform monitoring, alerting and expert system analysis. Leveraging our extensive network of thousands of Hadoop big data servers, Zeta achieves millisecond-level data processing, exceeding 300,000 events per second ("**EPS**"). It supports 100TB-level data queries with second-level response times, and offers PB-level historical data storage and deep analysis capabilities, enabling efficient large-scale data storage and query, comprehensively optimizing system performance, and significantly reducing operating costs.

Additionally, Zeta's capabilities include the ability to analyze over 7,000 data dimensions, including user behavior, operations and system performance, ensuring precise and adaptive scheduling. Zeta has powerful streaming data processing capabilities, such as real-time data collection, real-time data storage, sub-second analysis and real-time alerts. Furthermore, it provides advanced business processing and analytical functions across multiple dimensions, including performance improvement analysis, business data reporting and modeling, visualized reports, deep business analysis and fault alerting and analysis.

Intelligent Operation and Maintenance Platform

To further enhance our service stability and infrastructure management, we have developed Pluto, an intelligent operation and maintenance platform built on Zeta. Pluto collects real-time operational data from all our computing nodes, allowing us to monitor, analyze and optimize our network performance continuously. Pluto provides (i) full lifecycle management of tens of thousands of servers, hundreds of thousands of ARM instances, bandwidth resources, server racks and containers across our global data centers; (ii) end-to-end monitoring, configuration and automated deployment of hundreds of microservices, ensuring seamless service operations; (iii) unified asset search and management, enabling instant asset discovery and streamlined resource allocation; (iv) comprehensive audit tracking for asset changes and operation and maintenance activities, ensuring full transparency and accountability; (v) continuous integration, continuous

deployment ("**CI/CD**") and gray-scale release capabilities, allowing for smooth software updates with minimal service disruptions; and (vi) automated operational reporting and business settlement insights, ensuring real-time financial and performance tracking for our enterprise customers.

Infrastructure Hardware

We have built our GPU based cloud-based real-time rendering infrastructure, a powerful infrastructure that integrates tens of thousands of GPUs across a distributed computing network. This GPU cluster serves as the cornerstone of our "1+1+N" strategy, which consists of (i) one core technological foundation: our GPU based computing infrastructure and platform software capabilities; (ii) one core application scenario: cloud gaming scenario; and (iii) a rich and growing variety of extended application scenarios.

Compared to traditional CPU based systems, our GPU based computing network enables significantly higher parallel computing efficiency, allowing us to meet the growing demand for cloud-based real-time rendering across various industries.

Servers

Self-customized and manufactured by our trusted suppliers, our proprietary servers are optimized for cloud-based real-time rendering application scenarios and support ARM CPU, x86 CPU and various heterogeneous GPUs, laying a solid foundation for building a software-hardware synergy for our technical architecture. Furthermore, benefiting from the seamless compatibility of our self-customized servers with mainstream architectures (ARM and x86), we are able to enhance content compatibility, service efficiency and cost-effectiveness.

As of December 31, 2024, we had deployed over 10,000 GPU servers globally. We are also actively developing an ARM-based server with a high-performance CPU core and a dedicated GPU ("**dGPU**") that is adaptive to cloud-native content. This advancement will further enhance our ability to support next-generation real-time computing workloads.

Nodes

Nodes serve as the fundamental elements of our GPU cluster. Each node consists of high-performance GPUs along with other essential hardware components, including random access memory ("**RAM**") for efficient memory access, high-speed storage solutions and advanced networking interfaces to enable seamless data transfer.

To ensure consistent service quality across different regions, we have strategically placed computing nodes close to end users, forming a robust cross-border computing network. As of December 31, 2024, we had deployed 63 computing nodes globally. This geographically distributed network allowed 97.5% of users to access a local computing node within their province or region, significantly reducing physical data transmission distances and improving network efficiency. Moreover, 99.0% of user scenarios can achieve a network latency of under 30ms, ensuring a smooth rendering performance.

Each of our computing nodes is connected through multi-operator networks, including the three major telecommunication operators in China and border gateway protocol ("**BGP**") networks. This infrastructure enables users to dynamically select the optimal access route based on their internet service provider ("**ISP**") and regional proximity, ensuring a stable and uniform experience for users.

Our platform guarantees a 99.9% service availability, even in the event of system failures or network disruptions. Additionally, we have reduced end-to-end operational response time to below 70ms, ensuring smooth user interactions. We have also minimized first-frame loading time, allowing users to start playing their games in less than three seconds, significantly improving engagement and reducing drop-off rates. We are able to support 8K at 120FPS cloud-based real-time rendering for UHD content, as well as 2K at 360FPS for high frame rate applications such as cloud esports.

We have been continuously investing in our infrastructure to expand our computing power to support more complex cloud-based real-time rendering workloads, while enhancing processing efficiency to deliver higher-quality visual experiences, all toward achieving greater economies of scale.

OUR SERVICES

The table below sets forth a breakdown of our revenue by service types for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
GPUaaS for cloud gaming	247,786	85.4	220,197	65.4	457,869	88.1
Cloud-native content services	25,917	8.9	103,050	30.6	46,814	9.0
Other services	16,587	5.7	13,305	4.0	14,849	2.9
Total	**290,290**	**100.0**	**336,552**	**100.0**	**519,532**	**100.0**

During the Track Record Period, our revenue was primarily generated from the following services.

GPUaaS for Cloud Gaming

We mainly provide GPUaaS for cloud gaming to enterprise customers in the gaming industry, such as digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers. Through our proprietary SDK, enterprise customers can offer cloud gaming services powered by high-performance GPU computing to end users on PCs, mobile phones, tablets and smart TVs. In 2022, 2023 and 2024, our GPUaaS for cloud gaming generated revenue of RMB247.8 million, RMB220.2 million and RMB457.9 million, respectively, accounting for 85.4%, 65.4% and 88.1% of our total revenue, respectively.

The diagram below illustrates our GPUaaS for cloud gaming workflow and our interactions with different stakeholders:

We fostered deeper collaboration with our customers through joint development of platform capabilities to meet specific customer needs. For instance, we customized and developed over 800 platform functions for Migu Culture's cloud gaming services. For its large-screen services, we also adapted functions to support different TV box models and various input methods to ensure optimal large-screen gaming experience. By deeply integrating with our customers' business operations, we have significantly improved customer loyalty and retention.

Beyond software delivery, we expanded our offerings since 2023 to include integrated GPU computing solutions, which consist of GPU servers and embedded software for real-time rendering, along with supporting management equipment to meet our customer demands. These solutions were primarily applied in internet/cloud gaming cafes and esports hotels. Designed to meet the high-performance demands of gaming applications, our solutions provide efficient and scalable infrastructure for cloud gaming services. By leveraging powerful GPU capabilities, we deliver a seamless and high-quality gaming experience in the cloud. This business is experiencing rapid growth, driven by the increasing demand for high-performance gaming infrastructure. As the cloud gaming industry continues to evolve, it is expected to play an even more significant role in supporting our business expansion.

Core Services

Our GPUaaS for cloud gaming offers the following core services:

- *SDK and API integration.* Our SDK and API integration services support multi-device access, including PCs, desktop web browsers, Android, iOS, HTML5-based mobile web applications ("**H5**"), smart TVs and the customer's server-side access. This builds a high-speed bridge connecting developers with cloud gaming. Whether for a small startup team or a large-scale game development enterprise, they can quickly transform their games into cloud games that can run on any device. This helps customers significantly shorten the development cycle, reduce development costs, and reach more users in untapped markets. Leveraging our powerful GPU resources, game developers can easily achieve smooth gameplay and stunning rendering of games on any device. They can also develop customized product services, delivering an ultimate gaming experience to players.

- *High-performance distributed storage for digital content and applications.* We adopt an advanced distributed architecture to intelligently and dispersedly store game content across multiple computing nodes and achieve real-time content update synchronization among different nodes. Within each computing node, we implement parallel data read and write with 100G full-fiber data transmission, attaining industry-leading storage and access efficiency. In addition, our storage system is also equipped with AI-powered intelligent caching and data compression functions. It can automatically identify and cache frequently used data, effectively reducing the amount of data transmission and enabling the second-level startup of 100G-sized game packages, thus further enhancing the user experience. Besides, through data security and backup technologies, we ensure the security and reliability of data, relieving users of concerns about data loss risks.

- *Comprehensive data services.* Relying on a huge computing cluster composed of thousands of Hadoop big-data servers, we conduct refined modeling of thousands of indicators throughout the entire lifecycle of our global cloud-gaming users, and carry out real-time monitoring and dynamic AI-powered intelligent optimization. Based on these insights, we provide customers with corresponding full-link data intelligent analysis and optimization services, enabling customers to transparently and accurately observe the full-link user experience. Additionally, by collecting, organizing and analyzing a large amount of data generated during the operation of games and applications, we offer customers in-depth insights and decision-making support, thereby enhancing user stickiness and our market competitiveness.

- *Customized software solutions.* We recognize that each customer has unique business needs and development goals. Our professional team engages in in-depth communication with customers to understand their business scenarios and pain points. Based on our profound industry experience, combined with industry best practices and customers' business characteristics, we optimize comprehensive solutions that align with their needs.

- *24/7 customer service.* We are well aware that customers may encounter various technical issues during the usage at any time. Therefore, we offer 24/7 uninterrupted customer service. Our support team provides immediate assistance to customers raising issues via electronic instant messaging. Our customer service personnel have undergone rigorous training and possess rich technical knowledge and excellent communication skills. They are able to efficiently resolve issues, enabling customers to experience attentive and professional services.

- *High availability and reliability.* By building a robust infrastructure, adopting advanced fault-tolerance technologies and implementing real-time monitoring, we ensure the stable operation of the cloud gaming platform to achieve the highest industry-standard SLA services. Even under high-concurrency conditions, we can guarantee the smooth operation of games and applications, preventing issues such as lagging and disconnections. We have also formulated a comprehensive emergency response plan. In the event of a failure, we can quickly switch and repair the fault, minimizing the impact on users and providing them with a consistently high-quality experience.

Key Values

Our GPUaaS for cloud gaming empowers different types of customers in the following manners:

For end users, our service significantly reduces the barriers to gaming, eliminating concerns about local hardware performance and storage limitations. Users can instantly start playing games without the need for lengthy downloads or updates. Furthermore, in the cloud gaming mode, devices consume minimal power and avoid overheating, ensuring consistent high-quality performance that surpasses the experience on local devices.

For gaming platforms, our service enhances their ability to monetize traffic and improve operational efficiency. It also elevates the overall user experience, boosting engagement and retention, which ultimately leads to higher revenue.

For content providers, our GPUaaS for cloud gaming expands the potential for game development, with a particular focus on cross-platform compatibility. It alleviates the complexities often associated with hardware heterogeneity in local game execution. This allows for the creation of high-quality content across various devices and provides services to more users.

Service Agreements

The salient terms of our standard agreements with customers for GPUaaS for cloud gaming are set forth below:

- *Scope.* We generally set out the scope of our GPUaaS for cloud gaming in our service terms. By integrating our proprietary SDK, customers can provide cloud-based real-time rendering, video encoding and game processing. Customers may subscribe to our services on a monthly basis, a daily basis, or a combination of both. We also provide 24/7 customer support for any inquiries or issues.

- *Pricing.* We typically charge service fees based on service volume. When we deliver integrated GPU computing solutions, we typically negotiate pricing with customers on a project-by-project basis. For details on our different pricing models, see "— Sales and Marketing — Pricing" in this section.

- *Payment and credit terms.* We typically send an invoice monthly to customers, detailing their actual usage of our services in the previous month. Payments are generally due within three or five days of the invoice. We generally grant a credit period of up to 90 days to our customers in the service agreements, whereas in reality some customers may have longer settlement cycles. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade, bills and other receivables" for more details.

- *Confidentiality.* Both parties agree to maintain strict confidentiality of all shared information during and after the contract term.

- *Term and termination.* We will determine the contract period based on the specific situation of our cooperation. For software services, either party may terminate the agreement if a force majeure event lasts for more than 90 days. If neither party raises written objections within three months prior to the expiry, the agreement will be automatically extended for one year. For integrated GPU computing solutions, if either party breaches the agreement and fails to remedy such breach within 30 days of written notice, the other party has the right to terminate the agreement in writing.

- *SLA.* We define service level indicators in our agreements with customers to ensure clear expectations. Service availability is calculated based on the number of minutes the service is unavailable during a given service cycle. We classify service unavailability based on failure rates. Usually we promise that the availability of level I services will not be less than 99.9%, and the availability of level II services will not be less than 99.5%.

Cloud-native Content Services

Our cloud-native content services provide high-performance, scalable solutions for a wide range of industries, particularly for on-demand cloud-based application development. The features of our cloud-native content include high-performance real-time graphics rendering, advanced AI computing capabilities and the ability to store large volumes of content locally. Our cloud-native content services leverage cloud-based real-time rendering and AI-powered applications to deliver a high-quality, interactive user experience across various devices and operating systems. Through advanced cloud technology and a microservices architecture, we enable flexible deployments across multi-cloud and hybrid cloud environments. In 2022, 2023 and 2024, our revenue from cloud-native content services amounted to RMB25.9 million, RMB103.1 million and RMB46.8 million, respectively, accounting for 8.9%, 30.6% and 9.0% of our total revenue, respectively. The fluctuation in revenue contribution during the Track Record Period was largely linked to the different number and sizes of cloud-native projects that we undertook in different years. See "Financial Information — Results of Operations" for further details.

We provide project-based cloud-native content services for the booming digital cultural tourism industry to enhance virtual tourism experiences. In these projects, we focus on core technical tasks such as high-fidelity 3D modeling and GPUaaS during the operation phase. For the on-site 3D data collection and scanning work on the tourist attractions, we typically outsource such work to third-party companies that specialize in the relevant fields.

Leveraging our cloud-based real-time rendering technology, we reconstruct the scanned and replicated environments into 8K cinematic-level models, and further enhance them with real-time ray tracing as well as dynamic environmental and seasonal effects. This delivers an immersive and highly interactive virtual experience. We have successfully launched benchmark metaverse tourism projects, such as "Cloud Tour of Dazu Rock Carvings" (雲遊大足石刻). These projects allow users to explore cultural landmarks from any device, creating audiovisual experiences that rival real-world visits.

In addition, we plan to expand our cloud-native content services into new industry areas, such as e-commerce marketing, digital education and metaverse social engagement. Through delivering high-quality cloud-based real-time rendering for online courses, we enhance the immersive learning experience and empower the digital transformation of education. With our cloud-based real-time rendering capability, our customers can provide immersive metaverse event platform that revolutionize traditional interaction models, offering multi-scenario, highly interactive virtual events with exceptional cognitive fidelity and enhanced visual effects. Our cloud-native content services can fully leverage the same underlying infrastructure as our GPUaaS for cloud gaming.

Key Values

The key values that our cloud-native content services bring to our customers include:

- *Agility.* Cloud-native applications that we develop support diverse deployment environments and enable fast development cycles, allowing our customers to respond quickly to market changes and innovate rapidly;

- *Cost efficiency.* Customers can avoid the costs of purchasing and maintaining hardware and software on-site, paying only for the resources they use, thereby avoiding overprovisioning;

- *New market opportunities and blue ocean users.* By empowering any device to access high-performance real-time interactive content, we help our customers reach new user segments and explore previously under-served markets. This creates new business opportunities and enhances customer loyalty; and

- *Innovative business scenarios.* Our cloud-native services empower customers to provide innovative business scenarios, offering high-performance interactive content to users across devices. This facilitates new forms of digital interaction across various sectors, such as e-commerce marketing, digital education and metaverse social engagement.

Service Agreements

The salient terms of our standard agreements with our customers for our cloud-native content services are set forth below:

- *Scope.* We generally set out the scope of our cloud-native content services in our service terms. We are typically responsible for developing cloud-based applications based on customer needs.

- *Pricing.* We primarily determine the price with customers on a project basis through a bidding process. For details on our fee model, see "— Sales and Marketing — Pricing" in this section.

- *Payment and credit terms.* After the cloud-based application has been launched and operated stably for a set period, we request customer acceptance. Once accepted, customers shall pay the first installment within 30 days of receiving our invoice. Following full project acceptance and one month of mobile content operation, our customer shall pay the remaining balance within 30 days after the invoice, based on the assessment results. Payments are typically settled by check or wire transfer.

- *IP.* Our customers usually own the IP resulting from the development project, and are entitled to apply for patent for such IP.

- *Confidentiality.* Both parties agree to maintain strict confidentiality of all shared information during and after the contract term.

- *Term and termination.* The term of the agreement is generally negotiated based on the complexity of the project. Either party can terminate the service agreement if the other party fails to rectify a breach within the notice period of 15 days. In addition, if we fail to deliver an application that meets the criteria specified in the agreement within the specified time, our customers are generally entitled to terminate the agreement immediately.

Emerging Sectors

We provide customized services for a rich and growing variety of application scenarios in both traditional industries undergoing digital transformation and emerging innovative initiatives. We generated limited revenue from these areas during the Track Record Period, which was categorized into "other services" in our revenue breakdown. Some of these initiatives are still at an early stage with unproven growth potential, profitability or long-term viability. Yet we maintain our strategic engagement in order to capture any new growth opportunities once they emerge. Set out below are a few examples of our business in emerging industries where we have seen rapid recent growth.

GPUaaS for Virtual Desktop

Our GPUaaS for virtual desktop enables users to seamlessly access remote PC games and software services by simply logging into a virtual desktop environment from their own device. The service features low latency and high-quality graphics rendering, ensuring a smooth experience similar to local software operation. Users can subscribe a service package that includes a specific computing power configuration and service period, which allows them to utilize high-performance computing capabilities across different devices. We launched our GPUaaS for virtual desktop in mid 2024.

Our GPUaaS for virtual desktop is primarily used in gaming and design scenarios that require high GPU computing power. By eliminating hardware limitations, our services enhance accessibility and flexibility, enabling businesses and individuals to run resource-intensive applications efficiently without the need for expensive hardware upgrades.

We plan to launch the overseas version of virtual desktop in the third quarter of 2025, initially starting in Japan, followed by gradual expansion into other European and American markets. This service extends our GPUaaS to international markets, allowing gamers to enjoy high-quality experiences across different regions without the need for high-end hardware.

AIGC Co-creation Application Platform

We have built RunningHub.ai, an AIGC co-creation application platform for images, audio and video generation, by leveraging our GPUaaS platform. RunningHub.ai continuously integrates and optimizes tens of thousands of models, nodes and APIs from the AIGC ecosystem, and combines these with our GPUaaS infrastructure and deeply customized workflow development platform. It offers globally competitive workflow-based AIGC developer platform services, which includes workflow development toolchain, highly integrated and rapidly iterating runtime environment, efficient and stable computing infrastructure, one-stop AIGC application publishing capability and AI application ecosystem community.

As of December 31, 2024, RunningHub.ai had served developers in 130 countries, integrated over 40,000 LoRAs and Checkpoints, and enabled developers to efficiently build and deploy AI applications and workflows across diverse industries using its powerful toolchain and runtime environment. Users from various sectors, including but not limited to animation and gaming, film and television, e-commerce, fashion, home design, design, marketing and AI education, can easily find tailored solutions for their niche application scenarios through the broad range of AI applications available on RunningHub.ai. The platform is open to both enterprise customers and users, who are charged through usage-duration-based pricing packages.

We are committed to cultivating a thriving developer ecosystem and service platform through RunningHub.ai, which has already earned strong user recognition and is experiencing rapid growth. Going forward, we will further strengthen product R&D and marketing, enhance core product experience, enrich platform functionalities and expand our user base across more industries, with the goal of establishing RunningHub.ai as the world's leading AIGC co-creation application platform for images, audio and video generation.

Cloud XR

We also leverage our cloud-based real-time rendering capabilities to provide cloud XR services. These services complete all cloud-based real-time rendering required in XR computing via the cloud. With our robust infrastructure and platform technology, we deliver high-quality, cost-effective services to our customers. Due to the inherently high computational demands of XR applications, cloud computing has become the only viable path to achieving scalable and high-quality XR deployment. Most XR devices are equipped with only mid-range mobile GPU capabilities, which significantly limits their local rendering performance. Real-time cloud rendering addresses this limitation by offloading intensive computing tasks to powerful cloud-based GPUs and streaming the results back to end devices with low latency. This approach not only improves visual quality but also reduces local hardware requirements, making XR experiences more accessible and cost-effective.

Cloud XR includes cloud VR and cloud AR. Cloud VR offers high-performance rendering services, enabling users to experience exceptional clarity and smoothness on standard VR devices. This technology allows complex virtual reality environments to run seamlessly across various devices, eliminating the need for local high-end hardware. Cloud AR delivers real-time AR visual effects, supporting advanced image and environmental analysis.

KEY OPERATING METRICS

We use certain quantifiable metrics to assess our performance and operational efficiency. These metrics provide insights into various aspects of our operation, enabling us to track our performance, allocate capital, time and technological investments and make informed decisions. The following tables set forth the key operating metrics relevant to our business as of or for the year ended December 31, 2022, 2023 and 2024.

	As of/For the year ended December 31,		
	2022	2023	2024
GPUaaS for cloud gaming			
Number of customers	37	44	69
Customer retention rate *(Note)*	77.8%	78.4%	88.6%

Note: Our customer retention rate is measured as follows:

Customer retention rate = (Number of customers contributing to our revenue in both the current and previous years / Number of customers contributing to our revenue in the previous year) × 100%

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Scalable Business Model and Enhanced Monetization

Our path to profitability is built upon a highly scalable business model, reinforced by continuous customer base expansion and enhanced monetization strategies. The cloud gaming market continues to evolve and expand, driven by technological advancements in cloud infrastructure, shifting consumer preferences towards seamless gaming experiences, and the transformative adoption of the GaaS model. GaaS eliminates installation threshold and the barrier between different operating systems, enabling users to access high-quality gaming content, such as 3A games, irrespective of their hardware limitations. According to CIC, the market size of cloud-based real-time rendering services for cloud gaming in China is expected to reach RMB11.6 billion by 2029, representing a CAGR of 35.4% from 2024 to 2029. Alongside market growth, we strive to enlarge our own market share, which increased from 12.5% in 2023 to 17.9% in 2024. As a market leader we are strategically positioned to seize market opportunities, deepen existing customer relationships, acquire new customers, and consolidate our influential role in cloud gaming and other downstream scenarios.

We proactively replicate our proven technologies and deep industry knowledge across diverse value-added service scenarios, increasing user stickiness, attracting a growing customer base, and expanding our addressable market. From 2022 to 2024, our GPUaaS for cloud gaming customer base grew from 37 to 69 customers, with customer retention rates improving significantly from 77.8% to 88.6%, underscoring the success of this strategic approach.

Moreover, leveraging our robust commercialization capabilities, we continuously introduce innovative offerings such as GPUaaS for virtual desktop and AIGC co-creation application platform. Specifically, our GPUaaS for virtual desktop provides individual users with convenient access to high-performance computing environments and applications without hardware limitations. Users benefit from significantly reduced entry costs and seamless experiences, and the product has quickly gained market acceptance since its launch in mid 2024, underpinning our strategy to diversify revenue sources effectively. Similarly, by the end of 2024, RunningHub.ai had rapidly gained market traction, supporting developers from over 130 countries. This diversification of revenue streams and solid market acceptance lay a strong foundation for sustained profitability.

Additionally, we actively pursue international market opportunities to further diversify our revenue base. By strategically deploying computing nodes in regions with high demand such as North America, Europe, Japan and South Korea in the near future, we expect to enhance our capability to expand our local customer base and more effectively address the needs of regional markets.

Improving Gross Margin

Our expanding scale of operations strengthens our bargaining position with suppliers, enabling us to negotiate better procurement terms and reduce cost of sales. Throughout the Track Record Period, our cost of sales as a percentage of revenue declined from 78.8% in 2022 to 75.1% in 2024, reflecting improved economies of scale and operational efficiencies.

By continuously optimizing our proprietary platform software, which mainly include hVGE, h9s, hmRTC, hmSS, Zeta and Pluto, we have further optimized resource utilization, enabling sustained reductions in the unit cost of service delivery.

We are proactively refining our product and service offerings by introducing higher gross margin solutions aimed at individual customers. Our virtual desktop and AIGC businesses both attract individual customers, where we see good potential for future growth.

Enhancing Operating Leverage

As our business scales, we anticipate that operating expenses will decline as a percentage of revenue due to economies of scale. Fixed costs such as R&D, selling and marketing, and administrative expenses will be distributed across a larger revenue base, thereby enhancing operating leverage.

In sales and marketing, we increasingly leverage word-of-mouth referrals and benchmark project successes, minimizing the necessity of proportionally scaling our sales workforce. Backed by our leading technology capabilities, we are able to deliver high-performance solutions with superior reliability and user experience. This technical strength ensures that our products consistently meet or exceed industry standards, fostering customer satisfaction and trust. As a result, our enterprise customers become strong advocates, driving organic business growth through peer recommendations and industry recognition. Initial investments in promotional activities are strategically targeted to establish strong brand recognition. Over time, organic growth driven by established market recognition naturally reduces our reliance on extensive promotional spending.

Our historical investments in R&D have laid a strong foundation, yielding substantial competitive advantages and diminishing incremental R&D spending relative to revenue growth. R&D expenses as a percentage of total revenue decreased notably from 46.1% in 2022 to 19.4% in 2024, demonstrating increased efficiency. Additionally, we have adopted AI-powered development tools and workflows, which have significantly improved the output per unit of R&D investment and enhanced individual developer productivity and deliverables. Going forward, as part of our use of **[REDACTED]**, we will specifically allocate funds to further enhance our AI-driven capabilities. These investments will drive further reductions in our incremental R&D spending as a proportion of revenue.

Administrative expenses similarly benefit from scale economies, allowing fixed overhead costs, including facility management, back-office staffing, and operational support, to be effectively amortized over an expanding revenue base.

Overall, our path to profitability is underpinned by sustainable revenue growth, strategic diversification of our product offerings, continuous technological innovation, prudent operational expense management, and strategic global market expansion. We remain committed to effectively implementing these strategies, positioning us to achieve robust, long-term profitability and further consolidate our market leadership.

RESEARCH AND DEVELOPMENT

Our R&D capacities and focus on innovation have fueled our growth and enabled us to maintain our technological edge. During the Track Record Period, we allocated a substantial portion of our operating expenses to R&D efforts, including upgrading our infrastructure, improving our cloud technologies and developing new services. In 2022, 2023 and 2024, our R&D expenses amounted to RMB133.7 million, RMB112.7 million and RMB100.8 million, respectively, accounting for 46.1%, 33.5% and 19.4% of our revenue during the same year, respectively.

R&D Team

As of December 31, 2024, our R&D team consisted of 262 employees, each holding an academic background in relevant fields such as computer science, information science, electronics, or mathematics. The structure of our R&D team generally aligns with the services we offer.

As of December 31, 2024, our R&D team consisted of a system platform unit, an operating system unit, a solutions unit, a big data unit, a hardware unit, an operation and maintenance unit, a testing unit and a streaming unit.

The core members of our R&D team are well regarded in the industry, with some serving as experts in MIIT (中國工業和信息化部) and the China Academy of Information and Communications Technology (中國信息通信研究院). These experts contributed to the drafting of the white paper on cloud-based real-time rendering, as well as two sets of industry standards and 11 sets of group standards.

R&D Process

Our services development process generally follows six steps, and the duration of which depends on the complexity of the project. These steps include:

- *Demand gathering.* We collect information from various sources, including customer feedback, market demand analysis conducted by our product managers and our top-down strategic planning;

- *Requirements review.* We typically prioritize the development of new features that are highly requested during our sprint session, which is the period when our R&D team evaluates the feasibility of new features.

- *Framework design.* Based on the requirements review, we devise a technical design that not only meets technical standards but also addresses a series of non-technical requirements such as usability and user interface intuitiveness. The design documents and product requirements are reviewed jointly by the product team, development team, testing team and relevant business department.

- *Development and testing.* After the development of the new feature, we conduct internal tests to ensure that both technical and non-technical standards and requirements are met.

- *Grayscale release.* We launch a new version of our service with the new feature to a selected group of users who have expressed interest. During this phase, we monitor the progress and assess if the actual performance of the new feature meets our users' expectations and needs.

- *Official launch.* After successful testing and feedback collection, we launch the new version of our service to all users.

INTELLECTUAL PROPERTY

Our patents, copyrights, trademarks, trade secrets and other intellectual property rights are critical to our business operations. To protect these assets, we primarily rely on (i) laws and regulations regarding patents, copyrights, trademarks, trade secrets and anti-unfair competition; and (ii) contractual rights, such as confidentiality agreements and non-disclosure agreements that we entered into with our employees, customers and other stakeholders, to protect our intellectual property rights. We clearly define the rights and obligations regarding the ownership and protection of our intellectual properties in our employment agreements and commercial agreements. In addition, we have implemented comprehensive measures to protect our intellectual property rights. For details, see "— Risk Management and Internal Control — Intellectual Property Risk Management" in this section.

As of December 31, 2024, we had 119 invention patents and eight material software copyrights in the PRC, primarily covering technologies in cloud storage, content delivery, media data processing and analytics. In addition, as of December 31, 2024, we had nine material trademarks and two material domain names in the PRC, and two material trademarks in Hong Kong. For further details of our intellectual property, see "Appendix IV — Statutory and General Information — Further Information about Our Business — Intellectual Property Rights" in this Document.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any disputes or claims regarding the infringement of third-party intellectual property rights. To the best of our knowledge, information and belief, we were not aware of any material infringement of our IP rights as of the Latest Practicable Date, and we believe that we have taken reasonable measures to prevent infringement of our own IP rights.

DATA PRIVACY AND SECURITY

In the ordinary course of our business, we may collect, process and store personal data of our customers. As set out in our Data Compliance Policy (《數據合規政策》) and Haimacloud 2C Product User Privacy Data Management Regulations (《海馬雲2C產品用戶隱私數據管理規定》), which users must consent to prior to account registration, the types of personal data collected include (i) account registration information (such as real name and e-mail address), (ii) real-time identity authentication data (such as mobile number), and (iii) payment-related information (such as bank account and transaction details). We process such data only to the extent necessary for identity verification, service delivery, security, communication and payment processing.

We do not share, disclose or transfer personal data to third parties without prior user consent or having other legal basis on personal information processing. In cases where third party suppliers, service providers, or SDKs are involved in delivering service, we obtain separate authorization from users or have other legal basis on personal information processing before sharing any required personal data with such suppliers.

We enforce access control on a need-to-know basis, allowing only authorized personnel in designated roles to access personal data, with access logs maintained accordingly.

To strengthen data protection, we implement encryption measures across both application and infrastructure levels. Data collected is stored in a firewall-protected database and subject to additional encryption or decryption procedures. Personal data is retained only for the duration necessary to fulfill the permitted purpose or as otherwise required by applicable laws, after which it is deleted or anonymized.

Data Security Policies

We provide regular training to employees on data security and privacy compliance. Our internal policies establish disciplinary actions for any violations, graded by severity and frequency. We have implemented contingency plans and regularly conduct system backups and disaster recovery testing.

We have appointed a cybersecurity representative and an information security representative and established an information security team responsible for overseeing cybersecurity and data compliance. Our data security system is certified with ISO27001 (Information Security Management System Certification), an internationally recognized standard for information security management system.

We have also adopted a comprehensive data security system comprising the following:

- *Internal Policies*: We have formulated and implemented various policies and measures such as MP-14 Information Security Monitoring Policy (《MP-14信息安全監控策略》), Information Security Management Manual (《信息安全管理手冊》), MP-03 Virus Prevention Policy (《MP-03病毒防範策略》), Data Compliance Policy (《數據合規政策》), Personal Information Storage and Destruction Policy (《個人信息存儲及銷毀規範》), Personal Information Protection Impact Evaluation Policy (《個人信息保護影響評估制度》), and Individuals Rights' Exercising and Responding Policy (《個人信息主體行權響應制度》), in compliance with the applicable laws and regulations to ensure our employees have clear and transparent guidelines to follow when handling data and conducting business;

- *Access Control*: We have applied access control through our internal policies including Data Classification and Grading Policy (《數據分類分級制度》). Data are classified into five levels, namely core and important data, confidential data, secret data, restricted data and unrestricted data, with access restricted based on authorization levels;

- *Employee Training*: We conducted regular internal training with employees in relation to data security and privacy laws, regulations and internal policies to enhance their awareness towards data security and personal privacy, and prevent data misuse. Our employees would be accessed on the training materials and penalized for breaching our data security policies;

- *Backup and Recovery*: We have established data backup and recovery mechanisms and emergency response plans in accordance with our Data Security Incident Emergency Plan (《數據安全事件應急預案》) and MP-15 Information Security Incident Management Procedure (《MP-15信息安全事件管理程序》). Sensitive structured data is protected through field-level encryption.

During the Track Record Period, we did not experience any material incidents of data leakage or loss, and were not subject to any administrative penalties related to data privacy or cybersecurity. We believe we had complied with the applicable laws and regulations regarding the collection, possession, use and disclosure of data in all material respects during the Track Record Period and up to the Latest Practicable Date.

Regulatory Compliance

Regarding data collection, the Data Security Law mandates that network operators must adhere the principles of "lawfulness, legitimacy and necessity" when collecting and using personal information by stating expressly the rules, purpose, methods and scope of data collection, and obtain consent from the person whose personal information is to be collected (the "**Data Subject**"). Network operators shall not disclose such information to others without prior consent of the Data Subject or having other legal basis on personal information processing.

In terms of data management and data security, the Data Security Law stipulates that whoever carries out data processing activities shall establish a comprehensive data security management system, provide data security education and training, and take necessary technical and organizational measures to ensure data security in accordance with relevant laws and regulations. For more details, see "Regulatory Overview — Laws and Regulations Related to the Protection of Cybersecurity and Data Protection" in this Document.

As (i) we have adopted measures and policies regarding personal information and data security pursuant to applicable laws and regulations; (ii) we have never been subject to any penalties or claims for violating applicable personal information and data security laws and regulations; (iii) we will closely monitor and assess further regulatory developments regarding cybersecurity and data security laws and comply with the latest regulatory requirements; and (iv) our PRC Data Compliance Legal Adviser is of the view that we have taken compliance measures in major aspects of current PRC data privacy and protection laws and regulations during the Track Record Period and up to the Latest Practicable Date in all material aspects, our Directors are of the view that we in all material respects comply with all applicable PRC laws and regulations with respect to data privacy and protection.

SALES AND MARKETING

We primarily sell and market our cloud-based real-time rendering services directly to our target customers through our internal sales and marketing teams.

Our sales strategy focuses on forming partnerships with leading market players in the industry. These partnerships help us reach prospective customers with smaller business scales or volumes. During the Track Record Period, our customers primarily include digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers, most of which are leading market players.

As of December 31, 2024, our marketing team consisted of 18 employees who possess in-depth industry knowledge. Our sales team works closely with our R&D team to ensure that our services address our customers' needs and challenges. We incentivize our sales team with a compensation structure that includes a base salary and performance-based bonuses for surpassing sales targets.

In addition, our marketing team is responsible for increasing brand awareness, promoting our services, maintaining our business relationships with existing customers and managing public relations.

In 2022, 2023 and 2024, our selling and marketing expenses amounted to RMB15.2 million, RMB16.1 million and RMB34.3 million, respectively, accounting for 5.2%, 4.8% and 6.6% of our revenue in the same years, respectively.

Pricing

We generally price our cloud-based real-time rendering services based on service volume. For enterprise customers, we set different daily or monthly unit prices for "instances" of different technical specifications such as regarding image resolution and frame rate. The number of "instances" equals the number of end users of our customer that can access the relevant content or application concurrently at the corresponding technical specification during the day or month. The total price equals the daily or monthly unit price of the selected instance multiplied by the number of units and number of days or months. In setting the daily or monthly unit price, we take into consideration various factors such as our costs and market prices. Customers place prior orders specifying the type, number and duration of the instances based on their own estimates and generally bear the risk of any inaccuracy in such estimates. When we deliver integrated GPU computing solutions, we typically negotiate pricing with customers on a project-by-project basis, in which event we take into consideration various factors such as our workload in the project, our costs, technical complexities of the project and market competition dynamics.

We conduct our cloud-native content business mainly on a project basis. The price is typically determined through a bidding process. We take into consideration various factors such as our projected costs and market competition when participating in the relevant bidding process. In certain application scenarios such as GPUaaS for virtual desktop and AICG co-creation application platform, we provide services to users directly and offer usage-duration-based pricing packages, which are priced based on a number of factors such as our costs, market competition and user preferences.

OUR CUSTOMERS

During the Track Record Period, our customers primarily included digital content operators, gaming platforms, game developers, game tool service providers and mobile hardware manufacturers.

In 2022, 2023 and 2024, revenue from our top five customers amounted to RMB235.6 million, RMB243.3 million and RMB377.5 million, respectively, accounting for 81.2%, 72.3% and 72.7% of our total revenue, respectively. Migu Culture was our largest customer throughout the Track Record Period and contributed RMB123.5 million, RMB156.3 million and RMB185.4 million to our revenue in 2022, 2023 and 2024, respectively, accounting for 42.5%, 46.4% and 35.7% of our total revenue, respectively. Migu Culture is our Shareholder and directly held 13.62% of our Shares as of the Latest Practicable Date. For risks relating to our customer concentration, see "Risk Factors — Risks Relating to our Business and Industry — We have relatively high customer concentration, and a loss of any major customer may adversely affect our business, financial condition and results of operations" in this Document.

During the Track Record Period, our customers typically settled their payments monthly through bank settlement. We typically grant a credit period of up to 90 days to our customers in service agreements, whereas in reality some customers may have longer settlement cycles.

The following tables set forth the details of our top five customers by revenue for the years indicated:

Year ended December 31, 2022

Customer	Background	Products/services purchased	Revenue	% of our total revenue	Year of commencement of business relationship	Credit terms
			(RMB thousands)			
Migu Culture	A PRC company principally engaged in digital content services under China Mobile	GPUaaS for cloud gaming and cloud-native content services	123,457	42.5	2017	30–90 days
Customer A	A PRC company principally engaged in online game development and operation	GPUaaS for cloud gaming	40,668	14.0	2020	40–60 days
Customer B	A PRC company principally engaged in mobile game development and publishing	GPUaaS for cloud gaming	38,276	13.2	2021	15–30 days
Customer C	A PRC company principally engaged in web and mobile gaming services, operating a major online game platform	GPUaaS for cloud gaming	21,909	7.5	2021	15–30 days
Customer D	A PRC company principally engaged in game publishing and distribution, and SDK business	GPUaaS for cloud gaming	11,279	3.9	2020	15–30 days

Year ended December 31, 2023

Customer	Background	Products/services purchased	Revenue	% of our total revenue	Year of commencement of business relationship	Credit terms
			(RMB thousands)			
Migu Culture	A PRC company principally engaged in digital content services under China Mobile	GPUaaS for cloud gaming and cloud-native content services	156,298	46.4	2017	30–90 days
Customer C	A PRC company principally engaged in web and mobile gaming services, operating a major online game platform	GPUaaS for cloud gaming	40,616	12.1	2021	15–30 days
Customer E	A PRC company principally engaged in digital technology services	Cloud-native content services	23,585	7.0	2023	On demand
Customer F	A PRC company principally engaged in digital entertainment technology	GPUaaS for cloud gaming	11,645	3.5	2023	Installment payment according to the contract
Customer G	A PRC company principally engaged in providing cloud computing solutions and digital infrastructure services	Cloud-native content services	11,142	3.3	2023	Installment payment according to the contract

Year ended December 31, 2024

Customer	Background	Products/services purchased	Revenue	% of our total revenue	Year of commencement of business relationship	Credit terms
			(RMB thousands)			
Migu Culture	A PRC company principally engaged in digital content services under China Mobile	GPUaaS for cloud gaming and cloud-native content services	185,407	35.7	2017	30–90 days
Customer H	A PRC company principally engaged in computational infrastructure services, including GPU computing and cloud-based solutions	GPUaaS for cloud gaming	69,554	13.4	2021	Installment payment according to the contract
Customer I	A PRC company principally engaged in the operation and service of digital infrastructure	GPUaaS for cloud gaming	44,244	8.5	2024	Installment payment according to the contract
Customer J	A PRC company principally engaged in online game development and publishing	GPUaaS for cloud gaming	41,310	8.0	2024	Installment payment according to the contract
Customer C	A PRC company principally engaged in web and mobile gaming services, operating a major online game platform	GPUaaS for cloud gaming	37,030	7.1	2021	15–30 days

To the best knowledge of our Directors, except for Migu Culture, none of our Directors and/or their respective close associates, or any of our existing Shareholders who owned more than 5% of the issued capital of our Company, had any interest in any of our top five customers in each year during the Track Record Period.

Relationship with Migu Culture

In 2022, 2023 and 2024, revenue from Migu Culture accounted for 42.5%, 46.4% and 35.7% of our total revenue, respectively.

China Mobile Limited, established in 1997, is the largest telecommunications service provider in China, offering mobile voice and data services, broadband and digital content. As a wholly owned subsidiary of China Mobile, Migu Culture specializes in digital entertainment, including cloud gaming, video streaming and music services. As one of the industry's key players, Migu Culture has a strong presence in the market and serves a broad user base.

Our business relationship with Migu Culture dates back to 2017, when we began providing GPUaaS for cloud gaming solutions. Over the years, our cooperation has expanded beyond GPUaaS to include customized solutions and collaborative product development. Specifically, we customized and developed over 800 platform functions for Migu Culture's cloud gaming services. Our deep integration with Migu Culture's business operations has significantly enhanced its service capabilities and user engagement. Notably, we are the core technology provider for MiguPlay's mobile cloud gaming segment, making our technology an essential component of Migu Culture's cloud gaming business.

In recognition of the strategic importance of our relationship, Migu Culture became our shareholder in May 2021. This investment underscores the value that Migu Culture places on our partnership, as well as its confidence in our technical expertise and long-term growth potential. By aligning our interests, this investment further strengthens our collaboration and solidifies our position as a trusted partner in Migu Culture's cloud gaming ecosystem. As of the Latest Practicable Date, Migu Culture directly held 13.62% of our Shares.

Our Directors are of the view that we maintain a stable business relationship with Migu Culture and do not have undue reliance on it, due to the following factors:

(i) We are a valuable and strategic business partner to Migu Culture

We have built a long-term and stable collaboration with Migu Culture for nearly eight years, accumulating deep expertise in its operational standards, technical requirements and service quality expectations. Migu Culture became our shareholder in May 2021. As of the Latest Practicable Date, Migu Culture held a 13.62% interest in our Company. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with Migu Culture. Our relationship remains strong, and there is no indication that Migu Culture intends to alter our existing collaboration in the near future.

(ii) Switching GPUaaS providers is time-consuming and costly for Migu Culture

As a leading cloud gaming platform, Migu Culture prioritizes service stability, technical reliability and long-term partnerships with proven GPUaaS providers to mitigate risks associated with service quality, latency and performance disruptions. The process of identifying and approving a new GPUaaS provider is generally complex and time-consuming, involving rigorous selection procedures and evaluation criteria, typically through formal tender processes. Given our track record of meeting Migu Culture's technical and service requirements, our Directors believe that we are well-positioned to continue passing its regular assessments and remain a preferred partner.

(iii) We have successfully diversified our customer base

While Migu Culture remains our key customer, we have actively expanded our customer portfolio. The number of our GPUaaS for cloud gaming customers increased from 44 in 2023 to 69 in 2024. The percentage of our total revenue derived from Migu Culture decreased from 46.4% in 2023 to 35.7% in 2024. Our Directors are confident that, as we continue implementing our growth strategies set out in "Our strategies" in this section, our revenue contribution from other customers will further increase, ensuring that we do not have any undue de facto reliance on Migu Culture.

Overlapping of Customers and Suppliers

During the Track Record Period, Migu Culture, a wholly-owned subsidiary of China Mobile, was our largest customer, primarily engaging our GPUaaS for cloud gaming and cloud-native content services. In 2022, 2023 and 2024, revenue generated from Migu Culture amounted to RMB123.5 million, RMB156.3 million and RMB185.4 million, accounting for 42.5%, 46.4% and 35.7% of our total revenue for the respective periods.

China Mobile, the parent company of Migu Culture, was one of our top five suppliers in 2022, primarily providing us with integrated resource services comprising computing power, three-line network access and IDC service. Our engagement with China Mobile began in 2021, when we experienced a surge in customer demand and required immediate access to scalable computational resources. China Mobile was selected as our computational resources providers since 2021, primarily due to its strong infrastructure capabilities, extensive network coverage and proven service quality. Following the expansion of our computing power in 2023, our reliance on China Mobile for such resources significantly decreased. Accordingly, our purchases from China Mobile in 2023 and 2024 became minimal. In 2022, 2023 and 2024, the purchase amount attributable to China Mobile amounted to RMB23.7 million, RMB0.5 million and nil, accounting for 8.2%, 0.2% and nil of our total purchases for the respective periods. In connection with the provision of GPUaaS for cloud gaming and the development of China Mobile's digital cultural tourism project, revenue generated from China Mobile amounted to nil, RMB0.6 million and RMB2.7 million in 2022, 2023 and 2024, respectively, accounting for nil, 0.2% and 0.5% of our total revenue for the respective periods.

Although Migu Culture and China Mobile are ultimately controlled by the same group, the commercial terms and negotiations for the provision of services to Migu Culture and the procurement of resources from China Mobile were conducted separately and independently, based on our own business considerations and on an arm's-length basis. The sales and purchases with Migu Culture and China Mobile, respectively, were neither interconnected nor inter-conditional.

In addition, Customer J was also our supplier during the Track Record Period. Customer J was our fourth largest customer in 2024. During the Track Record Period, we provided GPU servers and embedded software for real-time rendering to Customer J. At the same time, we received IDC services from Customer J for our business.

Customer H and Supplier C are under the same control. Customer H was our second largest customer in 2024. Supplier C was our fifth largest supplier in 2022, third largest supplier in 2023 and second largest supplier in 2024. During the Track Record Period, we provided GPU servers and embedded software for real-time rendering to Customer H. At the same time, we leased computing resources and received IDC services from Supplier C for our business.

In 2022, 2023 and 2024, the purchase amount attributable to Customer J and Supplier C amounted to RMB21.7 million, RMB25.3 million and RMB83.0 million, accounting for 8.4%, 8.1% and 19.1% of our total purchases for the respective periods. In 2022, 2023 and 2024, revenue generated from Customer J and Customer H amounted to nil, nil and RMB110.9 million, accounting for nil, nil and 21.3% of our total revenue for the respective periods.

Our Directors confirm that all of our transactions with all overlapping customer-suppliers were entered into in the ordinary course of business, on normal commercial terms and at arm's-length. Such overlapping does not give rise to any undue influence or conflict of interest in our operations. To the best knowledge and belief of our Directors, save for Migu Culture and China Mobile, these overlapping customer-suppliers are Independent Third Parties. Save as disclosed above, to the best knowledge of our Directors, we did not have any other overlap between our major customers and major suppliers during the Track Record Period.

OUR SUPPLIERS

Our suppliers primarily comprise server manufacturers, cloud computing power leasing operators and IDC operators. In 2022, 2023 and 2024, purchases from our top five suppliers amounted to RMB191.0 million, RMB215.0 million and RMB304.9 million, respectively, accounting for 74.3%, 69.2% and 70.1% of our total purchases, respectively. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB99.5 million, RMB95.0 million and RMB127.3 million, respectively, accounting for 38.8%, 30.6% and 29.2% of our total purchases, respectively. For risks relating to our major suppliers, see "Risk Factors — Risks Relating to our Business and Industry — We are exposed to risks related to concentration of suppliers and certain customer-supplier overlap" in this Document.

The following tables set forth the details of our top five suppliers by purchase amount for the years indicated:

Year ended December 31, 2022

Supplier	Background	Products/services provided to us	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit terms
			(RMB thousands)			
UCloud	A PRC company principally engaged in providing cloud computing services	Server rental, IDC	99,525	38.8	2020	7–30 days
Supplier A	A PRC company principally engaged in cloud service offerings	Server rental, IDC	24,164	9.4	2021	30 days
China Mobile	A PRC company principally engaged in telecommunications services	Computing service purchase	23,689	9.2	2021	10–20 business days
Supplier B	A PRC company principally engaged in providing cloud computing and data service solutions	Server purchase	21,934	8.5	2021	15 days
Supplier C	A PRC company principally engaged in IDC services	Server rental, IDC	21,701	8.4	2021	30 business days

Year ended December 31, 2023

Supplier	Background	Products/services provided to us	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit terms
			(RMB thousands)			
UCloud	A PRC company principally engaged in providing cloud computing services	Server rental, IDC	95,008	30.6	2020	7–30 days
Supplier B	A PRC company principally engaged in providing cloud computing and data service solutions	Server purchase	48,518	15.6	2021	15 days
Supplier C	A PRC company principally engaged in IDC services	Server rental, IDC	25,280	8.1	2021	30 business days
Supplier D	A PRC company principally engaged in providing cloud networking, content delivery network and edge computing solutions	Advertising service	25,000	8.0	2023	25 days
Supplier A	A PRC company principally engaged in cloud service offerings	Server rental, IDC	21,211	6.8	2021	30 days

Year ended December 31, 2024

Supplier	Background	Products/services provided to us	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit terms
			(RMB thousands)			
Supplier E . . .	A PRC company principally engaged in AI infrastructure services, including high-performance computing and data center solutions	Server purchase	127,307	29.3	2023	Installment payment according to the contract
Supplier C . . .	A PRC company principally engaged in IDC services	Server rental, IDC, computing service purchase	77,488	17.8	2021	30 business days
UCloud	A PRC company principally engaged in providing cloud computing services	Server rental, IDC	65,778	15.1	2020	7–30 days
Supplier F. . . .	A PRC company principally engaged in software development and IT service integration	Hardware purchase	22,738	5.2	2017	On demand
Supplier G . . .	A PRC company principally engaged in digital marketing technology	Advertising service	11,613	2.7	2016	15 business days

Among our top five suppliers during the Track Record Period, China Mobile was our indirect shareholder, and UCloud was our shareholder. As of the Latest Practicable Date, China Mobile indirectly held approximately 13.62% of the equity interests in our Company through Migu Culture, while UCloud held approximately 7.3% of the equity interests in our Company. China Mobile was our third largest supplier in 2022, while UCloud was our largest supplier in both 2022 and 2023, and our third largest supplier in 2024. To the best knowledge of our Directors, except for China Mobile and UCloud, none of our Directors and/or their respective close associates, or any of our existing Shareholders who owned more than 5% of the issued capital of our Company, had any interest in any of our top five suppliers in each year during the Track Record Period.

Supplier selection and evaluation

We require all suppliers to possess valid business licenses and relevant qualifications necessary to provide the contracted services. Suppliers must be capable of delivering services in a timely, stable and reliable manner, and must also maintain adequate after-sales service capabilities.

Suppliers are identified and engaged through both online channels and offline sources, including our existing qualified supplier database, industry recommendations, targeted sourcing and tender processes.

The selection process includes a review of the supplier's legal qualifications, operational capacity and relevant experience. Technical capability assessments are conducted by our technical teams and cover past project performance, technical expertise, team composition and industry reputation. Pricing is also considered, with selection based on a balance of quality, cost and logistical proximity.

We maintain a centralized supplier database and implement categorized management based on supplier type. Suppliers are evaluated across several criteria, including corporate qualifications, delivery performance, service quality, cost efficiency and technical competence.

We have established an internal evaluation process under which the performance of suppliers is periodically reviewed. We continuously monitor each supplier's ability to improve service quality and reduce costs. Suppliers are subject to ongoing performance review, and those that meet or exceed expectations may be prioritized for future collaboration. Suppliers that fail to meet required standards in two consecutive evaluations may be disqualified from our approved supplier list, subject to internal assessment and approval from relevant departments.

COMPETITION

According to CIC, the cloud-based real-time rendering industry is highly competitive. Our current and potential competitors mainly include (i) large internet companies with in-house cloud rendering capabilities and strong R&D resources; (ii) cloud-based real-time rendering service providers that offer similar services; and (iii) other real-time rendering service providers that focus on niche application scenarios within specific industries such as cloud gaming and metaverse. Our competitors may compete with us in a variety of ways, including by offering lower prices, investing in broader marketing campaigns, enhancing their technological capabilities, expanding service offerings, improving user experience, or forming strategic alliances with upstream GPU vendors or downstream application developers.

We believe our leading market position, efficient cloud infrastructure, scalable and flexible GPUaaS platform, strong customer relationships, and our focus on delivering high-quality services adapted for real-time rendering scenarios across multiple industries distinguish us from our competitors. See "Industry Overview — Competitive Landscape of Cloud-based Real-time Rendering Industry for Cloud Gaming" and "— Our Competitive Strengths" for further details. See also "Risk Factors — Risks Relating to Our Business and Industry — If we cannot compete effectively, our business, financial condition and results of operations could be harmed."

EMPLOYEES

As of December 31, 2024, we had 398 full-time employees located in China. The following table sets forth a breakdown of our employees by business function as of December 31, 2024:

Business Function	Number of Employees	Percentage of Total (%)
R&D	262	65.8
Products and Operations	83	20.9
Marketing	18	4.5
Administration	35	8.8
Total	**398**	**100.0**

During the Track Record Period and up to the Latest Practicable Date, none of our employees were represented by labor unions.

Recruitment Policy

We recruit employees based on a variety of factors, such as staffing needs, expansion plans and candidates' work experience and educational backgrounds. Recruitment channels include recruitment websites, headhunting agencies and employee referrals.

We enter into standard employment agreements and confidentiality agreements with all of our employees. We also include standard non-compete clauses in employment agreements with key personnel, particularly our core R&D staff, to restrict them from competing with us during their employment and for two years after the termination of employment, provided we compensate them during the restriction period.

Training

We have comprehensive training programs in place for all levels of staff, from entry-level to management. These programs cover corporate culture, strategies, internal control, internal policies, business skills, and other professional development areas led by either internal or external experts to enhance employees' professional skills and productivity. We also provide employees with opportunities to attend external professional courses.

Compensation and Benefits

Our success depends heavily on our ability to attract, retain and motivate talented employees. To achieve this, we offer competitive salaries, performance-based bonuses, regular awards and long-term incentives.

As required by PRC social insurance regulations, we provided mandatory social insurance for our employees, including housing provident funds, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance, under which we contribute a specified percentage of employees' salaries.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We are committed to protecting the environment and promoting corporate social responsibility. Our Board is responsible for formulating our strategies and policies on environmental, social and governance ("**ESG**") matters, and evaluating and assessing the ESG-related risks.

As a cloud-based real-time rendering service provider, we do not operate any production facilities. Instead, we primarily carry out our business in the office, the IDCs and online. Therefore, we are not subject to significant health, safety or environmental risks in our daily operations. However, we are committed to a green management philosophy, and have adopted energy conservation measures to reduce our energy consumption. We have been, and will continue to be, devoting resources into ESG management.

ESG Governance

Pursuant to our ESG Policy, our Board is responsible for setting up our Group's overall ESG governance management policies, strategies, priorities and targets, reviewing our ESG Policy on an annual basis to ensure its effectiveness, and fostering a culture of acting in accordance with the core ESG values.

In addition, we have established an ESG committee, which is responsible for overseeing and guiding the ESG initiatives of our Group. The ESG committee reports to our Board on ESG-related matters. Furthermore, our business departments are responsible for implementing the ESG initiatives in accordance with established goals and action plans and providing regular reports to the ESG committee.

Environmental Protection and Climate-related Matters

During the Track Record Period, due to the nature of our business and the industry we are in, we did not incur material costs in relation to the compliance of relevant environmental laws and regulations. Our business hardly produces pollutant emissions in the ordinary course of business as our operations involve neither significant consumption of fossil fuels nor release of contaminants to the environment. Although the environmental impact directly caused by us is minimal, our operations may have indirect environmental impacts, such as the greenhouse gas emissions for our use of IDC and datacenter services.

Potential Impact of ESG-related Risks

We have identified potential acute and chronic physical risks from climate change, especially extreme weather conditions, which may have a potential impact on our business operations and financial condition. Extreme weather conditions, such as rainstorms and typhoons, may result in power outage and IT infrastructure damage to us and our service suppliers. Customers may experience service outages and data loss that may subject us to financial liabilities and reputational damage. To address these challenges, we have established emergency plans, such as deploying back-up power supply and adopting data protection measures.

Additionally, the transformation to a low-carbon economy entails changes in climate-related regulations and policies, which may give rise to potential transition risks. Increasingly tightened environmental regulations may require significant investment to be made to operate our business in an eco-friendlier fashion. Any failure to respond to the public's growing environmental awareness may result in reputational damage and customer losses.

Climate Risks Relating to IT Infrastructures

During the Track Record Period, we procured data center services from external IDCs to host our IT infrastructure. These data centers require significant amount of electricity to operate servers, cooling systems and auxiliary equipment, and power plants primarily rely on fossil fuels, the combustion of which releases greenhouse gases, particularly CO2, resulting in substantial environmental impacts due to intensive energy consumption as well as carbon footprint. Additionally, the cooling systems in data centers typically utilize refrigerants that can damage the ozone layer and exacerbate global warming.

Since our business operations rely on IDCs' datacenter services, we may be exposed to several climate risks, including:

- *Energy price volatility.* As the demand for energy increases, the cost of energy can become more volatile. Potential price increases could impact the operating costs of IDCs and data centers, and ultimately, the prices our suppliers charge us.

- *Physical risks from extreme weather events.* IDCs and data centers may be vulnerable to physical risks, such as floods, hurricanes and wildfires which can damage critical infrastructure, disrupt services and result in downtime of our services.

- *Regulatory risks.* Governments and regulatory bodies are taking actions to address climate change, which could result in new regulations and policies that impact the operations of IDCs and data centers.

- *Reputation risks.* Customers and stakeholders are becoming more aware of the environmental impact of IDCs and data centers and may choose to avoid companies that are perceived to have a negative impact on the environment.

To mitigate climate risks, we prioritize energy efficiency when selecting service vendors that have implemented sustainable practices and committed to reducing their carbon footprint.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material fine, claim or administrative penalties arising from non-compliance with applicable environmental laws and regulations. We will comply with the ESG reporting requirements after **[REDACTED]** and the responsibility to publish the ESG Report on an annual basis in accordance with Appendix C2 to the Listing Rules.

Metrics and Targets on ESG-related Risks

Energy Consumption

We currently do not operate any manufacturing facilities. Our energy consumption is primarily focused on office utilities such as water and electricity, which represents a small portion of overall energy use compared to high energy consuming industries.

We have implemented guidelines and measures to reduce electricity and water consumption in our offices, including:

- Displayed energy-saving reminders near light switches, air conditioner panels and faucets;
- Assigned personnel to conduct scheduled inspections and ensure power to unoccupied areas is shut off within one hour;
- Encouraged employees to switch off all electrical appliances, including lights and air conditioners, upon leaving meeting rooms;
- Formed dedicated inspection teams prior to public holidays to ensure timely shutdown of non-essential power sources; and
- Provided detailed lighting zone guidance and employee training to enable precise activation of lighting in personal work areas.

Waste Emission

During the Track Record Period, no hazardous waste was generated in view of the nature of our business. The waste generated by us is non-hazardous in nature, minimal in quantity and mainly from our day-to-day office activities. Due to its insignificant amount, we did not maintain any waste records. However, to enhance our environmental protection efforts and reduce waste generation, we have adopted the following internal initiatives:

- Promoted waste sorting among employees, with designated waste separation areas;
- Tasked our cleaning team with daily categorized waste collection, including sorting and recycling of items such as plastic bottles and cardboard boxes in coordination with on-site recycling facilities; and
- Installed used paper collection boxes in all printing areas to encourage reuse of single-sided printed paper.

Occupational Health and Safety

We strive to maintain a diverse and inclusive workplace, offering equal opportunities to all employees, regardless of gender, age, race, religion, or any other personal characteristics. We value the contributions of each employee and provide fair compensation, along with opportunities for professional development.

In compliance with PRC health and safety regulations, we have established safety guidelines to ensure the well-being of our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents involving personal injuries or property damage, nor were we subject to fines or penalties for non-compliance with health and safety regulations.

Social Responsibility

We are committed to making a positive impact on society through initiatives focused on education and technology development. As part of this effort, we visited schools to introduce students to the concept of the metaverse and showcased our product platform by generating images from verbal descriptions to engage their interest in technology.

Furthermore, we have partnered with domestic software and hardware companies to help create high-performance, domestically-controlled computing infrastructure. This collaboration supports the growth of China's digital economy and ensures the sustainable development of local technological capabilities.

INSURANCE

During the Track Record Period, we provided mandatory social insurance for our employees as required by PRC social insurance regulations, including housing provident funds, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

Our Directors consider our insurance policy is in line with the general market practice and complies with the relevant rules and regulation in China. See "Risk Factors — Risks Relating to our Business and Industry — We may not have sufficient insurance coverage, which could expose us to significant costs and business disruption" in this Document. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance plans to align with our needs and market practice. As of the Latest Practicable Date, we had not experienced any business interruptions that had a material adverse effect on our business.

PROPERTIES

Owned Properties

As of the Latest Practicable Date, we did not own any properties.

Leased Properties

As of the Latest Practicable Date, we leased four properties in Beijing and certain other cities where we operate with an aggregate GFA of approximately 6,166.5 sq.m., which were primarily used as office premises. The leases generally have a term ranging from one to five years.

As of the Latest Practicable Date, one of our leased properties had title defects that may adversely affect our ability to continue to use it in the future. We primarily used such properties as office premises. The existence of title defects is mainly due to inconsistency between the intended purposes contained in the property ownership certificates and the actual use of property. As of the date of this Document, we are not aware of any challenge being made by a third party or government authority on the titles of any of these leased properties that might have a material adverse effect on our current leases.

According to relevant laws and regulations and as confirmed by our PRC Legal Adviser, the lessors shall be responsible for the circumstances that the intended purposes stated in the property ownership certificates are inconsistent with the actual use of property. Accordingly, our PRC Legal Adviser are of the view that we are not subject to any material administrative penalty for any of the title defects in the leased properties. Moreover, according to relevant PRC laws and regulations, the lessee has the right to claim compensation if the lease agreement is invalid due to the lessor's fault. If our ability to continue leasing such properties is affected by a third-party objection, we may seek indemnity from the lessor in accordance with relevant PRC laws and regulations. We believe there is a sufficient reservoir of comparable alternative properties in proximity, and therefore do not expect to incur significant time and cost for identifying alternatives in the less likely event that we were required to do so.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部). As of the Latest Practicable Date, we had not obtained lease registration for three of the properties we leased in China. See "Risk Factors — Risks Relating to our Business and Industry — We are subject to risks in relation to leased properties." To minimize the potential negative impact of the non-registered leases on our operations, we continue to communicate with such lessors to seek their cooperation to complete the registration process. As advised by our PRC Legal Adviser, the lack of registration of the lease agreements does not affect the validity of such lease agreements. According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine of up to RMB10,000 for each non-registered lease. As of the Latest Practicable Date, we had not received any such request or suffered any such fine from the relevant government authorities.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material difficulties in renewing lease agreements or locating new premises for our facilities. We do not foresee any major challenges or impediments in renewing the relevant leases upon their expiration. If we need to add or relocate to new facilities, or expand existing facilities to accommodate additional employees, we believe that suitable space will be available to accommodate our operations.

As of December 31, 2024, we had no single property with a carrying amount of 15% or more of our total assets. As such, this Document is exempted from the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

LICENSES, PERMITS AND APPROVALS

We are required to obtain licenses, permits, approvals and certificates for certain business operated by us from the relevant government authorities as required under PRC laws and regulations. As advised by our PRC Legal Adviser, we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date.

The following table sets forth the key licenses and permits that were material to our business and operations as of the Latest Practicable Date.

License/Permit	Holder	Granting Authority	Grant Date	Expiration Date
Value-Added Telecommunications Business Operating License (增值電信業務經營許可證)	Company	MIIT	April 16, 2024	April 16, 2029
Value-Added Telecommunications Business Operating License (增值電信業務經營許可證)	Haimacloud (Tianjin) Information Technology Co., Ltd. (海馬雲(天津)信息技術有限公司)	MIIT	March 28, 2023	March 28, 2028
Value-Added Telecommunications Business Operating License (增值電信業務經營許可證)	Anhui Haimacloud Intelligent Technology Development Co., Ltd. (安徽海馬雲智能科技發展有限公司)	MIIT	May 19, 2025	May 9, 2030

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

From time to time, we may be involved in various litigation, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no material legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, result of operations and financial condition.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established, and continue to maintain, comprehensive risk management and internal control systems comprising policies and procedures that we consider appropriate and effective for our business operations. We are committed to the ongoing enhancement of these systems to align with the evolving needs of our business and regulatory environment. Our risk management framework covers key areas of our operations, such as information and data security, intellectual property, regulatory compliance, financial reporting and human resources.

Information and Data Security Risk Management

To ensure a healthy and sustainable development of our business, we are dedicated to building and maintaining robust information security management and operational risk management systems through comprehensive internal policies and procedures. We have adopted a rigorous encrypted algorithm to store data and have strictly executed a data access and transmitting policy to ensure the confidentiality of our customer data. We have also implemented rigorous internal control mechanisms and data access management procedures as well as detailed authorization and operation procedures regarding customer data processing. We also provide regular data protection training to all relevant personnel to reinforce awareness and compliance. To mitigate the risk of data loss, we maintain a redundant data backup system that stores encrypted data across geographically dispersed servers. We regularly conduct data recovery tests to assess the reliability and integrity of our backup infrastructure.

Intellectual Property Risk Management

In addition to filing trademark and patent applications, we have implemented a series of key measures to proactively manage intellectual property risks and safeguard our proprietary technologies and assets. These measures include: (i) establishing a dedicated legal taskforce focused on intellectual property matters, responsible for guiding, managing, supervising and monitoring all IP-related activities across our operations; (ii) ensuring that registrations for relevant IP rights are filed prior to the commencement of related business activities; (iii) promptly registering, filing and applying for the legal ownership of our intellectual properties as they arise; (iv) actively monitoring the status of our IP registrations and authorizations, and taking timely

action in response to any identified potential infringements or conflicts; and (v) incorporating clear and comprehensive provisions relating to the ownership, use and protection of IP rights in all employment agreements and commercial contracts.

Regulatory Compliance Risk Management

To effectively manage our exposure to compliance and legal risk, we have implemented comprehensive internal procedures to ensure that our business operations remain fully compliant with applicable laws and regulations. Our legal department plays a central role in our compliance framework, which is primarily responsible for reviewing and updating standard contract templates, as well as examining the terms of all business agreements prior to execution. As part of the contract review process, our legal team conducts thorough due diligence, including verifying the validity of licenses and permits held by counterparties and assessing their ability to perform contractual obligations. In addition, our legal department oversees the preparation and submission of applications for required governmental approvals, filings and consents, ensuring that such procedures are completed in a timely manner and in accordance with regulatory requirements. We continuously monitor developments in applicable laws and regulations and revise our internal compliance policies and legal document templates accordingly to maintain alignment with the latest legal standards.

We have established an employee handbook, approved by senior management and distributed to all employees, which outlines our internal policies on workplace conduct, ethics, confidentiality, anti-bribery and anti-corruption. To reinforce compliance awareness, we provide regular training sessions to ensure that all employees fully understand and adhere to the principles and guidelines set out in the handbook.

Financial Reporting Risk Management

We have implemented a comprehensive set of accounting policies related to financial reporting risk management. These policies include financial reporting management policies, budget management policies, financial statement preparation policies and finance department management procedures. We also have various procedures in place to ensure the proper implementation of these policies, and our finance department regularly reviews management accounts based on these procedures. Additionally, we provide regular training to our finance department staff to ensure that they understand and apply our financial management and accounting policies in daily operations.

Human Resources Risk Management

We recognize the importance of continuous training to support our employees' professional growth and maintain compliance with our anti-bribery and anti-corruption policies. Our training department organizes regular internal sessions, often led by senior instructors or external consultants, to address relevant topics. Employees can vote on the topics of interest, ensuring the training is aligned with their needs. We regularly evaluate the effectiveness of our training through feedback and follow-up assessments.

We also maintain an employee handbook and a code of conduct, which outline work ethics, fraud prevention and anti-corruption policies. Employees are provided with regular training to ensure they fully understand and adhere to these guidelines.

Internal Control Risk Management

We have established strict internal control mechanisms to ensure compliance with relevant rules and regulations. Our internal control team, under the supervision of senior management, works closely with business units to (i) perform risk assessments and give advice on risk management strategies, (ii) improve business process efficiency and monitor internal control effectiveness, and (iii) promote risk awareness throughout our Company. We continually review and enhance our risk management policies and procedures to ensure their effectiveness.

Board Oversight

To ensure the ongoing implementation of our risk management policies and corporate governance measures after the **[REDACTED]**, we have established an audit committee. This committee is responsible for reviewing and supervising our financial reporting process, internal control system, and the overall implementation of risk management policies.

The audit committee consists of three independent non-executive directors, with Mr. So Chi Kai serving as the chairman. For further details on the professional qualifications and experience of the committee members, see "Directors and Senior Management".

We have also established an internal audit department, responsible for evaluating the effectiveness of our risk management policies. The department regularly reports to the audit committee on any issues identified during their audits. Regular meetings are held to discuss internal control issues and implement necessary corrective actions, ensuring that any major issues are communicated to the committee in a timely manner.

AWARDS AND RECOGNITION

The following table sets forth the major awards and recognition we had received during the Track Record Period and up to the Latest Practicable Date:

Award Year	Award/Recognition	Awarding Institution/Authority
2024	Specialized, Refined, Distinctive and Innovative "Little Giant" Enterprise (專精特新"小巨人"企業)	MIIT (工業和信息化部)
	Esports Level Cloud Computer Evaluation Certificate (電競級雲電腦測評證書) ; Excellence Certification for High-Performance Cloud Workstation (高性能雲端工作站卓越級證書)	China Telecommunication Technology Labs (中國泰爾實驗室)
	The Most Influential Enterprise of the Year (年度最具影響力企業) Best Metaverse Computing- Network Technology Foundation (最佳元宇宙算網技術底座); Best Metaverse Software Product and Solution (最佳元宇宙軟件產品及解決方案); Best Metaverse Cultural Tourism Innovation Application (最佳元宇宙文旅創新應用); Best Metaverse XR Innovation Application (最佳元宇宙XR創新應用)	Interactive Video Computing Association of Fuzhou, the Organizing Committee of the 4th Digital Interactive and Metaverse Industry Innovation Competition Committee (福州市互動視頻計算協會第四屆數字互動與元宇宙行業創新大賽組委會)
2023	Certificates of Excellence in Platform Service Capability, Comprehensive Capability and Output Capability of Cloud-Based Real-Time Rendering (實時雲渲染平台服務能力、實時雲渲染綜合能力及實時雲渲染輸出能力的卓越級證書)	China Telecommunication Technology Labs (中國泰爾實驗室)
	Top 30 Quasi-Unicorn Startups with Technological Innovation (科技創新准獨角獸TOP30)	Pencil News (鉛筆道)

Award Year	Award/Recognition	Awarding Institution/Authority
	The Most Influential Enterprise of the Year (年度最具影響力企業); Best Real-Time Interactive Solution (最佳實時互動解決方案); Best Real-Time Interactive Innovation Application (最佳實時互動創新應用); Best Real-Time Interactive Service Platform (最佳實時互動服務平台); Best Real-Time Interactive Infrastructure (最佳實時互動基礎設施)	Interactive Video Computing Association of Fuzhou, the Organizing Committee of the 3rd Digital Interactive Industry Innovation Competition Committee (福州市互動視頻計算協會第三屆數字互動行業創新大賽組委會)
2022	Top 100 High-Growth Enterprises in Zhong Guan Cun in 2022 (2022中關村高成長企業TOP 100)	Zhicheng Enterprise Research Institute (智成企業研究院)
	Beijing "Specialized, Refined, Distinctive and Innovative" Little Giant Enterprise (北京市"專精特新"小巨人企業)	Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局)
	WISE 2022 King of New Economy Enterprise of the Year (WISE 2022新經濟之王年度企業名冊)	36Kr (36氪)
	Annual Most Influential Enterprise (年度最具影響力企業); Best Real-Time Interactive Service Platform (最佳實時互動服務平台)	Interactive Video Computing Association of Fuzhou, the Organizing Committee of the 2nd Digital Interactive Industry Innovation Competition Committee (福州市互動視頻計算協會第二屆數字互動行業創新大賽組委會)

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As at the Latest Practicable Date, (i) the Concert Party Group, consisting of Zhixing Jiashi, Aixin and Aijing, were collectively interested in approximately 19.70% of the Shares, and pursuant to the Concert Party Agreement, Aixin and Aijing will follow Zhixing Jiashi's vote to arrive at a unanimous consent in case of any disagreement in aligning votes in the Shareholders' meeting; (ii) Haima Leyun, Yifeng Joint and Huiju Jiashi were collectively interested in approximately 7.65% of the Shares; and (iii) Mr. Dang, by virtue of his role as the general partner of each of Zhixing Jiashi, Haima Leyun, Yifeng Joint and Huiju Jiashi and considering the Concert Party Agreement, was deemed to be interested in approximately 27.35% of the Shares. Accordingly, Mr. Dang, the Concert Party Group, Haima Leyun, Yifeng Joint and Huiju Jiashi constitute our single largest group of Shareholders, holding in aggregate approximately 27.35% of the Shares as of the Latest Practicable Date.

Immediately following the completion the **[REDACTED]**, our Single Largest Group of Shareholders will in aggregate hold approximately **[REDACTED]** of the Shares (assuming the **[REDACTED]** is not exercised).

For details of the Concert Party Group and their shareholding in our Company, see "History, Development and Corporate Structure".

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Single Largest Group of Shareholders and their close associates after **[REDACTED]**.

Management Independence

We are able to carry on our business independently from our Single Largest Group of Shareholders from management perspective. Our Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Dang, a member of our Single Largest Group of Shareholders, is also one of our executive Directors.

Our Directors are of the view that our Company is able to function independently from our Single Largest Group of Shareholders for the following reasons:

(a) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see "Directors and Senior Management — Senior Management";

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review; and

(d) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. See "— Corporate Governance" below for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from our Single Largest Group of Shareholders and their close associates after the **[REDACTED]**.

Operational Independence

We do not rely on our Single Largest Group of Shareholders and their close associates for our operations. While we are led by our executive Directors (one out of which is also a member of our Single Largest Group of Shareholders) and other senior management team, we have our own departments specializing in business development, research and development, administration, finance, internal audit, information technology, sales and marketing, human resources, legal and compliance, or company secretarial functions. Such departments specializing in these respective areas have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

As of the Latest Practicable Date, the Group did not expect to have any continuing connected transactions in its ordinary and usual course of business with any of our Single Largest Group of Shareholders or their respective associates upon the **[REDACTED]**.

Based on the above, our Directors believe that we are able to operate independently from our Single Largest Group of Shareholders and their close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department. We do not expect to rely on our Single Largest Group of Shareholders and their close associates for financing after the **[REDACTED]** as we expect that our working capital will be funded by the cash, cash equivalent on hand as well as the **[REDACTED]** from the **[REDACTED]**.

During the Track Record Period, Mr. Dang and/or his spouse provided several personal guarantees to secure certain of our Group's bank borrowings (the "**Guaranteed Loans**"). As of December 31, 2024, the outstanding principal amount of the Guaranteed Loans was approximately RMB94 million. As of the Latest Practicable Date, some of the guarantees provided by our Single Largest Group of Shareholders to our Group will be released upon maturity of the relevant Guaranteed Loans before **[REDACTED]**, or will be released upon **[REDACTED]** as agreed with the relevant banks. However, due to the long procedures on the releasing of guarantees within certain banks, it is expected that some of the guarantees provided by our Single Largest Group of Shareholders to the Group will remain outstanding after **[REDACTED]**, and the outstanding principal amount of the relevant Guaranteed Loans after **[REDACTED]** ("**Outstanding Guarantees**") will be approximately RMB123.8 million. See "Financial Information — Related Party Transactions" and Note 30 of the Accountants' Report as set out in Appendix I to this Document for details. We believe that the Outstanding Guarantees would not affect our financial independence for the following reasons:

(1) we are able to obtain independent financing. In 2024 and 2025, we secured several credit facilities of RMB372 million in aggregate on normal commercial terms without any guarantee of security from our Single Largest Group of Shareholders or their respective close associates (other than our Group) (the "**Credit Facilities**"). The Credit

Facilities would remain valid before December 31, 2025. As of the Latest Practicable Date, an amount of RMB210 million of the Credit Facilities had not been utilized, which exceeds the Outstanding Guarantees.

(2) we have a robust financial position with an established business record. Our revenue increased from RMB290.3 million in 2022 to RMB336.6 million in 2023, and further increased to RMB519.5 million in 2024, representing a CAGR of 33.8% between 2022 and 2024. Our gross profit increased from RMB61.6 million in 2022 to RMB89.4 million in 2023, and further increased to RMB129.4 million in 2024, representing a CAGR of 44.9% between 2022 and 2024. We also maintain a strong cash position, with cash and cash equivalents of RMB26.2 million as of December 31, 2024. Despite that the amount of the Credit Facilities together with our cash and cash equivalents well exceeds the aggregated amount of the Outstanding Guarantees, we expect to generate sufficient cash flows to settle the Outstanding Guarantees during our ordinary course of business operations;

(3) We have been able to obtain several rounds of financing in the past five years, which shows our ability to obtain external investment funds. For our previous investment funds raised from the Pre-**[REDACTED]** Investments, please see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments".

(4) we do not expect any increase in the amount of loans guaranteed by our Single Largest Group of Shareholders after **[REDACTED]**. Also, we have been continuing our efforts to negotiate with the relevant banks to reduce such guaranteed amount.

Save for the above, as of the Latest Practicable Date, our Group did not rely on our Single Largest Group of Shareholders and/or their close associates for any provision of financial assistance. Our Directors confirm that as of the Latest Practicable Date, save for the above, none of our Single Largest Group of Shareholders or their close associates had provided any loans, guarantees or pledges to our Group and our Group did not provide any loans, guarantees or pledges to our Single Largest Group of Shareholders.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Single Largest Group of Shareholders and their close associates.

INTERESTS OF OUR SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESSES

Our Single Largest Group of Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance, upon **[REDACTED]**.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders or any of their respective associates has a material interest, our Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon **[REDACTED]**, if our Company enters into connected transactions with a member of our Single Largest Group of Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;

(c) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and believe our independent non-executive Directors (i) possess sufficient and diverse experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management — Directors — Independent non-executive Directors";

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisors, valuers or legal advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Patrons Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage any conflicts of interest between our Group and our Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.

OVERVIEW

As of the Latest Practicable Date, Migu Culture directly held approximately 13.62% of the Shares and will directly hold approximately **[REDACTED]** of the Shares upon **[REDACTED]**. Following the **[REDACTED]**, Migu Culture and its subsidiaries will constitute our connected persons under Chapter 14A of the Listing Rules. We have entered into certain agreements with Migu Culture during the Track Record Period. Upon **[REDACTED]**, the transactions contemplated under such agreements will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

DISCONTINUED CONNECTED TRANSACTIONS

During the Track Record Period, we purchased integrated resource services comprising computing power, three-line network access and IDC service from China Mobile, with the aggregate historical transaction amount paid by our Group for the years ended December 31, 2022, 2023 and 2024 of approximately RMB23.7 million, RMB0.5 million and nil, respectively. In connection with the provision of GPUaaS for cloud gaming and the development of China Mobile's digital cultural tourism project, our revenue generated from China Mobile amounted to nil, RMB0.6 million and RMB2.7 million for the years ended December 31, 2022, 2023 and 2024, respectively. There was no long-term agreement entered into between our Group and China Mobile with respect to such transactions. Instead, the service orders between our Group and China Mobile were placed at the agreed service fee after arm's length negotiation on a case-by-case basis. Neither the provision of mobile cloud related services by China Mobile to our Group, nor the provision of GPUaaS for cloud gaming by our Group to China Mobile, is expected to continue after the **[REDACTED]**.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS WITH MIGU CULTURE

Services provided to Migu Culture

During the Track Record Period, we have provided various GPUaaS services to Migu Culture and its subsidiaries.

Principal Terms of the Comprehensive Service Framework Agreement

On [•], 2025, We entered into a comprehensive service framework agreement with Migu Culture (for itself and on behalf of its subsidiaries), pursuant to which, Migu Culture and its subsidiaries agree to purchase the following services from our Group for an initial term commencing on the **[REDACTED]** and ending on December 31, 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable laws and regulations (the "**Comprehensive Service Framework Agreement**"):

(i) GPUaaS for cloud gaming: including but not limited to computing resources (real-time cloud rendering Iaas services), network resources (supporting bandwidth services), supporting software (underlying capability calling software supporting hardware), and technical support related to computing network services, cloud gaming system resource services; and

(ii) Cloud-native content services and other services: including but not limited to digital intelligence content production technology services, metaverse cultural tourism technology support services, AR new technology support services, digital content scene creativity technology support services, and other customized technology services.

Subject to the terms as provided in the Comprehensive Service Framework Agreement, our Group will enter into separate agreements which specify precise service scope, specific terms and conditions, calculation of service fees in respect of the provision of each type of services and method of payment. The service fees to be charged by us on Migu Culture will be determined based on, among other things, the type of services provided and the actual usage, after arms' length negotiations, between the parties with reference to the market rates.

Reasons for the Transactions

Migu Culture is one of the largest cloud service providers in China and requires GPUaaS services. According to CIC, we ranked first in 2024 by revenue among cloud-based real-time rendering service providers in cloud gaming scenario in China with a market share of 17.9%. Considering our leading market position and our well understanding of Migu Culture's operation, quality control and specific requirements established through our long-term cooperation since with Migu Culture, it is expected that Migu Culture will continue to place orders with us. We will rely on our pricing policies and internal control measures to ensure that the terms for sales of our services to Migu Culture are fair and reasonable, or no less favorable than those available to our Independent Third Parties and are carried out under normal commercial terms.

Pricing Policy

For the Comprehensive Service Framework Agreement, before entering into any individual agreement with Migu Culture, we will make reference to the prevailing market rates for similar services provided by other third-party service providers and the service fee charged by our Group for similar services provided to Independent Third Parties. We will determine the sale price to be charged by our Group to Migu Culture taking into account of the sales volume to Migu Culture as well as the prevailing market rates, which can be determined by comparing the current prices offered to third parties. We will only enter into an individual agreement when the terms of such agreement are in the best interests of our Company and our Shareholders as a whole.

Specifically, (i) for GPUaaS for cloud gaming: the monthly service fee = the total number of instances put into use within the month × the unit prices for instances; and (ii) for cloud-native content services and other services: the settlement amount is (a) based on the settlement workload confirmed by both parties after the completion of the current work; or (b) based on the service fee agreed upon by both parties in the customized service contract.

Historical Amounts

For the three years ended December 31, 2022, 2023 and 2024, the historical amounts of our sales to Migu Culture and/or its subsidiaries were approximately RMB123.5 million, RMB156.3 million and RMB185.4 million, respectively.

Annual Caps

The proposed annual caps for the transactions under the Comprehensive Service Framework Agreement for the years ending December 31, 2025, 2026 and 2027 are set out below:

	Proposed annual caps for the years ending December 31,		
	2025	**2026**	**2027**
		(RMB in thousands)	
Service fees	240,000	270,000	290,000

The above annual caps are determined with reference to:

(i) the historical transaction amounts of sales to Migu Culture and its subsidiaries during the Track Record Period;

(ii) the estimated demand for our services by Migu Culture and its subsidiaries;

(iii) the current and estimated market rates for similar services provided by third-party service providers, which are relatively stable; and

(iv) a buffer of approximately 5-10% above our estimated sales to Migu Culture and its subsidiaries to deal with any unexpected increase in demand.

WAIVER APPLICATIONS FOR CONTINUING CONNECTED TRANSACTIONS

As the applicable highest percentage ratio under the Listing Rules in respect of the contemplated sales under the Comprehensive Service Framework Agreement is expected to be, on an annual basis, more than 5%, such transactions will constitute our continuing connected transactions which are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the proposed transactions under the Comprehensive Service Framework Agreement, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the announcement, circular and independent Shareholders' approval requirements, subject to the condition that the aggregate amounts of such continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this Document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

DIRECTORS' CONFIRMATION

Our Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions as set out above have been and will continue to be entered into in the ordinary and usual course of our business on normal commercial terms or better that are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and that the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

SPONSORS' CONFIRMATION

Based on the due diligence findings of the Joint Sponsors, information provided by us, confirmation by our Directors (including independent non-executive Directors) and review of the terms of the Comprehensive Service Framework Agreement, the Joint Sponsor are of the view that the continuing connected transactions described under the paragraph headed "— Non-exempt Continuing Connected Transactions with Migu Culture" in this section have been and will continue to be entered into in the ordinary and usual course of our business on normal commercial terms or better that are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and that the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

DIRECTORS

Our Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The following table sets forth certain information about the Directors.

Name	Age	Position	Date of appointment as a Director	Timing of joining our Group	Principal roles and responsibilities
Executive Directors					
Mr. Dang Jinfeng (黨勁峰)	45	Chairman of the Board, executive Director and chief executive officer	September 2014	September 2014	Responsible for overseeing the overall strategic planning, business development, and management of our Group
Ms. Yin Li (印麗)	45	Executive Director and vice president	May 2021	July 2014	Responsible for the overall business operations of our Group
Mr. Zhao Shen (趙珅)	44	Executive Director and vice president	December 2016	February 2014	Responsible for product planning and design of our Group
Mr. Huang Qing (黃晴)	42	Executive Director and vice president	February 2024	May 2021	Responsible for board affairs, investor relationship and legal affairs of our Group

Name	Age	Position	Date of appointment as a Director	Timing of joining our Group	Principal roles and responsibilities
Non-executive Directors					
Mr. Su Yi (蘇毅)	42	Non-executive Director	February 2024	February 2024	Responsible for providing recommendations on the strategic development of our Group
Mr. Yang Yizhi (楊依志) . . .	37	Non-executive Director	June 2025	June 2025	Responsible for providing recommendations on the strategic development of our Group
Independent non-executive Directors					
Prof. Ma Xufei (馬旭飛) . . .	52	Independent non-executive Director	June 2025 (with effect from the **[REDACTED]**)	June 2025	Responsible for supervising and providing independent opinion and judgment to the Board
Mr. So Chi Kai (蘇子佳) . . .	41	Independent non-executive Director	June 2025 (with effect from the **[REDACTED]**)	June 2025	Responsible for supervising and providing independent opinion and judgment to the Board
Mr. Yau Sai Leong (邱世亮) . . .	54	Independent non-executive Director	June 2025 (with effect from the **[REDACTED]**)	June 2025	Responsible for supervising and providing independent opinion and judgment to the Board

Note:

1. Other than their roles as Directors, there are no family or other relationships among any of the Directors or senior management members of our Company.

Executive Directors

Mr. Dang Jinfeng (黨勁峰先生), aged 45, is the founder of our Group, the chairman of the Board, an executive Director and the chief executive officer of our Company. Mr. Dang is responsible for overseeing the overall strategic planning, business development, and management of our Group.

Mr. Dang has served as the chairman of the Board, the Director and the chief executive officer of our Company since September 2014, and was re-designated as an executive Director in June 2025. Mr. Dang concurrently serves as the general partner of Zhixing Jiashi, Haima Leyun, Tianjin Jiashi Leyun, Yifeng Joint, Huiju Jiashi, Haima Huiju (Tianjin) Enterprise Management Consulting Partnership (海馬匯聚(天津)企業管理諮詢合夥企業), Tianjin Zhongfeng Litong Enterprise Management Consulting Partnership (天津眾峰利同企業管理諮詢合夥企業), the director and general manager of Tianjin Haimacloud and the director and general manager of Dasheng Shuyu.

Prior to founding our Group, Mr. Dang worked at Potevio Information Technology Research Institute Co., Ltd. (普天信息技術研究院有限公司, currently known as Potevio Information Technology Co., Ltd. (普天信息技術有限公司)) until March 2007. From May 2007 to June 2014, Mr. Dang worked at Beijing NetQin Technology Co., Ltd. (北京網秦天下科技有限公司) with his last position as a vice president.

Mr. Dang received a bachelor's degree in communication engineering from Beijing University of Posts and Telecommunications (北京郵電大學) in July 2003 and a master's degree in communication and information system from Chongqing University of Posts and Telecommunications (重慶郵電大學) in June 2006.

Ms. Yin Li (印麗女士), aged 45, is an executive Director and a vice president of our Company. She is primarily responsible for the overall business operations of our Group.

Ms. Yin joined our Company and served as the vice president in July 2014, was appointed as a Director in May 2021 and was re-designated as an executive Director in June 2025. She worked at Beijing NetQin Technology Co., Ltd. (北京網秦天下科技有限公司) and Satnet Communications Technology Co., Ltd. (中星互聯通信技術有限公司) from May 2008 to September 2014.

Ms. Yin received a bachelor's degree in civil engineering from Northeastern University (東北大學) in July 2002 and a master's degree in business administration from Beijing University of Posts and Telecommunications (北京郵電大學) in July 2011.

Mr. Zhao Shen (趙珅先生), aged 44, is an executive Director and a vice president of our Company. He is primarily responsible for product planning and design of our Group.

Mr. Zhao joined our Company and served as the vice president in February 2014, was appointed as a Director in December 2016 and was re-designated as an executive Director in June 2025. Prior to that, Mr. Zhao worked at IBM Global Business Services from July 2006 to September 2009. He then worked at Baidu, Inc. (a company listed on the Stock Exchange, stock code: 9888) from October 2009 to November 2010 and worked at Beijing NetQin Technology Co., Ltd. (北京網秦天下科技有限公司) from December 2010 to August 2012.

Mr. Zhao received a bachelor's degree in information management and information system from Renmin University of China (中國人民大學) in July 2003 and a master's degree in management science and engineering from Renmin University of China (中國人民大學) in June 2006.

Mr. Huang Qing (黃晴先生), aged 42, is an executive Director and a vice president of our Company. He is primarily responsible for board affairs, investor relationship and legal affairs of our Group.

Mr. Huang joined our Company and served as the vice president in May 2021, was appointed as a Director in February 2024 and was re-designated as an executive Director in June 2025. Prior to that, Mr. Huang successively worked at Ernst & Young from September 2007 to December 2009, at Kunwu Jiuding Investment Holdings Co., Ltd. (昆吾九鼎投資控股股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600053) from March 2010 to January 2012, at Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司) from February 2012 to March 2014. From June 2018 to October 2020, Mr. Huang worked at Beijing Guotai Venture Capital Fund Management Co., Ltd. (北京國泰創業投資基金管理有限公司).

Mr. Huang received a bachelor's degree and a master's degree in materials science and engineering from Tsinghua University (清華大學) in July 2004 and January 2007, respectively.

Non-executive Directors

Mr. Su Yi (蘇毅先生), aged 42, was appointed as a Director in February 2024 and was re-designated as a non-executive Director of our Company in June 2025. He is primarily responsible for providing recommendations on the strategic development of our Group.

Mr. Su has worked at Migu Interactive Entertainment Co., Ltd. (咪咕互動娛樂有限公司) since September 2021. Prior to that, Mr. Su worked at China Mobile Communications Group Beijing Co., Ltd. (中國移動通信集團北京有限公司) from May 2011 to June 2016 and worked at Beijing AsiaInfo Intelligent Date Technology Co., Ltd. (北京亞信智慧數據科技有限公司) from July 2016 to January 2017.

Mr. Su received a bachelor's degree in electronic and information engineering from Jiangnan University (江南大學) in June 2005 and a master's degree in communication and information system from Beijing University of Posts and Telecommunications (北京郵電大學) in March 2009.

Mr. Yang Yizhi (楊依志先生), aged 38, was appointed as a non-executive Director of our Company in June 2025. He is primarily responsible for providing recommendations on the strategic development of our Group.

Mr. Yang has worked at Giant Network Group Co., Ltd. (巨人網絡集團股份有限公司) since June 2010. Prior to that, Mr. Yang worked at Beijing Guangyu Online Technology Co., Ltd. (北京光宇在線科技有限責任公司) from March 2007 to June 2010.

Mr. Yang received a bachelor's degree in business administration from Beijing Foreign Studies University (北京外國語大學) in July 2019.

Independent non-executive Directors

Prof. Ma Xufei (馬旭飛教授), aged 52, was appointed as an independent non-executive Director of our Company in June 2025, with effect from the **[REDACTED]**. He is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Prof. Ma has served as a tenured full professor at the department of management and an associate dean at the Faculty of Business Administration of The Chinese University of Hong Kong ("**CUHK**") since December 2022. He has also served as a tenured full professor of the Institute of Economics and Management and the Shenzhen International Graduate School of Tsinghua University since September 2020. Prior to that, Prof. Ma served as an assistant professor at CUHK from August 2007 to August 2013, a tenured associate professor at CUHK from August 2013 to June 2018. He served as a professor at the department of management of The City University of Hong Kong from June 2018 to August 2020.

Prof. Ma served as an independent director of Tubatu Group Co., Ltd. (土巴兔集團股份有限公司) from 2021 to 2024, an independent non-executive director of CLSA Premium Limited (a company listed on the Stock Exchange, stock code: 6877) from April 2023 to March 2024. He has served as an independent non-executive director of Beijing Urban Construction Design &

Development Group Co., Limited (北京城建設計發展集團股份有限公司) (a company listed on the Stock Exchange, stock code: 1599) since December 2019, an independent director of BioRegen Biomedical (Changzhou) Co., Ltd. (常州百瑞吉生物醫藥股份有限公司) since June 2023, and an independent non-executive director of Shanghai Able Digital Science&Tech Co., Ltd. (上海卓越睿新數碼科技股份有限公司) since April 2024.

Prof. Ma received a bachelor's degree in industrial foreign trade from Xi'an Jiaotong University (西安交通大學) in July 1995, a master's degree in business administration from the University of Saskatchewan in May 2003 and a doctoral degree in corporate policy from National University of Singapore in July 2007.

Mr. So Chi Kai (蘇子佳先生), aged 41, was appointed as an independent non-executive Director of our Company in June 2025, with effect from the **[REDACTED]**. He is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. So has served as the financial director and company secretary of China Fortune Holdings Limited ("**China Fortune**", a company listed on the Stock Exchange, stock code: 110) since March 2018 and has served as an independent non-executive director at Khoon Group Limited (a company listed on the Stock Exchange, stock code: 924) since October 2023. Mr. So served as an audit manager at Ernst & Young from November 2015 to July 2017. He then served as an assistant financial director at Giant Telecom Limited (嘉音電訊有限公司) from August 2017 and served as a financial director at Millennium Pacific Group Holdings Limited (a company listed on the Stock Exchange, stock code: 8147) from January 2018 until he joined the China Fortune.

Mr. So received a bachelor's degree in accountancy from Hong Kong Polytechnic University in 2007. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of Institute of Chartered Accountants in England and Wales.

Mr. Yau Sai Leong (邱世亮先生), aged 54, was appointed as an independent non-executive Director of our Company in June 2025, with effect from the **[REDACTED]**. He is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Yau has served as the APAC general manager at Horizon Brands LLC since July 2022. Mr. Yau worked at Lenovo Group Limited (a company listed on the Stock Exchange, stock code: 992) from October 2004 to June 2022 with his last position as a director.

Mr. Yau received a bachelor's degree in physics from Xiamen University (廈門大學) in July 1994, a master's degree in enterprise engineering management from the Hong Kong University of Science and Technology in November 2007 and a master's degree in business administration from the Hong Kong University of Science and Technology in June 2019.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth certain information about our senior management.

Name	Age	Position	Date of appointment as a senior management	Timing of joining our Group	Principal roles and responsibilities
Mr. Dang Jinfeng (黨勁峰)	45	Chairman of the Board, executive Director and chief executive officer	September 2014	September 2014	Responsible for overseeing the overall strategic planning, business development, and management of our Group
Ms. Yin Li (印麗)	45	Executive Director and vice president	July 2014	July 2014	Responsible for the overall business operations of our Group
Mr. Zhao Shen (趙珅)	44	Executive Director and vice president	February 2014	February 2014	Responsible for product planning and design of our Group
Mr. Wen Jian (溫健)	42	Vice president	August 2014	August 2014	Responsible for technology strategic planning and technological innovation of our Group
Mr. Zhao Yimin (趙一民)	43	Vice president	January 2016	December 2015	Responsible for the overall R&D of our Group
Mr. Huang Qing (黃晴)	42	Executive Director and vice president	May 2021	May 2021	Responsible for board affairs, investor relationship and legal affairs of our Group

Name	Age	Position	Date of appointment as a senior management	Timing of joining our Group	Principal roles and responsibilities
Mr. Chang Yongheng (常永恆) . . .	41	Financial Director	June 2015	May 2015	Responsible for the overall implementation of financial strategy of our Group
Mr. Kang Xuming (康垿銘)	42	Vice president	February 2023	November 2015	Responsible for the overall management of the marketing center and market department of our Group

Mr. Dang Jinfeng (黨勁峰先生), aged 45, is the founder of our Group, the chairman of the Board, an executive Director and the chief executive officer of our Company. See "— Directors — Executive Directors" for his biographical details.

Ms. Yin Li (印麗女士), aged 45, is an executive Director and a vice president of our Company. See "— Directors — Executive Directors" for her biographical details.

Mr. Zhao Shen (趙珅先生), aged 44, is an executive Director and a vice president of our Company. See "— Directors — Executive Directors" for his biographical details.

Mr. Wen Jian (溫健先生), aged 42, is a vice president of our Company. He is primarily responsible for technology strategic planning and technological innovation of our Group.

Mr. Wen joined our Company and served as a vice president in August 2014. He served as our Director from July 2015 to June 2025. Prior to that, Mr. Wen worked at Huawei Technology Co., Ltd. (華為技術有限公司) from August 2005 to September 2009 and worked at Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司) from October 2009 to July 2014.

Mr. Wen received a bachelor's degree in computer science and technology from Nankai University (南開大學) in July 2005.

Mr. Zhao Yimin (趙一民先生), aged 43, is a vice president of our Company. He is primarily responsible for the overall R&D of our Group.

Mr. Zhao joined our Company in December 2015 and served as a vice president in January 2016. He served as our Director from December 2016 to June 2025. Prior to that, Mr. Zhao worked at Juniper Networks from July 2007 to April 2012 and worked at VMware Information Technology (China) Co., Ltd. (威睿信息技術(中國)有限公司) until December 2015.

Mr. Zhao was awarded the "2020 Dengyun Award for Outstanding Contribution to Industry Research" (登雲獎2020年度產業研究突出貢獻獎) by the China Academy of Information and Communications Technology (中國信息通信研究院) and "5G Cloud Gaming Industry Alliance" (5G雲游戲產業聯盟) in January 2020.

Mr. Zhao received a bachelor's degree in computer science from Shandong Agricultural University (山東農業大學) in July 2004 and a master's degree in computer architecture from Nankai University (南開大學) in June 2007.

Mr. Huang Qing (黃晴先生), aged 42, is an executive Director and a vice president of our Company. See "— Directors — Executive Directors" for his biographical details.

Mr. Chang Yongheng (常永恆先生), aged 41, is the financial director and joint company secretary of our Company. He is primarily responsible for the overall implementation of financial strategy of our Group.

Mr. Chang joined our Company as the financial controller in May 2015 and was promoted to the financial director in June 2015, and was appointed as our joint company secretary in June 2025. Prior to that, Mr. Chang worked at Beijing Zhongzheng Tiantong Certified Public Accountants Co., Ltd (北京中證天通會計師事務所) from September 2009 to April 2012 and worked at Beijing Zhongsou Network Technology Corporation Limited (北京中搜網絡技術股份有限公司) from April 2012 to September 2014.

Mr. Chang received a bachelor's degree in accounting from Xi'an University of Architecture and Technology (西安建築科技大學) in July 2007.

Mr. Kang Xuming (康垿銘先生), aged 42, is a vice president of our Company. He is primarily responsible for the overall management of the marketing center and market department of our Group.

Mr. Kang joined our Company as the business director in November 2015 and was promoted to the vice president in January 2023. Prior to that, Mr. Kang worked at Beijing Qianchi Wuxian Software Technology Co., Ltd. (北京千尺無限軟件技術有限公司) from April 2010 to July 2013. Mr. Kang worked at Beijing Guangying Interactive Network Technology Co., Ltd. (北京光影互動網絡科技有限公司) from August 2014 to June 2015.

Mr. Kang was awarded the "Annual Rising Star of the Industry at the third Digital Interactive Industry Innovation Competition" (第三届數字互動行業創新大賽年度行業新銳人物) by the third Digital Interactive Innovation Awards Committee (第三届數字互動行業創新大賽組委會) and Interactive Video Computing Association of Fuzhou (福州市互動視頻計算協會) in April 2023.

Mr. Kang received a college degree in electronics and information technology from Northwestern Polytechnical University (西北工業大學) in July 2005 and a master's degree in business administration from Glyndwr University in September 2023.

JOINT COMPANY SECRETARIES

Mr. Chang Yongheng (常永恆先生), aged 41, is the financial director and joint company secretary of our Company. See "— Senior Management" above for his biography.

Ms. Lee Li Li (李莉莉女士), has been appointed as the joint company secretary of our Company in June 2025, with effect from the **[REDACTED]**.

Ms. Lee has over 10 years of experience in company secretary and corporate governance field. Ms. Lee is a manager of company secretarial services of Tricor Services Limited. She provides company secretarial services to listed companies, private and offshore companies for their compliance with the Hong Kong Stock Exchange Listing Rules, the Hong Kong Companies Ordinance and offshore company regulations.

Ms. Lee received a master's degree in corporate governance in October 2008 from The Hong Kong Polytechnic University. Ms. Lee is a Chartered Secretary, a Chartered Governance Professional, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025, and (ii) understands his or her obligations as a director of a **[REDACTED]** under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

DISCLOSURE UNDER RULE 8.10(2) OF THE LISTING RULES

As of the Latest Practicable Date, none of our Directors had interests in any business, which competes directly or indirectly with our business for the purpose of Rule 8.10(2) of the Hong Kong Listing Rules.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

We have established three Board Committees in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the code of corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee. The functions of the three committees are summarized as follows:

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review the Company's financial information and its disclosure, oversee and evaluate the internal and external audit and internal controls, and exercise such other functions and powers delegated by the Board. The Audit Committee comprises three members, namely Prof. Ma Xufei and Mr. Yau Sai Leong as the members of the Audit Committee, with Mr. So Chi Kai as the chairperson of the Audit Committee and is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Pursuant to the PRC Company Law, a joint stock limited company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the board of supervisors as provided for in the PRC Company Law. Accordingly, the Company will not set up the board of supervisors after the **[REDACTED]**.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Appraisal Committee are to formulate standards for appraising Directors and senior management of the Company and conduct assessments; formulate and review the policies for and proposals on the remuneration of Directors and senior management of the Company The Remuneration and Appraisal Committee comprises three members, namely Prof. Ma Xufei and Mr. So Chi Kai as the members of the Remuneration and Appraisal Committee, with Mr. Yau Sai Leong as the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to selecting candidates for Directors and senior management of the Company, and set up criteria and procedures for selection and making recommendations. The Nomination Committee comprises four members, namely Prof. Ma Xufei, Mr. So Chi Kai and Mr. Yau Sai Leong as the members of the Nomination Committee, with Mr. Dang Jinfeng as the chairperson of the Nomination Committee.

Corporate Governance Code

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the **[REDACTED]**, save that Mr. Dang Jinfeng will serve as both our chairman and chief executive officer as discussed below.

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Dang currently performs these two roles. The Board

believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of our Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

Board diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director of our Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, our Company currently has one female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

Management presence

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 of the Listing Rules. See "Waivers from Strict Compliance with the Listing Rules" for further details.

REMUNERATION

Our Directors and senior management receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation, pension schemes contribution and other benefits in kind.

For the years ended December 31, 2022, 2023 and 2024, the total remuneration paid to our Directors amounted to RMB5.5 million, RMB4.9 million and RMB6.0 million, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2025 to be approximately RMB4.5 million. The actual remuneration of Directors in 2025 may be different from the expected remuneration.

For the years ended December 31, 2022, 2023 and 2024, the total emoluments paid to the five highest paid individuals (including Directors) by us amounted to RMB9.9 million, RMB7.1 million and RMB7.0 million, respectively.

For the years ended December 31, 2022, 2023 and 2024, no payment was made by us to any of the Directors or the five highest paid individuals (i) as an inducement to join us; or (ii) as compensation for the loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of the Directors waived their remuneration during the relevant period.

Save as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period to our Directors and senior management by our Group.

For additional information on Directors' remuneration during the Track Record Period as well as information on the five highest paid individuals, see note 12 to the Accountant's Report in Appendix I.

COMPLIANCE ADVISER

We have appointed Patrons Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. The compliance adviser will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise our Company, among others, in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the compliance adviser shall commence on the **[REDACTED]** and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the **[REDACTED]** and such appointment may be subject to extension by mutual agreement.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the **[REDACTED]** and the conversion of our Unlisted Shares to H Shares assuming the **[REDACTED]** is not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

			As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)[2]		
Name of Shareholder	Nature of Interest	Description of Shares	Number of the Shares	Approximate percentage of interest in the Company	Number of the Shares[1]	Approximate percentage of interest in Unlisted Shares/H Shares	Approximate percentage of interest in the Company
Mr. Dang	Interested in controlled operation[3]	Unlisted Shares	14,494,266	25.38%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interested held jointly with other persons[4]	Unlisted Shares	1,125,137	1.97%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Zhixing Jiashi	Beneficial owner	Unlisted Shares	10,125,331	17.73%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of concert parties[4]	Unlisted Shares	1,125,137	1.97%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Aixin	Beneficial owner	Unlisted Shares	673,632	1.18%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of concert parties [4]	Unlisted Shares	10,576,836	18.52%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]

			As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)[2]		
Name of Shareholder	Nature of Interest	Description of Shares	Number of the Shares	Approximate percentage of interest in the Company	Number of the Shares[1]	Approximate percentage of interest in Unlisted Shares/H Shares	Approximate percentage of interest in the Company
Liang Xiaoping (梁小平)	Interested in controlled corporation [5]	Unlisted Shares	673,632	1.18%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Wen Jian (温健)	Interested in controlled corporation [5]	Unlisted Shares	673,632	1.18%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Aijing	Beneficial owner	Unlisted Shares	451,505	0.79%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of concert parties [4]	Unlisted Shares	10,798,963	18.91%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Zhang Quanlin (張泉林)	Interested in controlled corporation [6]	Unlisted Shares	451,505	0.79%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Migu Culture	Beneficial owner	Unlisted Shares	7,775,139	13.62%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
China Mobile	Interest in controlled corporation[7]	Unlisted Shares	7,775,139	13.62%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Linghang Guangyi	Interest in controlled corporation[8]	Unlisted Shares	6,985,596	12.23%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]

			As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)[2]		
Name of Shareholder	Nature of Interest	Description of Shares	Number of the Shares	Approximate percentage of interest in the Company	Number of the Shares[1]	Approximate percentage of interest in Unlisted Shares/H Shares	Approximate percentage of interest in the Company
Shanghai Giant	Beneficial owner	Unlisted Shares	6,827,822	11.96%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Giant Network	Interest in controlled corporation[9]	Unlisted Shares	6,827,822	11.96%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]
UCloud	Beneficial owner	Unlisted Shares	4,171,249	7.30%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) All interests stated are long position.

(2) The calculation is based on the total number of **[REDACTED]** Unlisted Shares in issue and **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(3) As of the Latest Practicable Date, Mr. Dang was the general partner of Zhixing Jiashi, Haima Leyun, Yifeng Joint and Huiju Jiashi. By virtue of the SFO, Mr. Dang is deemed to be interested in the Shares held by Zhixing Jiashi, Haima Leyun, Yifeng Joint and Huiju Jiashi.

(4) Pursuant to the Concert Party Agreement entered into by Zhixing Jiashi, Aixin and Aijing (each a "**Concert Party**" and collectively, the "**Concert Parties**") on September 30, 2020 and renewed on May 30, 2025, the Concert Parties agreed to align their votes in the shareholders' meeting of our Company, and in the case of any disagreement, Aixin and Aijing shall follow Zhixing Jiashi's vote to arrive at a unanimous consent. By virtue of the SFO, each of the Concert Parties is deemed to be interested in the Shares held by the other Concert Parties.

See "History, Development and Corporate Structure — Concert Party Group" for details.

(5) As of the Latest Practicable Date, Liang Xiaoping (梁小平) was the general partner of Aixin. Wen Jian (溫健) was the limited partner of Aixin and owned 93.86% partnership interests in Aixin. By virtue of the SFO, each of Liang Xiaoping and Wen Jian is deemed to be interested in the Shares held by Aixin.

(6) As of the Latest Practicable Date, Zhang Quanlin (張泉林) was the general partner of Aijing and owned 99.00% partnership interests in Aijing. By virtue of the SFO, Zhang Quanlin is deemed to be interested in the Shares held by Aijing.

(7) As of the Latest Practicable Date, Migu Culture was wholly owned by China Mobile, a company listed on the Stock Exchange (stock code: 941). By virtue of the SFO, China Mobile is deemed to be interested in the Shares held by Migu Culture.

(8) As of the Latest Practicable Date, the general partner of Linghang Guangyi was Jiangsu Guangyi Guiren Equity Investment Fund Management Co., Ltd (江蘇光一貴仁股權投資基金管理有限公司) ("**Jiangsu Guangyi**"), which was owned as to 40% by Guangyi Technology Co., Ltd. (光一科技股份有限公司) ("**Guangyi Technology**").

The limited partner of Linghang Guangyi was Wuxi Jintou Linghang Industry Upgrading Merger and Acquisition Investment Enterprise (Limited Partnership) (無錫金投領航產業升級併購投資企業(有限合夥)) ("**Wuxi Jintou**"), which owned 99.50% partnership interests in Linghang Guangyi. The general partner of Wuxi Jintou was Wuxi Jintou Puyin Investment Management Co., Ltd (無錫金投浦銀投資管理有限公司) ("**Jintou Puyin**"), which was owned as to 46.70% by Wuxi Jintou Capital Private Fund Management Co., Ltd. (無錫金投資本私募基金管理有限公司) ("**Jintou Capital**"). Jintou Capital was wholly owned by Wuxi Innovation Investment Group Co., Ltd. (無錫市創新投資集團有限公司) ("**Wuxi Innovation**"), which in turn was owned as to 73.50% by Wuxi Guofa Capital Operation Co., Ltd. (無錫市國發資本運營有限公司) ("**Guofa Capital**"). The limited partner of Wuxi Jintou was Wuxi Taihu Pudong Development Equity Investment Fund Enterprise (Limited Partnership) (無錫太湖浦發股權投資基金企業(有限合夥)) ("**Wuxi Taihu**"), which owned 99.95% partnership interests in Wuxi Jintou. The general partner of Wuxi Taihu was Jintou Puyin. Wuxi Taihu was owned as to 59.94% by its limited partner, namely Shanghai Puyin Ansheng Asset Management Co., Ltd. (上海浦銀安盛資產管理有限公司) ("**Puyin Ansheng**"). Puyin Ansheng was wholly owned by Puyin AXA Fund Management Co., Ltd. (浦銀安盛基金管理有限公司) ("**Puyin AXA**"), which in turn was owned as to 51.00% and 39.00% by Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司) ("**SPDB**") and AXA Investment Managers (安盛投資管理公司), respectively.

By virtue of the SFO, each of Jiangsu Guangyi, Guangyi Technology, Wuxi Jintou, Jintou Puyin, Jintou Capital, Wuxi Innovation, Guofa Capital, Wuxi Taihu, Puyin Ansheng, Puyin AXA, SPDB and AXA Investment Managers is deemed to be interested in the Shares held by Linghang Guangyi.

(9) As of the Latest Practicable Date, Shanghai Giant was wholly owned by Giant Network Group Co., Ltd. (巨人網絡集團股份有限公司) ("**Giant Network**"), a company listed on the Shenzhen Stock Exchange (stock code: 002558). By virtue of the SFO, Giant Network is deemed to be interested in the Shares held by Shanghai Giant.

Save as disclosed above and the section headed "Appendix IV — Statutory and General Information — Further Information about our Directors and Substantial Shareholders", our Directors are not aware of any person who will, immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group.

This section presents certain information regarding our share capital before and upon completion of the **[REDACTED]**.

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB57,104,526, comprising 57,104,526 Unlisted Shares of nominal value RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the **[REDACTED]** and the conversion of certain Unlisted Shares into H Shares, assuming the **[REDACTED]** is not exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
Unlisted Shares in issue	**[REDACTED]**	**[REDACTED]**
H Share to be converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00%**

Immediately following completion of the **[REDACTED]** and the conversion of certain Unlisted Shares into H Shares, assuming the **[REDACTED]** is fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
Unlisted Shares in issue	**[REDACTED]**	**[REDACTED]**
H Share to be converted from Unlisted Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00%**

RANKING

Upon completion of the **[REDACTED]**, the Shares will consist of H Shares and Unlisted Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be **[REDACTED]** and **[REDACTED]** on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, **[REDACTED]** and **[REDACTED]** of such converted Shares have been completed. Additionally, such conversion, **[REDACTED]** and **[REDACTED]** shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this Document and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, **[REDACTED]** and **[REDACTED]** as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the **[REDACTED]** of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the **[REDACTED]** to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the **[REDACTED]** of additional Shares after the **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for **[REDACTED]** at the time of our **[REDACTED]** in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the **[REDACTED]** and **[REDACTED]** of such

converted Shares on an overseas stock exchange. Any application for **[REDACTED]** of the converted shares on the Stock Exchange after our initial **[REDACTED]** is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the **[REDACTED]** to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the **[REDACTED]** lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of **[REDACTED]** and the **[REDACTED]** Operational Procedures in force from time to time.

Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be **[REDACTED]** as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the **[REDACTED]** shall not be transferred within one year from the **[REDACTED]**.

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

FILLING WITH THE CSRC AND FULL CIRCULATION APPLICATION

In accordance with the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies and the Overseas Listing Trial Measures announced by the CSRC, H-share listed companies which apply for the conversion of domestic shares and unlisted foreign shares into H shares for **[REDACTED]** and **[REDACTED]** on the Stock Exchange shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. An H-share listed company may apply for a "Full Circulation" separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for "Full Circulation" when applying for an overseas **[REDACTED]**.

EMPLOYEE INCENTIVE PLAN

We adopted the Employee Incentive Plan and established the ESOP Holding Entity. See "Appendix IV — Statutory and General Information — Employee Incentive Plan" for further details.

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE MANDATE

Subject to the **[REDACTED]** becoming unconditional, our Directors [have] been granted general unconditional mandates to issue and repurchase our Shares. See "Appendix IV — Statutory and General Information — Further Information about our Company — Resolutions of our Shareholders" for further details.

SHAREHOLDERS' GENERAL MEETING

See "Regulatory Overview" and "Appendix III — Summary of Articles of Association" for details of circumstances under which the Shareholders' general meeting is required.

*You should read the following discussion and analysis in conjunction with our audited consolidated financial statements as of and for each of the years ended December 31, 2022, 2023 and 2024, and the notes thereto included in the Accountants' Report set out in Appendix I to this document. Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**").*

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. Our actual results may differ from those anticipated in these forward-looking statements as a result of various factors, including those set forth in "Forward-looking Statements" and "Risk Factors." In evaluating our business, you should carefully consider the information provided in this Document including but not limited to the sections headed "Risk Factors" and "Business" in this Document.

OVERVIEW

We are the largest GPUaaS provider in China for the provision of cloud-based real-time rendering services in cloud gaming scenario. According to CIC, we ranked first in 2024 by revenue among cloud-based real-time rendering service providers in cloud gaming scenario in China with a market share of 17.9%. We provide cloud-based real-time rendering services and related solutions to customers in industries such as gaming, pan-entertainment, digital cultural tourism and digital education. These services and solutions are powered by our self-developed and deeply integrated platform software and infrastructure hardware centered on GPU based graphic computing. This architecture enables end users to access high-performance GPU based digital content and applications on-demand across different devices and locations overcoming user device limitations.

We had experienced significant growth during the Track Record Period. Our revenue increased from RMB290.3 million in 2022 to RMB336.6 million in 2023, and further increased to RMB519.5 million in 2024, representing a CAGR of 33.8% between 2022 and 2024. Our gross profit increased from RMB61.6 million in 2022 to RMB89.4 million in 2023, and further increased to RMB129.4 million in 2024, representing a CAGR of 44.9% between 2022 and 2024.

BASIS OF PRESENTATION AND PREPARATION

For the purpose of preparing and presenting the historical financial information for the Track Record Period, we consistently applied accounting policies that conform with IFRS effective for our accounting period beginning on January 1, 2024 throughout the Track Record Period.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates, as well as our management's judgment, estimates and assumptions in applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 5 to the Accountants' Report included in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and results of operations are affected by the general factors that influence our industry, including, among others, overall economic growth in China and globally, the development and competitive landscape for our industry, the regulatory environment and polices with respect to our services and solutions. Changes in any of these general factors could affect the demand for our products and solutions and our results of operations. In addition to the general factors mentioned, we believe our results of operations are more directly affected by the following specific factors:

Ability to retain and expand our customer base

Our long-term success depends on our ability to retain our existing customers and attract new customers to our services and solutions. Our revenue increased from RMB290.3 million for the year ended December 31, 2022 to RMB336.6 million for the year ended December 31, 2023, and further to RMB519.5 million for the year ended December 31, 2024. Such growth was mainly attributable to the deepening of our relationships with existing customers and the successful expansion of our customer base. We will continue to enhance our solution offerings to further drive customer engagement and service adoption across both existing and new customers.

Retaining existing customers is essential to our sustained growth as we started our business with these customers to fully understand the market needs and derived a majority of our revenue from their recurring procurement of our services. Specifically, we have established stable and long-term partnership with these existing customers primarily through our GPUaaS for cloud gaming services and thus, a significant portion of our revenue during the Track Record Period was derived from our GPUaaS for cloud gaming. In 2022, 2023 and 2024, our revenue generated from GPUaaS for cloud gaming amounted to RMB247.8 million, RMB220.2 million and RMB457.9 million, accounting for 85.4%, 65.4% and 88.1% of our total revenue, respectively. We have established and will continue to deepen our cooperation with these existing customers, which will in turn enables us to accumulate valuable industry insights, and thus further accelerate the iteration of our technologies and solutions, forming a positive feedback loop for our business.

In addition to maintaining existing relationships, we are dedicated to identifying and attracting new customers to expand our customer base. We believe that our technological capabilities, accumulated industry expertise and well-established brand recognition will continue to attract new customers. As we continue to develop and launch new solutions and products, and increase our market penetration and ecosystem expansion, our customer base is expected to expand, which will further drive our long-term revenue growth.

Ability to develop advanced technology capabilities and solutions

Our technology capabilities and diverse solutions form the foundation of our business success. Operating in a rapidly evolving industry, we need to continuously adapt to technological advancements and shifting customer needs to maintain and strengthen our leadership.

Leveraging our strong R&D capabilities and deep industry insights, we have continuously developed innovative technologies and expanded our solution offerings to attract and retain customers. We mainly rely on our internal R&D team to develop our core technologies during the Track Record Period. See "Business — Our Platform Software and Infrastructure Hardware" for details of our core technologies. As of December 31, 2024, our R&D team comprised 262 employees, accounting for approximately 65.8% of our total workforce. We expect that our ability to continuously develop and upgrade technologies and solutions will remain a key driver of our financial performance. We will continue to invest significantly in enhancing our internal R&D capabilities and developing industry-leading technologies and solutions, to better serve our customers, enhance user experience and maintain our technological competitive edge.

Ability to optimize costs and improve operating efficiency

Cost structure and operating efficiency are crucial to our financial condition and results of operations. Leveraging our technological capabilities and our growing bargaining power with business partners, we have controlled our costs at a reasonable level.

In 2022, 2023 and 2024, our cost of sales amounted to RMB228.6 million, RMB247.1 million and RMB390.2 million, respectively. Our cost of sales as a percentage of revenue decreased from 78.8% in 2022 to 75.1% in 2024, reflecting improved cost control and operating efficiency.

Our cost of sales largely depends on the purchase or rental price of the servers, electronic equipment and IDC services. During the Track Record Period, we optimized these costs mainly through R&D-driven utilization enhancements and our prudent supplier selection process. We typically identify qualified suppliers through extensive market research and request of fee quotes, and engage in multiple rounds of negotiation to secure competitive pricing along with other favorable commercial terms.

We incurred significant R&D expenses during the Track Record Period. To increase our R&D efficiency, we have adopted AI-powered development tools and workflows, which have significantly improved the output per unit of R&D investment and enhanced individual developer productivity and deliverables.

In addition, during the early commercialization stages of our services and products, our selling and marketing expenses were relatively high, as we actively invested in promotional efforts to build brand awareness and expand our customer base. However, with our continued investment in R&D, our products and services have become more mature and competitive, which has strengthened our product value and improved customer satisfaction. As a result, we have increasingly benefited from organic customer growth driven by word-of-mouth and industry reputation. This shift has reduced our dependence on large-scale marketing campaigns, naturally leading to a reduction in our customer acquisition cost over time.

Our administrative expenses reflect our operating efficiency, which is in turn dependent on our ability to drive operational synergies across business functions. As we further increase our revenue, we expect to benefit from economies of scale and further improve our operating efficiency.

Our services mix and gross profit margin

During the Track Record Period, our profitability varied among different business segments. In 2022, 2023 and 2024, our GPUaaS for cloud gaming accounted for 85.4%, 65.4% and 88.1% of our total revenue, respectively, with corresponding gross profit margin of 19.1%, 25.0% and 25.2%, respectively. By comparison, in 2022, 2023 and 2024, the gross profit margin of our cloud-native content services was 38.2%, 29.6% and 32.7%, respectively. In addition, as we are expanding our solution offerings and seeking to explore a broader range of application scenarios, changes in our services mix may affect our overall gross profit margin and subsequently other aspects of our financial performance. In 2022, 2023 and 2024, our overall gross profit margin was 21.2%, 26.6% and 24.9%, respectively. The slight decrease of our overall gross profit margin from 2023 to 2024 was primarily attributable to our newly launched GPUaaS for virtual desktop in 2024. During the early development stage of our new services and solutions, we incurred significant upfront costs for computing resources and IDC services. These investments were essential to ensure the successful development and commercialization of our offerings, but they directly impacted our overall gross profit margin in the short term. We may experience further fluctuations in the revenue contribution of each service, and the gross profit margins of different business lines may continue to vary, which may have an impact on our results of operations.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We set forth below those material accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. Our material accounting policies, estimates, assumptions and judgments, which are important for an understanding of our financial condition and results of operations, are fully disclosed in detail in Notes 4 and 6 to the Accountants' Report in Appendix I to this Document.

Revenue Recognition

Revenue from contracts with customers

GPUaaS for cloud gaming

GPUaaS for cloud gaming business primarily includes cloud-based real-time rendering subscription services and integrated GPU computing solutions. We provide cloud-based real-time rendering subscription services to enterprise customers. Such services are recognized as a performance obligation satisfied over time since the customer simultaneously receives and consumes the benefits provided by us as we perform. Revenue is generally recognized ratably over the contract term.

We also provide integrated GPU computing solutions, which consist of GPU servers and embedded software for real-time rendering, along with supporting management equipment to meet our customer demands. The revenue is recognized at a point in time when control of the hardware devices and software has been transferred, being at the point the goods are accepted by the customers.

Cloud-native content

We provide cloud-native content services by assisting customers in building end-to-end digital content and application experience based on cloud-based real-time rendering. For most contracts, cloud-native content services are recognized as a performance obligation satisfied over time since the customer simultaneously receives and consumes the benefits provided by us as we perform. For remaining contracts, revenue is recognized at the point in time when control of the deliverable has been transferred, being at the point the deliverable has been received by the customer.

Other services

Other services mainly represent GPUaaS for virtual desktop and VMI. Customers can access these services through our SDK or by logging into the relevant software on personal computers, purchasing usage-duration-based pricing plans, thus enabling the use of high-performance GPU based virtual desktop at a lower cost. Revenue from these services are recognized over time during the period of fulfillment of services obligation using output, i.e. time elapsed.

Property, Plant and Equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets subject to impairment assessment under IFRS 9

We perform impairment assessment under ECL model on financial assets including trade receivables, bills receivable, and certain other receivables, amounts due from related parties, certain other non-current assets and cash and cash equivalents, which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on our historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

We always recognize lifetime ECL for trade receivables and amounts due from related parties. The ECL on these debtors with high credit risk are assessed individually and the remaining is collectively using provision matrix.

For all other instruments, we measure the impairment loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case we recognize lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. We use a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Key Sources of Estimation Uncertainty

In applying our accounting policies, the management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the coming twelve months.

Deferred tax assets

As of December 31, 2022, 2023 and 2024, deferred tax assets of RMB79,726,000, RMB90,947,000, and RMB109,827,000, respectively, in relation to unused tax losses and deductible temporary differences for the Company has been recognized in the consolidated statements of financial position and no deferred tax asset has been recognized on the tax losses and deductible temporary differences of RMB292,840,000, RMB365,692,000 and RMB353,734,000, respectively, for certain operating subsidiaries due to the unpredictability of future profit streams. See Note 19 of the Accountants' Report included in Appendix I to this Document. The realizability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for trade receivables and amounts due from related parties

Trade receivables and amounts due from related parties with significant balances and credit-impaired are assessed for ECL individually. In addition, we use practical expedient in estimating ECL on trade receivables and amounts due from related parties which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration our historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and our trade receivables and amounts due from related parties are disclosed in Notes 20, 30 and 33 of the Accountants' Report included in Appendix I to this Document.

Useful lives of property, plant and equipment and right-of-use assets

Our Directors determine the useful lives, residual values and related depreciation charges for our long-term assets. This estimate is based on the historical experience of the actual residual values and useful lives of long-term assets of similar nature and functions. The information about useful lives of property, plant and equipment and right-of-use assets are disclosed in Notes 15 and 16 of the Accountants' Report included in Appendix I to this Document.

DESCRIPTION OF SELECTED COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth selected items of our consolidated statements of profit or loss and other comprehensive income for the periods indicated, derived from our consolidated statements of profit or loss and other comprehensive income set out in the Accountants' Report included in Appendix I to this Document. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*% of total revenue*	*(RMB'000)*	*% of total revenue*	*(RMB'000)*	*% of total revenue*
Revenue	290,290	100.0	336,552	100.0	519,532	100.0
Cost of sales	(228,648)	(78.8)	(247,140)	(73.4)	(390,153)	(75.1)
Gross profit	61,642	21.2	89,412	26.6	129,379	24.9
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	(4,534)	(1.6)	(10,363)	(3.1)	(12,511)	(2.4)
Other income	6,746	2.3	7,276	2.2	2,322	0.4
Other gains and losses	(143)	0.0	605	0.2	(7)	0.0
Selling and marketing expenses	(15,219)	(5.2)	(16,094)	(4.8)	(34,298)	(6.6)
Administrative expenses	(71,193)	(24.5)	(88,961)	(26.4)	(79,110)	(15.2)
Research and development expenses	(133,728)	(46.1)	(112,694)	(33.5)	(100,815)	(19.4)
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Share of results of associates	6	0.0	(1)	0.0	—	—
Finance costs	(108,372)	(37.3)	(109,924)	(32.7)	(118,572)	(22.8)
Loss before tax	**(264,795)**	**(91.2)**	**(240,744)**	**(71.5)**	**(218,252)**	**(42.0)**
Income tax credit	19,073	6.6	23,047	6.8	32,591	6.3
Loss and total comprehensive expenses for the year	**(245,722)**	**(84.6)**	**(217,697)**	**(64.7)**	**(185,661)**	**(35.7)**

Non-IFRS measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we use a non-IFRS measure, namely adjusted net loss, as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that the non-IFRS measure helps identify underlying trends in our business and provides useful information to investors in understanding and evaluating our results of operations. However, our presentation of the non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has limitations as analytical tools, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss and total comprehensive expenses for the year excluding the effects of interest on redemption liabilities, as well as **[REDACTED]** expenses. Interest on redemption liabilities represents the non-cash, interest expense recorded to reflect interest incurred on our conditional obligation to redeem issued shares. We will cease to be subject to such finance costs upon **[REDACTED]**. **[REDACTED]** expenses are expenses relating to the **[REDACTED]**. The following table reconciles our adjusted net loss (non-IFRS measure) for the years indicated to the nearest financial measure calculated and presented in accordance with IFRS, which is loss and total comprehensive expenses for the year:

	Years ended December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Loss and total comprehensive expenses for the year	(245,722)	(217,697)	(185,661)
Add:			
Interest on redemption liabilities	72,099	80,145	96,776
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	**(173,623)**	**(137,552)**	**(84,245)**

Revenue

We generate our revenue from providing services to customers, including (i) GPUaaS for cloud gaming; (ii) cloud-native content services and (iii) other services. The following table sets forth a breakdown of our revenue by type of service for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
GPUaaS for cloud gaming	247,786	85.4	220,197	65.4	457,869	88.1
Cloud-native content services	25,917	8.9	103,050	30.6	46,814	9.0
Other services	16,587	5.7	13,305	4.0	14,849	2.9
Total	**290,290**	**100.0**	**336,552**	**100.0**	**519,532**	**100.0**

GPUaaS for cloud gaming

Our GPUaaS for cloud gaming is primarily designed for gaming-related application scenarios, enabling our enterprise customers to provide cloud gaming services to end users on user devices. During the Track Record Period, we generally price such services based on service volume. For enterprise customers, we set different daily or monthly unit prices for "instances" of different technical specifications such as regarding image resolution and frame rate. The number of "instances" equals the number of end users of our customer that can access the relevant content or application concurrently at the corresponding technical specification during the day or month. The total price equals the daily or monthly unit price of the selected instance multiplied by the number of units and number of days or months. In setting the daily or monthly unit price, we take into consideration various factors such as our costs and market prices. For our integrated GPU computing solutions, we typically negotiate pricing with customers on a project-by-project basis. For further details, see "Business — Sales and Marketing — Pricing".

In 2022, 2023 and 2024, our revenue from GPUaaS for cloud gaming amounted to RMB247.8 million, RMB220.2 million and RMB457.9 million, respectively, accounting for 85.4%, 65.4% and 88.1% of our total revenue, respectively.

Cloud-native content services

Our cloud-native content services primarily include development of cloud-based applications. We conduct such business mainly on a project basis with pricing determined through a bidding process.

Other services

We also generate a small amount of revenue from other services, primarily GPUaaS for virtual desktop and VMI. We generally price such services based on service volume. For users of our other services, we offer usage-duration-based pricing plans. The mixture of such other services changed from time to time as we explore new business opportunities.

Cost of sales

Our cost of sales primarily consists of (i) computing resources and IDC costs, which mainly represent a combination of costs related to our purchase and lease of computing resources, and costs from purchasing IDC services; (ii) server procurement costs, in relation to our solutions that integrate both software and hardware into a single package; (iii) staff costs, which represent the wages and benefits of our employees; and (iv) technical service costs, which represent third-party services such as art design and photography for our cloud-native content services. The table below sets forth a breakdown of our cost of sales by nature for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Computing resources and IDC costs	207,988	91.0	157,733	63.8	198,562	50.9
Server procurement costs	—	—	12,484	5.1	150,291	38.5
Staff costs	6,892	3.0	32,914	13.3	21,862	5.6
Technical service costs	13,145	5.7	18,437	7.5	14,326	3.7
Others	623	0.3	25,572	10.3	5,112	1.3
Total	**228,648**	**100.0**	**247,140**	**100.0**	**390,153**	**100.0**

Our computing resources and IDC costs constituted the largest component of our total cost of sales during the Track Record Period. As we increased our sales of software and hardware integrated solutions in 2024, we recorded an increase from previous years in our server procurement costs correspondingly.

The following table sets forth a breakdown of our cost of sales by type of service for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
GPUaaS for cloud gaming	200,378	87.6	165,214	66.9	342,643	87.8
Cloud-native content services	16,022	7.0	72,508	29.3	31,510	8.1
Other services	12,248	5.4	9,418	3.8	16,000	4.1
Total	**228,648**	**100.0**	**247,140**	**100.0**	**390,153**	**100.0**

Gross profit/(loss) and gross profit/(loss) margin

Our gross profit amounted to RMB61.6 million, RMB89.4 million and RMB129.4 million in 2022, 2023 and 2024, respectively. Our gross profit margin was 21.2%, 26.6% and 24.9% in the same years, respectively. For details of the changes in our gross profit/(loss) and gross profit/(loss) margin during the Track Record Period, see "— Results of Operations."

The table below sets forth a breakdown of our gross profit by type of service and corresponding gross profit/(loss) margins for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*Margin (%)*	*(RMB'000)*	*Margin (%)*	*(RMB'000)*	*Margin (%)*
GPUaaS for cloud gaming	47,408	19.1	54,983	25.0	115,226	25.2
Cloud-native content services	9,895	38.2	30,542	29.6	15,304	32.7
Other services	4,339	26.2	3,887	29.2	(1,151)	(7.8)
Total	**61,642**	**21.2**	**89,412**	**26.6**	**129,379**	**24.9**

Our overall gross profit and gross profit margin have been and will continue to be affected by the mix of our different revenue sources . They were largely determined by GPUaaS for cloud gaming, which was our largest revenue source during the Track Record Period, and slightly and positively affected by cloud-native content services, which recorded a relatively higher gross profit margin during the Track Record Period. We generally maintained positive gross profit margins for all business segments during the Track Record Period except for other services in 2024, where we made additional upfront investments for the launching of new products and services, which led to gross loss and negative gross profit margin for other services in 2024. For a detailed discussion of fluctuations in our overall and segment gross profits and gross profit margins, see "— Results of Operations".

Other income

Our other income primarily consists of (i) bank interest income; (ii) government grants from various PRC government authorities in connection with business development support, fiscal subsidy and various tax incentives, which had no conditions imposed by the respective PRC government authorities; and (iii) compensation received from an arbitration award. In 2022, 2023 and 2024, we recorded other income of RMB6.7 million, RMB7.3 million and RMB2.3 million, respectively.

The table below sets forth a breakdown of our other income by nature for the years indicated.

	Years ended December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Bank interest income	112	48	35
Government grants	6,618	6,228	2,287
Compensation	16	1,000	—
Total	**6,746**	**7,276**	**2,322**

Other gains and losses

Our other gains and losses include net gain on disposal of property, plant and equipment and others. In 2022 and 2024, we recorded other losses of RMB0.1 million and RMB7,000, respectively. In 2023, we recorded other gains of RMB0.6 million. The table below sets forth a breakdown of our other gains and losses by nature for the years indicated.

	Years ended December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Net gain on disposal of property, plant and equipment	—	(309)	—
Others	143	(296)	7
Total	**143**	**(605)**	**7**

Selling and marketing expenses

Our selling and marketing expenses primarily consist of (i) promoting and advertising expense incurred for engagement of third-party channels for promotional activities; and (ii) staff expense, which represents salaries and benefits of our sales and marketing personnel. In 2022, 2023 and 2024, we incurred selling and marketing expenses of RMB15.2 million, RMB16.1 million and RMB34.3 million, respectively.

The table below sets forth a breakdown of our selling and marketing expenses by nature for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Promoting and advertising expense	7,026	46.2	5,666	35.2	25,986	75.8
Staff expense	7,673	50.4	8,867	55.1	7,219	21.0
Others	520	3.4	1,561	9.7	1,093	3.2
Total	**15,219**	**100.0**	**16,094**	**100.0**	**34,298**	**100.0**

Administrative expenses

Our administrative expenses primarily consist of (i) staff expense, including salaries and benefits of administrative personnel; (ii) depreciation and amortization expense in relation to servers pending deployment; (iii) third-party service fee, associated with consulting and other professional service fees in connection with our daily operation; and (iv) others, such as utilities expenses, traveling and other miscellaneous expenses for our operating activities. The table below sets forth a breakdown of our administrative expenses by nature for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Staff expense	50,219	70.5	48,142	54.1	42,974	54.3
Depreciation and amortization expense	12,810	18.0	25,921	29.1	17,213	21.8
Third-party service fee	2,575	3.6	3,657	4.1	3,890	4.9
Others	5,590	7.9	11,241	12.6	15,033	19.0
Total	**71,193**	**100.0**	**88,961**	**100.0**	**79,110**	**100.0**

Research and development expenses

Our research and development expenses primarily comprise of (i) staff expense, which represents salaries and benefits of R&D personnel; (ii) third-party service fee, which represents purchases of third-party services for R&D purposes such as testing services; and (iii) depreciation and amortization expense in relation to servers and equipment used in our R&D activities. Historically, we made significant investments in our R&D activities as we continued to develop

new features for our services and procure and lease servers, equipment and intellectual property rights. During the Track Record Period, substantially all of our R&D expenses were incurred for our GPUaaS for cloud gaming. The table below sets forth a breakdown of our research and development expenses by nature for the years indicated.

	Years ended December 31,					
	2022		2023		2024	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Staff expense	121,625	90.9	87,949	78.0	82,397	81.7
Third-party service fee	3,847	2.9	15,279	13.6	14,667	14.5
Depreciation and amortization expense	4,287	3.2	5,620	5.0	1,871	1.9
Others	3,969	3.0	3,846	3.4	1,880	1.9
Total	**133,728**	**100.0**	**112,694**	**100.0**	**100,815**	**100.0**

Impairment losses under expected credit loss ("ECL") model, net of reversal

We recorded net impairment losses under expected credit loss ("**ECL**") model (net of reversal) of RMB4.5 million, RMB10.4 million and RMB12.5 million in 2022, 2023 and 2024, respectively, mainly regarding trade, bills and other receivables subject to the expected credit loss model.

Finance costs

Our finance costs consist of (i) interest on amounts due to related parties; (ii) interest on redemption liabilities; (iii) interest on lease; (iv) interest on sale and leaseback; and (v) interest on bank and other borrowings. The table below sets forth a breakdown of our finance costs by nature for the years indicated.

	Years ended December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Interest on amounts due to related parties	1,081	1,042	842
Interest on redemption liabilities	72,099	80,145	96,776
Interest on lease	29,985	20,248	7,928
Interest on sale and leaseback	146	2,087	4,424
Interest on bank and other borrowings	5,061	6,402	8,602
Total	**108,372**	**109,924**	**118,572**

Income tax credit

Our income tax credit consists of deferred tax credit. In 2022, 2023 and 2024, we recorded income tax credit of RMB19.1 million, RMB23.0 million and RMB32.6 million, respectively.

Mainland China

Pursuant to the PRC Enterprise Income Tax Law (the "**EIT Law**") and related regulations, enterprises which operate in China are generally subject to enterprise income tax at a statutory rate of 25% on the taxable profit. Our Company and certain subsidiaries operating in the PRC were accredited as "High and New Technology Enterprise" ("**HNTE**") during the Track Record Period, and were therefore eligible for a preferential EIT rate of 15%. Such qualifications are subject to renewal and re-accreditation every three years by the relevant PRC authorities. Our Company and the relevant subsidiaries were eligible for HNTE for the years ended December 31, 2022, 2023 and 2024.

Loss and total comprehensive expenses for the year

As a result of foregoing, we incurred loss and total comprehensive expenses of RMB245.7 million, RMB217.7 million and RMB185.7 million in 2022, 2023 and 2024, respectively.

RESULTS OF OPERATIONS

Year ended December 31, 2024 compared to year ended December 31, 2023

Revenue

Our revenue increased by 54.4% from RMB336.6 million for the year ended December 31, 2023 to RMB519.5 million for the year ended December 31, 2024, primarily due to the significant increase in revenue from our GPUaaS for cloud gaming.

Our revenue from GPUaaS for cloud gaming increased by 107.9% from RMB220.2 million for the year ended December 31, 2023 to RMB457.9 million for the year ended December 31, 2024, primarily because (i) we successfully captured the market demands and increased our market shares in 2024; (ii) the number of customers for our GPUaaS for cloud gaming increased by 56.8% from 44 in 2023 to 69 in 2024.

Our revenue from cloud-native content services decreased by 54.6% from RMB103.1 million for the year ended December 31, 2023 to RMB46.8 million for the year ended December 31, 2024, primarily due to a reduction in the number of cloud-native content projects that we undertook in 2024 as we focused on the rapid expansion of our GPUaaS for cloud gaming business.

Our revenue from other services increased by 11.6% from RMB13.3 million for the year ended December 31, 2023 to RMB14.8 million for the year ended December 31, 2024, primarily due to an increase in revenue from our newly launched GPUaaS for virtual desktop.

Cost of sales

Our cost of sales increased by 57.9% from RMB247.1 million for the year ended December 31, 2023 to RMB390.2 million for the year ended December 31, 2024, primarily due to the significant increase in server procurement costs from RMB12.5 million in 2023 to RMB150.3 million in 2024, as a result of an increase in our procurement of servers in line with the growth of our business. In particular, we started to offer integrated GPU computing solutions to our GPUaaS for cloud gaming customers in 2023. Such solutions comprise GPU servers and embedded software for real-time rendering, along with supporting management equipment, which required a greater upfront investment in server infrastructure. The increase was partially offset by (i) a decrease in staff costs from RMB32.9 million in 2023 to RMB21.9 million in 2024, primarily due to a reduction in the number of cloud-native content projects that we undertook during the period, which in turn led to a corresponding decline in personnel allocation and related expenditures; and (ii) a decrease in others from RMB25.5 million in 2023 to RMB5.1 million in 2024, which is also in relation to our cloud-native content services. In 2023, we incurred additional advertisement costs in certain cloud-native content projects according to the relevant agreements with our customers.

Our cost of sales for GPUaaS for cloud gaming increased by 107.4% from RMB165.2 million for the year ended December 31, 2023 to RMB342.6 million for the year ended December 31, 2024, primarily due to an increase in our procurement of servers in line with our business growth.

Our cost of sales for cloud-native content services decreased by 56.5% from RMB72.5 million for the year ended December 31, 2023 to RMB31.5 million for the year ended December 31, 2024, primarily due to a reduction in the number of cloud-native content projects that we undertook during the period, which in turn led to a corresponding decline in personnel allocation and related expenditures.

Our cost of sales for other services increased by 69.9% from RMB9.4 million for the year ended December 31, 2023 to RMB16.0 million for the year ended December 31, 2024, primarily due to our upfront investment in the launch of our GPUaaS for virtual desktop.

Gross profit/(loss) and gross profit/(loss) margin

As a result of foregoing, our gross profit increased by 44.7% from RMB89.4 million for the year ended December 31, 2023 to RMB129.4 million for the year ended December 31, 2024. Our gross profit margin decreased slightly from 26.6% in 2023 to 24.9% in 2024, primarily because we recorded gross loss in other services in 2024.

Our gross profit margin for GPUaaS for cloud gaming remained relatively stable at 25.0% and 25.2% in 2023 and 2024, respectively.

Our gross profit margin for cloud-native content services increased slightly from 29.6% in 2023 to 32.7% in 2024, primarily because we incurred additional advertisement costs in certain cloud-native content projects in 2023 according to the relevant agreements with our customers, which diluted the gross profit margin of cloud-native content services for that year.

In terms of other services, we had gross profit margin of 29.2% in 2023, and gross loss margin of 7.8% in 2024. Our gross loss position in 2024 was primarily because we incurred significant upfront costs for computing resources and IDC services for the launch of our GPUaaS for virtual desktop in 2024, which is still at an early ramp-up stage.

Other income

Our other income decreased by 68.1% from RMB7.3 million for the year ended December 31, 2023 to RMB2.3 million for the year ended December 31, 2024, primarily due to the decrease in government grants because we received a one-off special economic fund of RMB4.0 million from a local government authority in 2023.

Other gains and losses

We recorded other gains of RMB0.6 million for the year ended December 31, 2023 and other losses of RMB7,000 for the year ended December 31, 2024.

Selling and marketing expenses

Our selling and marketing expenses increased by 113.1% from RMB16.1 million for the year ended December 31, 2023 to RMB34.3 million for the year ended December 31, 2024, primarily due to a significant increase in promoting and advertising expense from RMB5.7 million in 2023 to RMB26.0 million in 2024, as a result of our promotional activities for our GPUaaS for virtual desktop. Our selling and marketing expenses as a percentage of our total revenue increased from 4.8% in 2023 to 6.6% in 2024.

Administrative expenses

Our administrative expenses decreased by 11.1% from RMB89.0 million for the year ended December 31, 2023 to RMB79.1 million for the year ended December 31, 2024, primarily due to (i) a decrease in staff expense from RMB48.1 million in 2023 to RMB43.0 million in 2024, primarily due to a reduction in administrative personnel allocation and related expenditures as we undertook fewer cloud-native content projects in 2024; and (ii) a decrease in depreciation and amortization expense from RMB25.9 million in 2023 to RMB17.2 million in 2024, due to the decrease in servers and other equipment pending deployment.

Research and development expenses

Our research and development expenses decreased by 10.5% from RMB112.7 million for the year ended December 31, 2023 to RMB100.8 million for the year ended December 31, 2024, despite additional R&D expenses incurred for the development of GPUaaS for virtual desktop. This was primarily because (i) our GPUaaS for cloud gaming and cloud-native content services had reached a more mature stage, allowing us to reduce investment after substantial upfront R&D efforts during the early stage of development; and (ii) we used AI-powered R&D tools to improve efficiency and optimize our R&D expenses.

Impairment losses under expected credit loss ("ECL") model, net of reversal

Our impairment losses under ECL model, net of reversal increased by 20.7% from RMB10.4 million for the year ended December 31, 2023 to RMB12.5 million for the year ended December 31, 2024, generally in line with the balances of trade receivables.

Finance costs

Our finance costs increased by 7.9% from RMB109.9 million for the year ended December 31, 2023 to RMB118.6 million for the year ended December 31, 2024, primarily due to an increase in interest on redemption liabilities in relation to our redemption obligations arising from the redemption rights granted to certain Shareholders.

Income tax credit

Our income tax credit increased by 41.4% from RMB23.0 million for the year ended December 31, 2023 to RMB32.6 million for the year ended December 31, 2024, primarily due to an increase in deferred tax credit resulting from the accumulated losses recognized by our Company.

Loss and total comprehensive expenses for the year

As a result of foregoing, our loss and total comprehensive expenses for the year decreased by 14.7% from RMB217.7 million for the year ended December 31, 2023 to RMB185.7 million for the year ended December 31, 2024.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenue

Our revenue increased by 15.9% from RMB290.3 million for the year ended December 31, 2022 to RMB336.6 million for the year ended December 31, 2023, primarily attributable to a significant increase in revenue from our cloud-native content services.

Our revenue from GPUaaS for cloud gaming decreased by 11.1% from RMB247.8 million for the year ended December 31, 2022 to RMB220.2 million for the year ended December 31, 2023, primarily due to the reduced purchase in 2023 from one of the top five customers in 2022.

Our revenue from cloud-native content services increased by 297.6% from RMB25.9 million for the year ended December 31, 2022 to RMB103.1 million for the year ended December 31, 2023, primarily because we carried out a number of large-scale virtual spaces or metaverse building projects.

Our revenue from other services decreased by 19.8% from RMB16.6 million for the year ended December 31, 2022 to RMB13.3 million for the year ended December 31, 2023, primarily due to the decrease of our revenue from GPUaaS for VMI. In 2023, we strategically reduced resource allocation for our GPUaaS for VMI.

Cost of sales

Our cost of sales increased by 8.1% from RMB228.6 million for the year ended December 31, 2022 to RMB247.1 million for the year ended December 31, 2023, primarily driven by (i) an increase in server procurement costs from nil in 2022 to RMB12.5 million in 2023, due to an increase in our procurement of servers. In particular, we started to offer integrated GPU computing solutions to our GPUaaS for cloud gaming customers in 2023. Such solutions comprise GPU servers and embedded software for real-time rendering, along with supporting management equipment, which required a greater upfront investment in server infrastructure; (ii) an increase in staff costs from RMB6.9 million in 2022 to RMB32.9 million in 2023, reflecting a corresponding increase in personnel allocation and related expenditures in line with our business growth of cloud-native content services; (iii) an increase in technical service costs from RMB13.1 million in

2022 to RMB18.4 million in 2023, due to our increased procurement of third-party services such as art design and photography in relation to our cloud-native content projects; and (iv) an increase in others from RMB0.6 million in 2022 to RMB25.5 million in 2023, which is also in relation to our cloud-native content services. In 2023, we incurred additional advertisement costs in certain cloud-native content projects according to the relevant agreements with our customers. These increases were partially offset by a decrease in computing resources and IDC costs from RMB208.0 million in 2022 to RMB157.7 million in 2023, primarily because our computing resources costs decreased, which was generally in line with the decrease in our revenue.

Our cost of sales for GPUaaS for cloud gaming decreased by 17.5% from RMB200.4 million for the year ended December 31, 2022 to RMB165.2 million for the year ended December 31, 2023, primarily because our computing resources costs decreased, which was generally in line with the decrease in our revenue from GPUaaS for cloud gaming.

Our cost of sales for cloud-native content services increased by 352.6% from RMB16.0 million for the year ended December 31, 2022 to RMB72.5 million for the year ended December 31, 2023, primarily due to a corresponding increase in personnel allocation and related expenditures in line with our business growth of cloud-native content services in 2023.

Our cost of sales for other services decreased by 23.1% from RMB12.2 million for the year ended December 31, 2022 to RMB9.4 million for the year ended December 31, 2023, primarily because we strategically reduced our allocation of resources to GPUaaS for VMI.

Gross profit and gross profit margin

Our gross profit increased by 45.1% from RMB61.6 million for the year ended December 31, 2022 to RMB89.4 million for the year ended December 31, 2023. Our gross profit margin increased from 21.2% in 2022 to 26.6% in 2023, primarily attributable to the increased gross profit margins of our GPUaaS for cloud gaming and other services.

Our gross profit margin for GPUaaS for cloud gaming increased from 19.1% in 2022 to 25.0% in 2023, primarily due to our improved utilization of GPU, servers and IDC resources through our R&D efforts.

Our gross profit margin for cloud-native content services decreased from 38.2% in 2022 to 29.6% in 2023, primarily because we incurred additional advertisement costs in certain cloud-native content projects in 2023 according to the relevant agreements with our customers, which diluted the gross profit margin for that year.

Our gross profit margin for other services increased moderately from 26.2% in 2022 to 29.2% in 2023.

Other income

Our other income remained relatively stable at RMB6.7 million and RMB7.3 million for the year ended December 31, 2022 and 2023, respectively.

Other gains and losses

We recorded other losses of RMB0.1 million for the year ended December 31, 2022 and other gains of RMB0.6 million for the year ended December 31, 2023.

Selling and marketing expenses

Our selling and marketing expenses increased by 5.7% from RMB15.2 million for the year ended December 31, 2022 to RMB16.1 million for the year ended December 31, 2023, primarily due to (i) an increase in staff expense from RMB7.7 million in 2022 to RMB8.9 million in 2023, resulting from the increase in the number of sales staff driven by our expanding business scale, especially for our cloud-native content services; and (ii) an increase in others from RMB0.5 million in 2022 to RMB1.6 million in 2023, as a result of the increase in traveling and other miscellaneous expenses related to sales activities. Our selling and marketing expenses as a percentage of our total revenue decreased from 5.2% in 2022 to 4.8% in 2023.

Administrative expenses

Our administrative expenses increased by 25.0% from RMB71.2 million for the year ended December 31, 2022 to RMB89.0 million for the year ended December 31, 2023, primarily due to (i) an increase in depreciation and amortization expense from RMB12.8 million in 2022 to RMB25.9 million in 2023, as a result of our increased number of servers pending deployment; and (ii) an increase in others from RMB5.6 million in 2022 to RMB11.2 million in 2023, mainly attributable to the increase in traveling and other miscellaneous expenses generally in line with our business expansion.

Research and development expenses

Our research and development expenses decreased by 15.7% from RMB133.7 million for the year ended December 31, 2022 to RMB112.7 million for the year ended December 31, 2023, primarily because we completed certain major R&D initiatives for our cloud-native content services in 2022. As these services entered the commercialization stage, we were able to reduce further R&D investment.

Impairment losses under expected credit loss ("ECL") model, net of reversal

Our impairment losses under ECL model, net of reversal increased by 128.6% from RMB4.5 million for the year ended December 31, 2022 to RMB10.4 million for the year ended December 31, 2023, generally in line with the balances of trade receivables.

Finance costs

Our finance costs increased by 1.4% from RMB108.4 million for the year ended December 31, 2022 to RMB109.9 million for the year ended December 31, 2023, primarily due to an increase in interest on redemption liabilities in relation to our redemption obligations arising from the redemption rights granted to certain Shareholders.

Income tax credit

Our income tax credit increased by 20.8% from RMB19.1 million for the year ended December 31, 2022 to RMB23.0 million for the year ended December 31, 2023, primarily due to an increase in deferred tax credit resulting from the accumulated losses recognized by our Company.

Loss and total comprehensive expenses for the year

As a result of foregoing, our loss and total comprehensive expenses for the year decreased by 11.4% from RMB245.7 million for the year ended December 31, 2022 to RMB217.7 million for the year ended December 31, 2023.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which have been extracted from the Accountants' Report set out in Appendix I to this Document.

	As of December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
NON-CURRENT ASSETS			
Property, plant and equipment	90,604	106,075	114,621
Right-of-use assets	214,952	136,113	44,704
Intangible assets	6,960	4,921	5,750
Interests in associates and a joint venture	294	—	—
Other non-current assets	43,667	37,175	67,150
Deferred tax assets	47,483	70,530	103,121
Total non-current assets	**403,960**	**354,814**	**335,346**
CURRENT ASSETS			
Trade, bills and other receivables	131,556	218,215	290,488
Amounts due from related parties	22,593	48,785	48,751
Cash and cash equivalents	21,004	21,584	26,239
Total current assets	**175,153**	**288,584**	**365,478**
CURRENT LIABILITIES			
Trade and other payables	96,575	156,059	328,952
Amounts due to related parties	48,659	43,984	68,849
Redemption liabilities	—	—	1,278,391
Bank and other borrowings	102,747	173,075	154,119
Lease liabilities	223,834	223,169	205,919
Contract liabilities	2,146	1,734	3,116
Total current liabilities	**473,961**	**598,021**	**2,039,346**
NET CURRENT LIABILITIES	**(298,808)**	**(309,437)**	**(1,673,868)**
TOTAL ASSETS LESS CURRENT LIABILITIES	**105,152**	**45,377**	**(1,338,522)**
NON-CURRENT LIABILITIES			
Other long-term payables	2,906	19,431	6,451
Redemption liabilities	972,290	1,160,615	—
Lease liabilities	82,656	35,728	11,085
Total non-current liabilities	**1,057,852**	**1,215,774**	**17,536**
NET LIABILITIES	**(952,700)**	**(1,170,397)**	**(1,356,058)**
TOTAL DEFICITS	**(952,700)**	**(1,170,397)**	**(1,356,058)**

Current assets and liabilities

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

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(unaudited)*
CURRENT ASSETS				
Trade, bills and other receivables	131,556	218,215	290,488	314,495
Amounts due from related parties	22,593	48,785	48,751	54,759
Cash and cash equivalents	21,004	21,584	26,239	53,033
Total current assets	**175,153**	**288,584**	**365,478**	**422,287**
CURRENT LIABILITIES				
Trade and other payables	96,575	156,059	328,952	296,088
Amounts due to related parties	48,659	43,984	68,849	42,115
Redemption liabilities	—	—	1,278,391	1,430,859
Bank and other borrowings	102,747	173,075	154,119	206,121
Lease liabilities	223,834	223,169	205,919	191,487
Contract liabilities	2,146	1,734	3,116	3,328
Total current liabilities	**473,961**	**598,021**	**2,039,346**	**2,169,998**
NET CURRENT LIABILITIES	**(298,808)**	**(309,437)**	**(1,673,868)**	**(1,747,711)**

Our net current liabilities increased slightly from RMB298.8 million as of December 31, 2022 to RMB309.4 million as of December 31, 2023, primarily due to (i) an increase in trade and other payables of RMB59.5 million; (ii) an increase in bank and other borrowings of RMB70.3 million; partially offset by (i) an increase in trade, bills and other receivables of RMB86.7 million; and (ii) an increase in amounts due from related parties of RMB26.2 million.

Our net current liabilities increased significantly from RMB309.4 million as of December 31, 2023 to RMB1,673.9 million as of December 31, 2024, primarily due to (i) an increase in trade and other payables of RMB172.9 million; (ii) an increase in redemption liabilities of RMB1,278.4 million; and (iii) an increase in amounts due to related parties of RMB24.9 million; partially offset by an increase in trade, bills and other receivables of RMB72.3 million.

Our net current liabilities increased from RMB1,673.9 million as of December 31, 2024 to RMB1,747.7 million as of April 30, 2025, primarily due to (i) an increase in redemption liabilities of RMB152.5 million; and (ii) an increase in bank and other borrowings of RMB52.0 million; partially offset by (i) an increase in cash and cash equivalents of RMB26.8 million; and (ii) an increase in trade, bills and other receivables of RMB24.0 million. Our position of net liabilities is expected to turn into net assets upon the **[REDACTED]** with the elimination of redemption liabilities.

During the Track Record Period, we financed our operations primarily through operating cash flows and existing capital resources such as available equity and debt financing, bank and other borrowings and finance lease. Our Directors confirm that, taking into consideration the financial resources presently available to us, which are primarily our cash and cash equivalents on hand, our operating cash flows, our bank and other borrowings, the available financing facilities, the estimated **[REDACTED]** available to us from the **[REDACTED]**, our Directors believe that we have sufficient working capital for at least the next 12 months from the date of this Document.

Property, plant and equipment

Our property, plant and equipment primarily consist of servers and electronic equipment. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Servers	83,986	99,448	108,258
Electronic equipment	6,356	6,431	6,205
Office furniture	210	144	106
Other equipment	52	52	52
Total	**90,604**	**106,075**	**114,621**

Our property, plant and equipment increased from RMB90.6 million as of December 31, 2022 to RMB106.1 million as of December 31, 2023, further increased to RMB114.6 million as of December 31, 2024, primarily due to the increase in servers that were mainly used for our GPUaaS for cloud gaming, which was in line with our business expansion.

Right-of-use assets

Our right-of-use assets primarily consist of (i) servers, and (ii) leased properties representing our lease of office premises. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Servers	207,949	117,054	30,368
Leased properties	7,003	19,059	14,336
Total	**214,952**	**136,113**	**44,704**

Our right-of-use assets decreased from RMB215.0 million as of December 31, 2022 to RMB136.1 million as of December 31, 2023, and further decreased to RMB44.7 million as of December 31, 2024, primarily due to the conclusion of certain server lease agreements in 2023 and 2024.

Trade, bills and other receivables

The following table sets forth our trade, bills and other receivables as at the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Trade receivables	67,965	137,883	241,049
Bills receivable	57,704	80,095	50,133
	125,669	217,978	291,182
Less: Allowance for credit loss for trade and bills receivable	(15,466)	(25,722)	(38,257)
	110,203	192,256	252,925
Advances to suppliers	1,911	2,890	9,073
Deposits	1,254	5,992	5,459
Prepaid expenses	—	—	7,862
Deductible VAT	17,835	16,514	13,453
Deferred **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	1,375	604	813
	22,375	26,000	37,588
Less: Allowance for credit loss for other receivables	(1,022)	(41)	(25)
	21,353	25,959	37,563
	131,556	**218,215**	**290,488**

Our trade, bills and other receivables consist of (i) trade and bills receivables, in connection with outstanding amounts due from our customers for our products and services performed in the ordinary course of business; (ii) advances to suppliers; (iii) deposits, in relation to our leases of servers and office premises; (iv) prepaid expenses, representing advertising and promoting fees prepaid to an online platform; (v) deductible VAT; (vi) deferred **[REDACTED]** costs; and (vii) others.

Our trade, bills and other receivables increased by 65.8% from RMB131.6 million as of December 31, 2022 to RMB218.2 million as of December 31, 2023, mainly due to (i) an increase in trade receivables from RMB68.0 million as of December 31, 2022 to RMB137.9 million as of December 31, 2023, and an increase in bills receivable from RMB57.7 million as of December 31, 2022 to RMB80.1 million as of December 31, 2023, primarily in line with our business growth; (ii) an increase in deposits from RMB1.3 million as of December 31, 2022 to RMB6.0 million as of December 31, 2023, primarily due to our increased finance lease for servers.

Our trade, bills and other receivables increased by 33.1% from RMB218.2 million as of December 31, 2023 to RMB290.5 million as of December 31, 2024, mainly due to (i) an increase in trade receivables from RMB137.9 million as of December 31, 2023 to RMB241.0 million as of December 31, 2024, mainly driven by the growth of our business; (ii) an increase in advances to suppliers from RMB2.9 million as of December 31, 2023 to RMB9.1 million as of December 31, 2024, mainly in connection with our prepayment for servers procurement; and (iii) an increase in prepaid expenses from nil as of December 31, 2023 to RMB7.9 million as of December 31, 2024, resulted from payment of online advertising fees for brand promotion.

We generally grant a credit period of up to 90 days to our customers in the service agreements, whereas in reality some customers may have longer settlement cycles. The following table sets forth an aged analysis of trade receivables, net of allowance for credit losses, as of the dates indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Within 90 days	33,761	92,991	145,074
91 to 365 days	5,539	2,459	22,047
Over 365 days	13,209	16,756	35,683
	52,509	**112,206**	**202,804**

The following table sets forth our trade receivables turnover days for the years indicated.

	For the year ended December 31,		
	2022	**2023**	**2024**
Trade receivables turnover days[(Note)]	93	112	133

Note: Trade receivables turnover days refer to the average of trade receivables divided by total revenue and multiplied by the number of days during such period.

Our trade receivables turnover days increased from 93 days in 2022 to 112 days in 2023 and further to 133 days in 2024, primarily due to the extended settlement cycles of certain customers.

In order to minimize credit risk, we designate staff to follow up on and collect these receivables each month. In addition, we perform impairment assessment under expected credit loss model. Trade receivables for customers with high credit risk are assessed individually for impairment allowance and the remaining trade receivables are estimated collectively by using a provision matrix. Assessments are done based on our historical credit loss experience based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. As of December 31, 2022, 2023 and 2024, we had made provision for impairment of trade and bills receivable of RMB15.5 million, RMB25.7 million and RMB38.3 million, respectively.

As of April 30, 2025, RMB59.2 million, representing 22.1% of our trade, bills and other receivables (after allowance for credit losses) as of December 31, 2024, had been subsequently settled.

Cash and cash equivalents

Our cash and cash equivalents were RMB21.0 million, RMB21.6 million and RMB26.2 million, respectively, as of December 31, 2022, 2023 and 2024. The continued increase of our cash and cash equivalents positions at each period end was primarily due to cash inflows from our financing activities. For details, see "— Liquidity and Capital Resources — Consolidated Statement of Cash Flows."

Trade and other payables

Our trade and other payables primarily represent (i) payables to our suppliers for IDC bandwidth and servers they provided; (ii) accrued payroll; and (iii) other long term payables mainly related to sale-and-leaseback arrangements relating to our finance lease.

	As of December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Trade payables	51,293	65,513	206,177
Accrued payroll	37,733	52,798	70,900
Other taxes payables	3,456	5,084	11,343
Expenses reimbursement	940	1,112	867
Payables for acquisition of intangible assets	900	3,240	—
Accrued **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	594	660	915
	43,623	62,894	86,122
Obligation arising from the sale and leaseback			
— non-current	2,906	19,431	6,451
— current	1,659	27,652	36,653
	4,565	47,083	43,104
	99,481	**175,490**	**335,403**

As of December 31, 2022, our trade and other payables totaled RMB99.5 million, which increased by 76.4% to RMB175.5 million as of December 31, 2023, and further increased by 91.1% to RMB335.4 million as of December 31, 2024, primarily due to our increased purchase amounts in line with our business growth.

The following table sets forth our trade payables turnover days for the periods indicated.

	For the year ended December 31,		
	2022	2023	2024
Trade payables turnover days[(Note)]	63	86	127

Note: Trade payables turnover days refer to the average of trade payables divided by cost of sales and multiplied by the number of days during such period.

The average trade payables turnover days were 63 days in 2022, 86 days in 2023, and 127 days in 2024. The increase in average trade payables turnover days during the Track Record Period was primarily because we extended settlement cycles with suppliers in view of the extended settlement cycles of trade receivables.

The following table sets forth an aging analysis of trade payables based on the delivery date as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
0 to 1 year	34,488	48,787	185,953
1 year to 5 years	7,239	4,071	5,842
Over 5 years	9,566	12,655	14,382
	51,293	**65,513**	**206,177**

Our Directors confirm that we did not have any material defaults on payments of trade and other payables during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2025, RMB79.0 million, representing 38.3% of our trade payables as of December 31, 2024, had been subsequently settled.

Contract liabilities

Our contract liabilities mainly represent the advances received from users of our GPUaaS for virtual desktop and RunningHub.ai, who purchased usage-duration-based pricing plans from us. Our contract liabilities amounted to RMB2.1 million, RMB1.7 million and RMB3.1 million as of December 31, 2022, 2023 and 2024, respectively. As of April 30, 2025, RMB2.1 million, representing 67.7% of the contract liabilities as of December 31, 2024, were subsequently recognized as revenue.

Amounts due from related parties

We recorded amounts due from related parties of RMB22.6 million, RMB48.8 million and RMB48.8 million as of December 31, 2022, 2023 and 2024, respectively. Our amounts due from related parties mainly comprise receivables in relation to services we provided to them, which are trade in nature. See "— Related-Party Transactions".

Amounts due to related parties

We recorded amounts due to related parties of RMB48.7 million, RMB44.0 million and RMB68.8 million as of December 31, 2022, 2023 and 2024, respectively. Our amounts due to related parties generally arises from our purchase of IDC services with UCloud and borrowings from related parties. See "— Related-Party Transactions".

LIQUIDITY AND CAPITAL RESOURCES

Consolidated statement of cash flows

The following table sets forth our cash flows for the periods indicated.

	Years ended December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Operating cash flows before movements in working capital	(9,902)	9,097	3,999
Cash used in operations	(49,142)	(165,021)	(68,147)
Interest received	112	48	35
Net cash used in operating activities *(Note)*	(49,030)	(164,973)	(68,112)
Net cash used in investing activities	(39,935)	(52,915)	(33,849)
Net cash from financing activities	46,463	218,468	106,615
Net (decrease) increase in cash and cash equivalents	(42,502)	580	4,654
Cash and cash equivalents at beginning of the year	63,506	21,004	21,584
Cash and cash equivalents at end of the year	**21,004**	**21,584**	**26,239**

Note: We routinely discount customer-issued commercial acceptance notes at the bank, the proceeds of which are recorded as financing cash inflows instead of operating cash inflows. Our proceeds from bills discounted that are not derecognized in their entirety amounted to RMB108.2 million, RMB101.7 million and RMB126.3 million in 2022, 2023 and 2024, respectively.

Net cash used in operating activities

We derive our cash inflows from operations principally from the receipts in respect of the sales of our products and services. Our cash outflows from operations are principally payments for cost of sales and other expenses. Our cash flows from operating activities can be affected by factors such as the timing of collection of trade receivables from customers. Further, we routinely discount customer-issued commercial acceptance notes at the bank, the proceeds of which are recorded as financing cash inflows instead of operating cash inflows. Our proceeds from bills discounted that are not derecognized in their entirety amounted to RMB108.2 million, RMB101.7 million and RMB126.3 million in 2022, 2023 and 2024, respectively. By comparison, our net cash used in operating activities amounted to RMB49.0 million, RMB165.0 million and RMB68.1 million in the same years, respectively.

Net cash used in operating activities reflects our loss before tax, adjusted for (i) non-cash items, including (a) depreciation of property, plant and equipment and right-of-use assets, (b) impairment losses under ECL model, net of reversal, and (c) gain on disposal of property, plant and equipment, and (ii) changes in our working capital.

In 2024, our net cash used in operating activities amounted to RMB68.1 million, which primarily consisted of loss before income tax of RMB218.3 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of finance costs of RMB118.6 million, depreciation of right-of-use assets of RMB60.5 million, and depreciation of property, plant and equipment of RMB28.9 million; and (ii) changes in working capital, primarily resulted from (a) an increase in trade, bills and other receivables of RMB230.1 million, and (b) an increase in other non-current assets of RMB11.1 million, partially offset by an increase in trade and other payables of RMB162.3 million.

In 2023, our net cash used in operating activities amounted to RMB165.0 million, which primarily consisted of loss before income tax of RMB240.7 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of finance costs of RMB109.9 million, depreciation of right-of-use assets of RMB98.3 million, and depreciation of property, plant and equipment of RMB26.5 million; and (ii) changes in working capital, primarily resulted from (a) an increase in trade, bills and other receivables of RMB171.4 million, and (b) an increase in amounts due from related parties of RMB26.7 million, partially offset by an increase in trade and other payables of RMB26.0 million.

In 2022, our net cash used in operating activities amounted to RMB49.0 million, which primarily consisted of loss before income tax of RMB264.8 million, as adjusted by (i) non-cash and non-operating items, which primarily consisted of depreciation of right-of-use assets of RMB125.7 million, finance costs of RMB108.4 million, and depreciation of property, plant and

equipment of RMB12.0 million; and (ii) changes in working capital, primarily resulted from (a) an increase in trade, bills and other receivables of RMB87.5 million, and (b) a decrease in amounts due to related parties of RMB10.9 million, partially offset by an increase in trade and other payables of RMB56.5 million.

Net cash used in investing activities

In 2024, our net cash used in investing activities was RMB33.8 million, which was primarily attributable to (i) purchases of property, plant and equipment of RMB25.7 million, and (ii) purchases of intangible assets of RMB5.8 million.

In 2023, our net cash used in investing activities was RMB52.9 million, which was primarily attributable to (i) purchases of property, plant and equipment of RMB47.4 million, and (ii) payments for rental deposits of RMB5.4 million.

In 2022, our net cash used in investing activities was RMB39.9 million, which was primarily attributable to (i) purchases of property, plant and equipment of RMB40.4 million, and (ii) payments for rental deposits of RMB1.6 million, and partially offset by refund of rental deposits of RMB2.4 million.

Net cash from financing activities

In 2024, our net cash from financing activities was RMB106.6 million, which was primarily attributable to (i) proceeds from bills discounted that are not derecognized in their entirety of RMB126.3 million, (ii) new borrowings raised of RMB104.0 million, (iii) new borrowings raised from related parties of RMB57.5 million, (iv) proceeds on sales and leaseback arrangement of RMB35.0 million, and (v) proceeds from issue of shares of RMB21.0 million, and partially offset by (i) repayment of borrowings of RMB102.0 million, (ii) repayments on sales and leaseback arrangement of RMB38.6 million, (iii) repayments of lease liabilities of RMB38.2 million, (iv) repayments of borrowings from related parties of RMB37.0 million, and (v) interest paid of RMB20.6 million.

In 2023, our net cash from financing activities was RMB218.5 million, which was primarily attributable to (i) new borrowings raised of RMB122.0 million, (ii) proceeds from issue of shares of RMB108.2 million, (iii) proceeds from bills discounted that are not derecognized in their entirety of RMB101.7 million, (iv) proceeds on sales and leaseback arrangement of RMB50.0 million, and (v) new borrowings raised from related parties of RMB36.5 million, partially offset by (i) repayments of lease liabilities of RMB68.9 million, (ii) repayment of borrowings of RMB65.0 million, (iii) interest paid of RMB28.1 million, and (iv) repayments of borrowings from related parties of RMB28.0 million.

In 2022, our net cash from financing activities was RMB46.5 million, which was primarily attributable to (i) proceeds from bills discounted that are not derecognized in their entirety of RMB108.2 million, and (ii) new borrowings raised of RMB54.8 million, partially offset by (i) repayment of borrowings of RMB57.3 million, (ii) interest paid of RMB35.1 million, and (iii) repayments of lease liabilities of RMB28.4 million.

Working capital

Taking into account our cash and cash equivalents, operating cash flows, bank borrowings, the available bank facilities, and the estimated **[REDACTED]** available to us from the **[REDACTED]**, our Directors believe that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this Document.

INDEBTEDNESS

Except as disclosed below, we did not have any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptance or acceptance credits or any guarantees as of April 30, 2025. There are no material covenants relating to our outstanding indebtedness that would prevent us from raising additional bank or other external financing in any material aspects. Our Directors also confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(unaudited)*
Bank and other borrowings	102,747	173,075	154,119	216,121
Lease liabilities	306,490	258,897	217,004	221,801
Redemption liabilities	972,290	1,160,615	1,278,391	1,430,859
Amounts due to related parties	24,800	33,432	53,800	42,115
Obligation arising from the sale and leaseback	4,565	47,083	43,104	37,300
Total	**1,410,892**	**1,673,102**	**1,746,418**	**1,948,196**

Bank and other borrowings

Our borrowings were primarily used to finance our business operations during the Track Record Period. The table below sets forth the details of our bank and other borrowings as at the dates indicated.

	As of December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Secured and guaranteed	—	20,020	30,065
Secured and unguaranteed	—	10,014	—
Unsecured and guaranteed	40,043	62,042	64,075
	40,043	**92,076**	**94,140**
Other borrowings			
— Discounted bills	57,704	70,999	49,979
— Third-party individuals	5,000	10,000	10,000
	62,704	**80,999**	**59,979**

Our bank and other borrowings amounted to RMB102.7 million, RMB173.1 million and RMB154.1 million as of December 31, 2022, 2023 and 2024 respectively. For the interest rate profile of our borrowings during the Track Record Period, see Note 25 to the Accountants' Report in Appendix I to this Document. Our related parties had guaranteed certain of our bank borrowings of RMB40.0 million, RMB82.1 million and RMB94.1 million as of December 31, 2022, 2023 and 2024, respectively, some of which will be released upon maturity of the relevant guaranteed borrowings before **[REDACTED]**, or upon **[REDACTED]**. For details of the guarantees, please also see "Relationship With Our Single Largest Group of Shareholders — Independence From Our Single Largest Group of Shareholders — Financial Independence".

As of the Latest Practicable Date, we had unutilized and unconditional borrowing facilities of RMB210.0 million.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there was no delay or default in repayment of bank and other borrowings, nor any breach of debt covenants, and we did not experience any difficulty in obtaining financing facilities with terms that are commercially acceptable to us.

Lease liabilities

The table below sets forth our lease liabilities as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Lease liabilities payable:			
Within one year	223,834	223,169	205,919
Within a period of more than one year but not exceeding two years	64,297	25,285	5,413
Within a period of more than two years but not exceeding five years	18,359	10,443	5,672
	306,490	258,897	217,004
Less: Amounts due for settlement within 12 months shown under current liabilities	(223,834)	(223,169)	(205,919)
Amounts due for settlement after 12 months shown under non-current liabilities	82,656	35,728	11,085

We lease properties to operate our business and our lease liabilities mainly relate to the lease of our office premises and servers. We recorded current lease liabilities of RMB223.8 million, RMB223.2 million and RMB205.9 million, respectively, as of December 31, 2022, 2023 and 2024. We recorded non-current lease liabilities of RMB82.7 million, RMB35.7 million and RMB11.1 million, respectively, as of December 31, 2022, 2023 and 2024.

Our Directors confirm that since April 30, 2025, there has not been any material change in our indebtedness and contingent liabilities.

Redemption liabilities

Our redemption liabilities primarily comprise redeemable shares issued to certain Shareholders. We recognized the contractual obligation to the Shareholders as financial liabilities measured at amortized cost. The redemption liabilities will be reclassified to equity upon the **[REDACTED]**. See Note 28 to the Accountants' Report in Appendix I to this Document.

CAPITAL EXPENDITURES

The following table sets forth a breakdown of our capital expenditures for the years indicated.

	Years ended December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Purchases of property, plant and equipment	40,388	47,426	25,662
Purchases of intangible assets	339	717	5,787
Total	**40,727**	**48,143**	**31,449**

Our capital expenditures in 2022, 2023 and 2024 were RMB40.7 million, RMB48.1 million and RMB31.4 million, respectively. Our principal capital expenditures primarily relate to electronic equipment, servers, software and intellectual properties.

We intend to fund our existing and future capital expenditures with our cash from operations, bank and other borrowings and other financing alternatives and the **[REDACTED]** from the **[REDACTED]**. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, our financial condition and results of operations, our business plans, market conditions and various other factors. See also "Future Plans and Use of **[REDACTED]** — Use of **[REDACTED]**."

CONTINGENT LIABILITIES

During the Track Record Period, we did not have any material contingent liabilities. Our Directors confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, aside from our capital commitments as disclosed above, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

The following table sets forth certain financial ratios as of the dates or for the years indicated:

	For the year ended/As of December 31,		
	2022	2023	2024
Gross profit margin (%)	21.2	26.6	24.9
Current ratio[(Note)] (times)	0.4	0.5	0.2

Note: Current ratio is calculated based on the total current assets as at the respective dates divided by the total current liabilities as at the respective dates.

Gross profit margin

Please see "— Results of Operations — Gross Profit and Gross Profit Margin" in this section for details.

Current ratio

Our current ratio remained relatively stable at 0.4 and 0.5 as of December 31, 2022 and 2023, respectively, and decreased to 0.2 as of December 31, 2024, primarily due to an increase in current liabilities. See "— Discussion of Selected Items From The Consolidated Statements Of Financial Position" for details of our current assets and current liabilities.

RELATED-PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time, details of which can be found in Note 30 of the Accountants' Report as set out in Appendix I. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's-length basis, primarily because (i) our management reviewed terms of the agreements with related parties and compared the prices and terms with industry average and market practice; (ii) the products and services in our transactions with related parties are relatively common in the market and under sufficient competition, with abundant public information for our reference; and (iii) our transactions with related parties during the Track Record Period were conducted through a public bidding process. Based on the above, our Directors believe that the terms and prices were in line with the market practice and the industry pricing methods, and such related party transactions did not distort our results of operations or make our historical results not reflective of our future performance.

Balances with related parties

The table below set forth a breakdown of our balances with related parties that are classified as trade or non-trade in nature as of the dates indicated. We expect to settle the non-trade related party balance prior to the **[REDACTED]**.

	As of December 31,		
	2022	2023	2024
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Amounts due from related parties			
— Trade in nature	22,593	48,785	48,751
— Non-trade in nature	—	—	—
Total	**22,593**	**48,785**	**48,751**
Amounts due to related parties			
— Trade in nature	23,859	10,552	15,049
— Non-trade in nature	24,800	33,432	53,800
Total	**48,659**	**43,984**	**68,849**

MARKET AND OTHER FINANCIAL RISK DISCLOSURE

We are exposed to a variety of market and financial risks, including currency risk, interest rate risk, other price risk and liquidity risk. See Note 33 to the Accountants' Report included in Appendix I to this Document for further details regarding these risks.

Interest rate risk

We are exposed to fair value interest rate risk in relation to redemption liabilities, borrowings and lease liabilities. We are also exposed to cash flow interest rate risk in relation to bank balances. We currently do not have formal interest rate hedging policies. Our management will monitor the interest rate risk on an on-going basis and will consider hedging interest rate risk should the need arises.

Credit risk

Credit risk arises from our counterparties default on their contractual obligations resulting in financial losses to us, primarily attributable to trade receivables, bills receivable and other receivables, long term rental deposits, amounts due from related parties and cash and cash equivalents. We have performed impairment assessment for financial assets and other items under ECL model and expect that there is no significant credit risk associated with these financial assets.

Liquidity risk

Our management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. Further quantitative data in respect of our exposure to liquidity risk arising are disclosed in Note 33 to the Accountants' Report included in Appendix I to this Document.

DIVIDEND POLICY

No dividend had been proposed, paid or declared by our Company during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future.

As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

DISTRIBUTABLE RESERVES

As of December 31, 2024, we did not have any distributable reserves.

[REDACTED]

Among the estimated aggregate amount of our **[REDACTED]** expenses, (i) approximately [nil], [nil] and RMB[4.6] million was charged to the consolidated statement of profit or loss and other comprehensive income during the years ended December 31, 2022, 2023 and 2024, respectively, (ii) approximately RMB[25.0] million is expected to be charged to the consolidated statement of profit or loss and other comprehensive income after the Track Record Period, and (iii) approximately RMB[36.0] million will be deducted from the [share premium/equity]. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES

The following unaudited **[REDACTED]** statement of adjusted consolidated net tangible liabilities is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the **[REDACTED]** on the consolidated net tangible liabilities of the Group attributable to the owners of the Company as of December 31, 2024, as if the **[REDACTED]** had taken place on December 31, 2024. The unaudited **[REDACTED]** statement of adjusted consolidated net tangible liabilities has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of our financial position had the **[REDACTED]** been completed as of December 31, 2024 or any future date.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024	**Estimated [REDACTED] from the [REDACTED]**	**Unaudited [REDACTED] adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024**	**Unaudited [REDACTED] adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as of December 31, 2024**	
	*Renminbi ("**RMB**") '000*	*RMB'000*	*RMB'000*	*RMB*	*Hong Kong dollars ("**HK$**")*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an **[REDACTED]** of HK$**[REDACTED]** per Share	(1,361,808)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on an **[REDACTED]** of HK$**[REDACTED]** per Share	(1,361,808)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

See "Unaudited **[REDACTED]** Financial Information" in Appendix II to this Document for further details.

Notes:

1. The audited consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 is arrived at after deducting intangible assets attributable to owners of the Company of RMB5,750,000 from the audited consolidated net liabilities attributable to owners of the Company of RMB1,356,058,000 as of December 31, 2024 as extracted from the Accountants' Report set out in Appendix I to this document.

2. The estimated **[REDACTED]** from the issue of **[REDACTED]** pursuant to the **[REDACTED]** are based on **[REDACTED]** Shares at the **[REDACTED]** of HK$**[REDACTED]** (equivalent to **[REDACTED]**) and **[REDACTED]** (equivalent to **[REDACTED]** per **[REDACTED]**, being the high-end and low-end of the stated **[REDACTED]** range, after deduction of the estimated **[REDACTED]** and **[REDACTED]** and other **[REDACTED]** related expenses payable by the Company (excluding the **[REDACTED]** expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any shares which may be allotted and issued (i) upon the exercise of the **[REDACTED]**; or (ii) under restricted shares scheme.

   For the purpose of this unaudited **[REDACTED]** financial information, the estimated **[REDACTED]** from the **[REDACTED]** are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.00 to RMB[0.91298], which was the exchange rate prevailing on [June 25, 2025] with reference to the rate published by the People's Bank of China. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at all.

3. The unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as of December 31, 2024 is arrived on the basis that **[REDACTED]** shares including 49,480,335 existing ordinary shares in issue and **[REDACTED]** were issued assuming that the **[REDACTED]** had been completed on December 31, 2024 and it does not take into account of any Share which may be allotted and issued (i) upon the exercise of the **[REDACTED]**; or (ii) under restricted shares scheme.

4. The unaudited **[REDACTED]** adjusted consolidated tangible liabilities of the Group attributable to the owners of the Company per Share as of December 31, 2024 is converted from Renminbi to Hong Kong dollars at an exchange rate of RMB1.00 to HK$[1.0953], which was the exchange rate prevailing on [June 25, 2025] with reference to the rate published by the People's Bank of China. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.

5. Upon the **[REDACTED]**, all preferred rights entitled to the Company's investors will be terminated and the redemption liabilities recognized due to these preferred rights will be reclassified to equity. Accordingly, for the purpose of the unaudited **[REDACTED]** financial information, the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities attributable to the owners of the Company will be increased by RMB1,278,391,000, being the carrying amount of the redemption liabilities as of December 31, 2024. Had all redemption liabilities were reclassified to equity on December 31, 2024, the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2024 would be approximately RMB[576,513,000] or RMB[524,076,000], based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively, and the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2024 would be RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) or RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively.

6. No adjustment has been made to the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 to reflect any trading result or other transaction of the Group entered into subsequent to December 31, 2024. In particular, the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 have not been adjusted to illustrate the effect of Pre-**[REDACTED]** shares issued and paid of RMB[110,000,000], subsequent to December 31, 2024 as disclosed in Note [39] "Subsequent Events" to the Accountants' Report set out in Appendix I to this Document.

   Had these shares were issued and paid on December 31, 2024, the shares in issue would be 62,132,463 shares and the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 would be approximately RMB[(701,878,000)] or RMB[(754,315,000)], based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively, and the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as of December 31, 2024 would be RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) or RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively.

   Also, had these shares were issued and paid and all redemption liabilities were reclassified to equity on December 31, 2024, the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2024 would be approximately **[REDACTED]** or **[REDACTED]**, based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively, and the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2024 would be **[REDACTED]** (equivalent to **[REDACTED]**) or **[REDACTED]** (equivalent to **[REDACTED]**), based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our financial or trading position since December 31, 2024, and there has been no event since December 31, 2024 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this Document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For further details of our future plans, see "Business — Our Strategies" in this Document.

USE OF [REDACTED]

Assuming that the **[REDACTED]** is not exercised, after deducting the **[REDACTED]** and other expenses payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of **[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range of **[REDACTED]** to **[REDACTED]**), we estimate that we will receive **[REDACTED]** of approximately **[REDACTED]** million from the **[REDACTED]**. We currently intend to apply such **[REDACTED]** for the purposes and in the amounts set forth below, subject to changes in light of our evolving business needs and changing market conditions:

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used for continuous investment in our infrastructure. In particular:

  (i) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used to strengthen our domestic GPU based infrastructure. We plan to expand the capacity of our existing nodes through the deployment of an additional number of GPUs in the next three years. Our decision to either purchase or lease these GPUs will depend on our specific future operational needs. The deployment is expected to further expand the service capacity of our GPU based computing network and accommodate the rapidly evolving customers' requirements. This will in turn further enhance our market penetration and support our sustained business growth. Furthermore, IDC services support our GPU based computing infrastructure. As our business expands, we intend to continue procuring high-quality IDC services in a stable and scalable manner to ensure the reliability and stability of our daily operations.

  (ii) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used to fund the investment of our overseas GPU based infrastructure to support the delivery of high-quality cloud-based real-time rendering services in key international markets such as North America, Europe, Japan and South Korea. To facilitate our successful penetration into local markets, we will continue to establish localized infrastructure that ensures low-latency, stable and reliable computing performance for our overseas customers. We believe that a robust GPU based computing network is crucial for us to open the overseas market and attract local customers. Leveraging our existing nodes overseas, we plan to expand the capacity of these nodes through either purchasing or leasing of

an additional number of GPUs overseas in the next three years based on our specific business needs. We also plan to procure additional IDC services to support the deployment and maintenance of GPU servers and computing nodes.

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]**, is expected to be used to fund the R&D activities related to our core platform software, which constitute the technological foundation of our product and service offerings.

  We intend to continuously invest in the upgrade and optimization of our existing technologies, especially our adaptive graphics virtualization engine, container scheduling system, real-time streaming system, distributed storage system, big-data platform and intelligent operation and maintenance platform, while also developing new technological capabilities to address evolving market demands and customers' requirements. For instance, we aim to enhance the scalability, stability and capacity of our systems to support our cloud-based real-time rendering services. With the expanded system storage and robust maintenance capability, we aim to serve users globally at the hundred-million-level. Moreover, through our sustained commitment to technological advancement, we aim to offer 16K UHD cloud XR solutions, enabling the highest resolution that human eyes can discern, while at the same time, minimizing our costs and bandwidth consumption, thereby achieving optimal efficiency and performance.

  To support these R&D efforts, we plan to recruit and retain more than 50 additional R&D personnel in the next three years with relevant experience in fields such as software engineering, computer science and systems architecture. We will allocate these R&D professionals to support the development of our existing technologies and new technologies based on their expertise and relevant experiences. We also intend to use a portion of the **[REDACTED]** for the procurement of AI-powered development tools and other technology resources and services required for our ongoing and future R&D activities.

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used to further develop and promote our emerging products including GPUaaS for virtual desktop and RunningHub.ai. In particular:

  (i) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used to support the continuous development of our GPUaaS for virtual desktop. Specifically:

  (a) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used for our technological enhancement of GPUaaS for virtual desktop. To adapt to the dynamically evolving customers' requirements, we aim to achieve well-rounded improvements in the functionality of our GPUaaS for virtual desktop. We also intend to expand the application scenario of our GPUaaS for virtual desktop, enhance our service capabilities and develop more value-added services. To advance these R&D initiatives, we intend to recruit and retain additional R&D personnel. A portion of the **[REDACTED]** will also be used for the procurement of AI development tools and other technological resources and services necessary to support our continuous optimization of GPUaaS for virtual desktop.

  (b) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used in sales and marketing activities for our GPUaaS for virtual desktop. We intend to recruit experienced marketing and business development professionals to strengthen our sales and marketing team. Moreover, we will actively attend exhibitions, summits, forums and community events to showcase our product, demonstrate our technological advantages and interact directly with potential users and industry partners. For online marketing, we will display advertisements through search engines, social media platforms and online video platforms to increase the exposure of our GPUaaS for virtual desktop. Additionally, we intend to engage KOLs to promote our GPUaaS for virtual desktop on social media platforms. A portion of the **[REDACTED]** will also be allocated to cover costs such as travel expenses and office leasing expenses in relation to daily sales and marketing activities.

  Beyond these marketing efforts, a high-quality customer service is crucial for retaining customers and increasing loyalty. We plan to expand our dedicated customer service team to ensure timely and effective customer support as our customer base continues to expand.

(ii) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used to support the further development, optimization and promotion of our emerging AIGC co-creation application platform, RunningHub.ai. In particular:

(a) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used to support the continuous technological advancement of RunningHub.ai. In particular, we seek to develop more AIGC models, AI agents and the Model Context Protocol ("**MCP**") to further empower our RunningHub.ai. To advance these R&D initiatives, we intend to recruit and retain R&D personnel with relevant expertise in computing and model development. We will also invest in the procurement of AI development tools and other technological resources necessary to support our product iteration and technology innovation.

(b) approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used for promoting our RunningHub.ai. We will allocate part of the **[REDACTED]** to fund associated costs such as travel expenses for our sales and marketing personnel. Moreover, we will invest in promotional activities of our RunningHub.ai, through a combination of online and offline marketing channels, both domestically and internationally. We plan to carry out targeted advertising campaigns through search engines and online platforms with high traffic. We will also promote our products on mainstream social media platforms via sponsored content and tutorials created by content providers specializing in AI workflows, images, audio and video generation, and visual effects. To enhance our brand image and increase our reputation in the industry, we will sponsor and organize AIGC-related exhibitions and forums, and participate in some open-source community events across both domestic and overseas markets.

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used to fund the continuous development and iteration of game AI capabilities. To further improve interactive experience for game players, we intend to explore the integration of AI with our GPUaaS for cloud gaming. Specifically, we intend to develop automatic creation of game content based on generative AI. This will establish a technical foundation for building a persistent, massively multiplayer online ("**MMO**") metaverse that can support users at the hundred-million-level. Furthermore, our development of AI gaming copilot can extend AI application to scenarios including (a) virtual teammate and companion that provide emotional value and spark interactive conversation to enhance immersive user experience; and (b) innovative game tutorials and assistance that help users complete game tasks.

To support the development of such game AI capabilities, we plan to recruit additional R&D personnel with relevant academic research experience or relevant work experience in AI, game engineering, or computer science.

- approximately **[REDACTED]** of the **[REDACTED]**, or **[REDACTED]** million, is expected to be used for our working capital and other general corporate purposes.

If the **[REDACTED]** is set at **[REDACTED]** per **[REDACTED]**, being the high end of the indicative **[REDACTED]** range, the **[REDACTED]** from the **[REDACTED]** will increase by approximately **[REDACTED]** million. If the **[REDACTED]** is set at **[REDACTED]** per **[REDACTED]**, being the low end of the indicative **[REDACTED]** range, the **[REDACTED]** from the **[REDACTED]** will decrease by approximately **[REDACTED]**. **[REDACTED]** may be fixed at a higher or lower level compared to the midpoint of the indicative **[REDACTED]** range stated in this Document.

If the **[REDACTED]** is exercised in full, the **[REDACTED]** that we will receive from the **[REDACTED]** will be approximately **[REDACTED]** million, assuming an **[REDACTED]** of **[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** range). In the event that the **[REDACTED]** is exercised in full, we intend to apply the additional **[REDACTED]** to the aforementioned purposes in the proportions stated above.

To the extent that the **[REDACTED]** from the **[REDACTED]** are either more or less than expected, we will adjust our allocation of the **[REDACTED]** for the above purposes on a pro rata basis.

To the extent that the **[REDACTED]** from the **[REDACTED]** are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we will only deposit such **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of our Company.

We will issue an appropriate announcement if there is any material change to the above proposed use of **[REDACTED]**.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HOW TO APPLY FOR HONG KONG [REDACTED]

[REDACTED]

HOW TO APPLY FOR HONG KONG [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

HOW TO APPLY FOR HONG KONG [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-[•], received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ANHUI HAIMACLOUD TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Anhui Haimacloud Technology Co., Ltd.* (安徽海馬雲科技股份有限公司) (previously known as Beijing Haiyudongxiang Technology Company Limited* (北京海譽動想科技有限公司) prior to December 2015 and Beijing Haiyudongxiang Technology Co., Ltd.* (北京海譽動想科技股份有限公司) prior to January 2023) (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[4] to I-[•], which comprises the consolidated statements of financial position of the Group as of December 31, 2022, 2023 and 2024, the statements of financial position of the Company as of December 31, 2022, 2023 and 2024 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended December 31, 2022, 2023 and 2024 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[4] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the **[REDACTED]** of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

* *English name is for identification purpose only.*

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as of December 31, 2022, 2023 and 2024 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[•]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**") and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended December 31,		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	290,290	336,552	519,532
Cost of sales		(228,648)	(247,140)	(390,153)
Gross profit		61,642	89,412	129,379
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	*10*	(4,534)	(10,363)	(12,511)
Other income	*7*	6,746	7,276	2,322
Other gains and losses	*8*	(143)	605	(7)
Selling and marketing expenses		(15,219)	(16,094)	(34,298)
Administrative expenses		(71,193)	(88,961)	(79,110)
Research and development expenses	*10*	(133,728)	(112,694)	(100,815)
[REDACTED] expenses		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Share of results of associates		6	(1)	—
Finance costs	*9*	(108,372)	(109,924)	(118,572)
Loss before tax	*10*	(264,795)	(240,744)	(218,252)
Income tax credit	*11*	19,073	23,047	32,591
Loss and total comprehensive expenses for the year		(245,722)	(217,697)	(185,661)
Loss per share *(RMB)*	*13*			
— Basic		(5.29)	(4.58)	(3.76)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As of December 31, 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*15*	90,604	106,075	114,621
Right-of-use assets	*16*	214,952	136,113	44,704
Intangible assets	*17*	6,960	4,921	5,750
Interests in associates and a joint venture	*18*	294	—	—
Other non-current assets	*21*	43,667	37,175	67,150
Deferred tax assets	*19*	47,483	70,530	103,121
		403,960	354,814	335,346
CURRENT ASSETS				
Trade, bills and other receivables	*20*	131,556	218,215	290,488
Amounts due from related parties	*30*	22,593	48,785	48,751
Cash and cash equivalents	*22*	21,004	21,584	26,239
		175,153	288,584	365,478
CURRENT LIABILITIES				
Trade and other payables	*23*	96,575	156,059	328,952
Amounts due to related parties	*30*	48,659	43,984	68,849
Redemption liabilities	*28*	—	—	1,278,391
Bank and other borrowings	*25*	102,747	173,075	154,119
Lease liabilities	*26*	223,834	223,169	205,919
Contract liabilities	*24*	2,146	1,734	3,116
		473,961	598,021	2,039,346
NET CURRENT LIABILITIES		(298,808)	(309,437)	(1,673,868)
TOTAL ASSETS LESS CURRENT LIABILITIES		105,152	45,377	(1,338,522)
NON-CURRENT LIABILITIES				
Other long-term payables	*23*	2,906	19,431	6,451
Redemption liabilities	*28*	972,290	1,160,615	—
Lease liabilities	*26*	82,656	35,728	11,085
		1,057,852	1,215,774	17,536
NET LIABILITIES		(952,700)	(1,170,397)	(1,356,058)
CAPITAL AND RESERVES				
Share capital	*27*	46,457	48,989	49,480
Reserves		(999,157)	(1,219,386)	(1,405,538)
Equity attributable to owners of the Company		(952,700)	(1,170,397)	(1,356,058)
Non-controlling interests		—	—	—
TOTAL DEFICITS		(952,700)	(1,170,397)	(1,356,058)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As of December 31, 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*15*	83,201	104,974	113,594
Right-of-use assets	*16*	168,582	136,113	44,704
Intangible assets	*17*	1,969	4,532	5,507
Investments in subsidiaries	*38*	37,591	37,591	37,591
Other non-current assets	*21*	43,667	36,530	66,179
Deferred tax assets	*19*	47,426	70,199	102,549
		382,436	389,939	370,124
CURRENT ASSETS				
Trade, bills and other receivables	*20*	100,259	200,376	279,479
Amounts due from related parties	*30*	22,593	48,785	42,737
Amounts due from subsidiaries	*30*	209,217	297,299	294,314
Cash and cash equivalents	*22*	1,580	20,656	25,874
		333,649	567,116	642,404
CURRENT LIABILITIES				
Trade and other payables	*23*	46,993	137,683	309,905
Amounts due to related parties	*30*	29,095	43,984	68,849
Amounts due to subsidiaries	*30*	2,068	10,056	493
Redemption liabilities	*28*	—	—	1,278,391
Bank and other borrowings	*25*	102,747	173,075	154,119
Lease liabilities	*26*	187,995	223,169	205,919
Contract liabilities	*24*	—	1,734	3,116
		368,898	589,701	2,020,792
NET CURRENT LIABILITIES		(35,249)	(22,585)	(1,378,388)
TOTAL ASSETS LESS CURRENT LIABILITIES		347,187	367,354	(1,008,264)
NON-CURRENT LIABILITIES				
Other long-term payables	*23*	2,906	19,431	6,451
Redemption liabilities	*28*	972,290	1,160,615	—
Lease liabilities	*26*	62,391	35,728	11,085
		1,037,587	1,215,774	17,536
NET LIABILITIES		(690,400)	(848,420)	(1,025,800)
CAPITAL AND RESERVES				
Share capital	*27*	46,457	48,989	49,480
Reserves	*31*	(736,857)	(897,409)	(1,075,280)
TOTAL DEFICITS		(690,400)	(848,420)	(1,025,800)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital and other reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	46,457	(53,882)	(699,553)	(706,978)
Loss and total comprehensive expenses for the year	—	—	(245,722)	(245,722)
At December 31, 2022	46,457	(53,882)	(945,275)	(952,700)
Loss and total comprehensive expenses for the year	—	—	(217,697)	(217,697)
Issue of Series D1 shares *(Note 27)*	1,830	76,350	—	78,180
Issue of Series D2 shares *(Note 27)*	702	29,298	—	30,000
Redemption liabilities *(Note 28)*	—	(108,180)	—	(108,180)
At December 31, 2023	48,989	(56,414)	(1,162,972)	(1,170,397)
Loss and total comprehensive expenses for the year	—	—	(185,661)	(185,661)
Issue of Series D3 shares *(Note 27)*	491	20,509	—	21,000
Redemption liabilities *(Note 28)*	—	(21,000)	—	(21,000)
At December 31, 2024	49,480	(56,905)	(1,348,633)	(1,356,058)

Note: Capital and other reserve mainly comprises recognition of redemption liabilities on ordinary shares as disclosed in Note 28.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Loss before tax	(264,795)	(240,744)	(218,252)
Adjustments for:			
Finance costs	108,372	109,924	118,572
Bank interest income	(112)	(48)	(35)
Depreciation of property, plant and equipment	12,047	26,549	28,947
Depreciation of right-of-use assets	125,717	98,265	60,539
Amortization of intangible assets	4,341	5,096	1,718
Share of results of associates	(6)	1	—
Impairment losses under ECL model, net of reversal	4,534	10,363	12,511
Foreign exchange gain, net	—*	—*	(1)
Gain on disposal of property, plant and equipment	—	(309)	—
Operating cash flows before movements in working capital	(9,902)	9,097	3,999
Increase in trade, bills and other receivables	(87,535)	(171,437)	(230,146)
Increase in other non-current assets	—	—	(11,138)
Decrease (increase) in amounts due from related parties	2,436	(26,713)	924
Increase in trade and other payables	56,536	25,966	162,335
(Decrease) increase in amounts due to related parties	(10,863)	(1,522)	4,497
Increase (decrease) in contract liabilities	186	(412)	1,382
Cash used in operations	(49,142)	(165,021)	(68,147)
Interest received	112	48	35
NET CASH USED IN OPERATING ACTIVITIES	(49,030)	(164,973)	(68,112)

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment	—*	333	—
Proceeds on disposal of an interest in associate	—	294	—
Payments for rental deposits	(1,599)	(5,399)	(2,400)
Refund of rental deposits	2,391	—	—
Purchases of property, plant and equipment.	(40,388)	(47,426)	(25,662)
Purchases of intangible assets	(339)	(717)	(5,787)
NET CASH USED IN INVESTING ACTIVITIES	(39,935)	(52,915)	(33,849)
FINANCING ACTIVITIES			
New borrowings raised	54,800	122,000	104,000
Proceeds from bills discounted that are not derecognized in their entirety.	108,212	101,744	126,264
New borrowings raised from related parties	5,400	36,500	57,500
Proceeds on sales and leaseback arrangement	4,500	50,000	35,000
Proceeds from issue of shares	—	108,180	21,000
Repayment of borrowings	(57,300)	(65,000)	(102,000)
Repayments of borrowings from related parties	(5,400)	(28,000)	(37,000)
Repayments on sales and leaseback arrangement	(254)	(9,971)	(38,648)
Repayments of lease liabilities	(28,385)	(68,875)	(38,171)
[REDACTED] costs paid	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Interest paid	(35,110)	(28,110)	(20,556)
NET CASH FROM FINANCING ACTIVITIES	46,463	218,468	106,615
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(42,502)	580	4,654
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	63,506	21,004	21,584
Effect of foreign exchange rate changes	—*	—*	1
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21,004	21,584	26,239

* Amount is less than RMB1,000.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Anhui Haimacloud Technology Co., Ltd.* (安徽海馬雲科技股份有限公司) ("**the Company**") was incorporated and registered in the People's Republic of China (the "**PRC**"), on December 27, 2013 as a limited liability company. In December 2015, the Company was converted into a joint stock company with limited liability with the name changed from Beijing Haiyudongxiang Technology Company Limited* (北京海譽動想科技有限公司) to Beijing Haiyudongxiang Technology Co., Ltd.* (北京海譽動想科技股份有限公司). In January 2023, the name of the Company was changed to Anhui Haimacloud Technology Co., Ltd.* (安徽海馬雲科技股份有限公司). The respective addresses of the registered office and the principal place of business of the Company are stated in the section headed "Corporate Information" in this document.

The Group is principally engaged in the provision of cloud-based real-time rendering service under the Graphics Processing Unit as a Service (the "**GPUaaS**") area.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRS Accounting Standards issued by the IASB.

As of December 31, 2024, the Group had net current liabilities of RMB1,673,868,000 and the Company had net current liabilities of RMB1,378,388,000. The Historical Financial Information has been prepared on a going concern basis as the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the Company and are satisfied that:

i. Pursuant to the supplemental agreements to the investment agreements and the shareholders' agreements entered into among the Company and its shareholders in 2025, the redemption liabilities will not be redeemed within the next twelve months from December 31, 2024 as the redemption date has been extended to twenty months after the **[REDACTED]** is filed;

ii. As of December 31, 2024, the Group and the Company had unutilized and unconditional borrowing facilities of approximately RMB110,000,000;

iii The Group raised new capital injection from new pre-**[REDACTED]** investors amounting to RMB110,000,000 subsequent to December 31, 2024;

iv. The Group has prepared a working capital forecast for the next twelve months from the date of approval of the Historical Financial Information which shows that the Group and the Company will continue generating net cash inflows during the forecast period.

Having taken into account the above, the directors of the Company believe that the Group and the Company will have sufficient cash resources to satisfy their future working capital in the next twelve months from December 31, 2024. Accordingly, the directors of the Company consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

The statutory financial statements of the Company for each of the years ended December 31, 2022 and 2023 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by Pan-China Certified Public Accountants LLP Beijing Branch* (天健會計師事務所(特殊普通合夥)北京分所), certified public accountants registered in the PRC. No audited statutory financial statements of the Company have been issued for the year ended December 31, 2024.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied accounting policies which conform with IFRS Accounting Standards, which are effective for the Group's accounting period beginning on January 1, 2024 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards have been issued which are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined

[2] Effective for annual periods beginning on or after January 1, 2025

[3] Effective for annual periods beginning on or after January 1, 2026

[4] Effective for annual periods beginning on or after January 1, 2027

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements* ("**IAS1**"). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements, but has no impact on the Group's financial positions and performance.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each item of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries are stated in the statement of financial position of the Company at cost less any identified impairment loss.

Investments accounted for using equity method

An associate is an entity over which the Group or the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group and the Company for like transactions and events in similar circumstances. Under the equity method, an interest in an associate or a joint venture is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's or the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group or the Company. When the Group's or the Company's share of losses of an associate exceeds the Group's or the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's or the Company's net interest in the associate or the joint venture), the Group and the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group and the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An interest in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate.

The Group or the Company assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the interest is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the interest. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the interest subsequently increases.

When the Group or the Company ceases to have significant influence over an associate or joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss.

When a group entity transacts with an associate or a joint venture of the Group or the Company, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Historical Financial Information only to the extent of interests in the associate or joint venture that are not related to the Group or the Company.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 6 and 24.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases, mainly including offices, that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognize the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Borrowing costs

All the borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income."

Employee benefits

Retirement benefit costs

Payments to government managed retirement benefit schemes are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to capital and other reserves. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable loss for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research expenditure

Expenditure on research activities is recognized as an expense in the year in which it is incurred.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment on property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("**CGU**") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit of the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss "**FVTPL**") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets the Group hold are subsequently measured at FVTPL.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, bills receivable, and certain other receivables, amounts due from related parties, certain other non-current assets and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and amounts due from related parties. The ECL on these debtors with high credit risk are assessed individually and the remaining is collectively using provision matrix.

For all other instruments, the Group measures the impairment loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a deregistration event. Any subsequent recoveries are recognized in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables (except for trade receivables from customers with high credit risk, which are assessed individually) and amounts due from related parties are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;

- Nature, size and industry of debtors.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade, bills and other receivables and amounts due from related parties where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognize the financial asset and also recognizes payables or a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities or equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct **[REDACTED]** costs.

Financial liabilities

All financial liabilities including trade and other payables, bank and other borrowings, amounts due to related parties, redemption liabilities and other long-term payables are subsequently measured at amortized cost using the effective interest method.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the coming twelve months.

Deferred tax assets

As of December 31, 2022, 2023 and 2024, deferred tax assets of RMB79,726,000, RMB90,947,000, and RMB109,827,000, respectively, in relation to unused tax losses and deductible temporary differences for the Company has been recognized in the consolidated statements of financial position and no deferred tax asset has been recognized on the tax losses and deductible temporary differences of RMB292,840,000, RMB365,692,000 and RMB353,734,000, respectively, for certain operating subsidiaries due to the unpredictability of future profit streams as disclosed in Note 19. The realizability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than

expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for trade receivables and amounts due from related parties

Trade receivables and amounts due from related parties with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables and amounts due from related parties which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and amounts due from related parties are disclosed in Notes 20, 30 and 33.

Useful lives of property, plant and equipment and right-of-use assets

The Directors determine the useful lives, residual values and related depreciation charges for the Group's long-term assets. This estimate is based on the historical experience of the actual residual values and useful lives of long-term assets of similar nature and functions. The information about useful lives of property, plant and equipment and right-of-use assets are disclosed in Notes 15 and 16.

6. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

Types of goods or services

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
GPUaaS for cloud gaming	247,786	220,197	457,869
Cloud-native content services	25,917	103,050	46,814
Other services	16,587	13,305	14,849
	290,290	336,552	519,532

Timing of revenue recognition

A point in time	9,574	68,014	206,358
Over time	280,716	268,538	313,174
	290,290	336,552	519,532

(ii) Performance obligations for contracts with customers and revenue recognition policies

GPUaaS for cloud gaming

GPUaaS for cloud gaming business primarily includes cloud-based real-time rendering subscription services and integrated GPU computing solutions.

The Group provides cloud-based real-time rendering subscription services to enterprise customers. Such services are recognized as a performance obligation satisfied over time since the customer simultaneously receives and consumes the benefits provided by the Group as the Group performs. Revenue is generally recognized ratably over the contract term.

The Group also provides integrated GPU computing solutions, which consist of GPU servers and embedded software for real-time rendering, along with supporting management equipment to meet our customer demands. The revenue is recognized at a point in time when control of the hardware devices and software has been transferred, being at the point the goods are accepted by the customers.

Cloud-native content services

The Group provides cloud-native content services by assisting customers in building end-to-end digital content and application experience based on cloud-based real-time rendering. For most contracts, cloud-native content services are recognized as a performance obligation satisfied over time since the customer simultaneously receives and consumes the benefits provided by the Group as the Group performs. For remaining contracts, revenue is recognized at the point in time when control of the deliverable has been transferred, being at the point the deliverable has been received by the customer.

Other services

Other services mainly represent GPUaaS for virtual desktop and virtual mobile infrastructure ("**VMI**"). Customers can access these services through the Group's software development kit or by logging into the relevant software on personal computers, purchasing usage-duration-based pricing plans, thus enabling the use of high-performance GPU based virtual desktop at a lower cost. Revenue from these services are recognized over time during the period of fulfillment of services obligation using output method, i.e. time elapsed.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

Segment information

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out in Note 4. Accordingly, the Group has only one single operating segment.

Geographical information

Substantially all of the Group's non-current assets are located in the PRC as of December 31, 2022, 2023 and 2024. All of the revenue of the Group is from PRC during the Track Record Period, determined based on geographical location of the registered office of the immediate customers.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group during the Track Record Period are as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Migu Culture	123,457	156,298	185,407
Customer B	40,668	N/A *(note)*	N/A *(note)*
Customer C	38,276	N/A *(note)*	N/A *(note)*
Customer D	N/A *(note)*	40,616	N/A *(note)*
Customer E	N/A *(note)*	N/A *(note)*	69,554

Note: The corresponding revenue did not contribute over 10% of the revenue of the Group for the respective reporting period.

7. OTHER INCOME

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Bank interest income	112	48	35
Government grants *(note)*	6,618	6,228	2,287
Compensation	16	1,000	—
	6,746	7,276	2,322

Note: The amounts represent government grants received from various PRC government authorities in connection with the enterprise development support, fiscal subsidy and various tax incentives, which had no conditions imposed by the respective PRC government authorities.

8. OTHER GAINS AND LOSSES

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Net gain on disposal of property, plant and equipment	—	(309)	—
Others	143	(296)	7
	143	(605)	7

9. FINANCE COSTS

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on amounts due to related parties	1,081	1,042	842
Interest on redemption liabilities *(Note 28)*	72,099	80,145	96,776
Interest on lease	29,985	20,248	7,928
Interest on sale and leaseback	146	2,087	4,424
Interest on bank and other borrowings	5,061	6,402	8,602
	108,372	109,924	118,572

10. LOSS BEFORE TAX

Loss before tax has been arrived at after crediting:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Depreciation of property, plant and equipment	12,047	26,549	28,947
Depreciation of right-of-use assets	125,717	98,265	60,539
Amortization of intangible assets	4,341	5,096	1,718
Total depreciation and amortization charged to profit or loss	142,105	129,910	91,204

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Auditors' remuneration	208	216	1,595
Directors', supervisors' and chief executive's emoluments *(Note 12)*	6,601	5,365	6,431
Other staff costs			
— Salaries	137,963	115,324	105,302
— Performance-based bonus	20,395	29,373	20,119
— Retirement benefit scheme contributions and other social insurance	21,450	27,810	22,600
Subtotal	179,808	172,507	148,021
Total staff costs charged to profit or loss	186,409	177,872	154,452
Analyzed as			
— Cost of sales	6,892	32,914	21,862
— Administrative expenses	50,219	48,142	42,974
— Selling and marketing expenses	7,673	8,867	7,219
— Research and development expenses	121,625	87,949	82,397
	186,409	177,872	154,452
Research and development expenses			
— Staff costs	121,625	87,949	82,397
— Depreciation and amortization expenses	4,287	5,620	1,871
— Third-party service fee	3,847	15,279	14,667
— Others	3,969	3,846	1,880
	133,728	112,694	100,815
Impairment losses under ECL model, net of reversal			
— Trade receivables	4,828	10,221	12,568
— Bills and other receivables	36	(946)	(49)
— Amounts due from related parties	(330)	1,088	(8)
	4,534	10,363	12,511

11. INCOME TAX CREDIT

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax credit *(Note 19)*	(19,073)	(23,047)	(32,591)
	(19,073)	(23,047)	(32,591)

Mainland China

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the Group, except for the Company and a subsidiary of the Group as described below, was subject to the statutory EIT rate of 25% during the Track Record Period.

The EIT Law and its implementation rules permit certain High and New Technologies Enterprises ("**HNTEs**") to enjoy a reduced 15% EIT rate subject to these HNTEs meeting certain qualification criteria. The Company and a subsidiary of the Group are qualified as HNTEs, and accordingly are subject to a preferential income tax rate of 15%.

The income tax credit for the Track Record Period can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(264,795)	(240,744)	(218,252)
Tax credit at the applicable tax rate of 25%	(66,199)	(60,186)	(54,563)
Tax effect of expenses not deductible for tax purpose	18,250	21,503	25,547
Tax effect of additional qualified tax deduction relating to research and development expenses *(note)*	(21,975)	(15,438)	(20,029)
Tax effect of tax losses not recognized	45,205	18,216	3,309
Tax effect of deductible temporary differences not recognized	1,408	390	292
Utilization of deductible temporary differences previously not recognized	(8,478)	(2,897)	(8,694)
Income tax at concessionary rate	12,716	15,365	21,547
Income tax credit	(19,073)	(23,047)	(32,591)

Note:

According to the relevant laws and regulations in the PRC, enterprises engaging in research and development activities were entitled to claim 175%–200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year.

12. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(A) Directors', Supervisors', and chief executive's emoluments

During the Track Record Period, directors', supervisors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Date of appointment	Salaries	Performance-based bonus	Retirement benefit scheme contributions and other social insurance	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2022					
Executive directors					
Mr. Dang Jinfeng ("**Mr. Dang**", 黨勁峰) *(note a)*	September 15, 2014	998	94	30	1,122
Mr. Chang Yongheng ("**Mr. Chang**", 常永恆)	May 27, 2021	128	55	49	232
Ms. Lin Na ("**Ms. Lin**", 林娜)	May 27, 2021	679	61	30	770
Mr. Wen Jian ("**Mr. Wen**", 溫健)	July 29, 2015	576	188	30	794
Ms. Yin Li ("**Ms. Yin**", 印麗)	May 27, 2021	850	66	30	946
Mr. Zhao Shen (趙珅)	December 28, 2015	722	52	30	804
Mr. Zhao Yimin (趙一民)	December 19, 2016	576	177	30	783
Subtotal		4,529	693	229	5,451
Non-executive directors					
Mr. Wang Hao ("**Mr. Wang**", 王昊)	May 11, 2018	—	—	—	—
Mr. Bei Yue ("**Mr. Bei**", 貝悅)	May 27, 2021	—	—	—	—
Mr. Chen Lijie ("**Mr. Chen**", 陳立傑)	May 27, 2021	—	—	—	—
Mr. Hua Kun ("**Mr. Hua**", 華琨)	May 27, 2021	—	—	—	—
Ms. Qi Juanjuan ("**Ms. Qi**", 戚娟娟)	December 19, 2016	—	—	—	—
Mr. Qu Fabing ("**Mr. Qu**", 屈發兵)	September 15, 2014	—	—	—	—
Subtotal		—	—	—	—
Supervisors					
Mr. Deng Kun ("**Mr. Deng**", 鄧昆)	September 15, 2014	—	—	—	—
Mr. Ren Zhong ("**Mr. Ren**", 任重)	July 3, 2019	—	—	—	—
Mr. Wang Du (王篤)	December 19, 2016	1,044	76	30	1,150
Subtotal		1,044	76	30	1,150
Total		5,573	769	259	6,601

	Date of appointment	Salaries	Performance-based bonus	Retirement benefit scheme contributions and other social insurance	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Executive directors					
Mr. Dang	September 15, 2014	362	90	30	482
Mr. Chang	May 27, 2021	300	144	49	493
Ms. Lin	May 27, 2021	633	46	30	709
Mr. Wen	July 29, 2015	569	170	30	769
Ms. Yin	May 27, 2021	686	187	30	903
Mr. Zhao Shen	December 28, 2015	601	154	30	785
Mr. Zhao Yimin	December 19, 2016	569	170	30	769
Subtotal		3,720	961	229	4,910
Non-executive directors					
Mr. Wang *(note b)*	May 11, 2018	—	—	—	—
Mr. Bei	May 27, 2021	—	—	—	—
Mr. Chen *(note c)*	May 27, 2021	—	—	—	—
Mr. Hua *(note d)*	May 27, 2021	—	—	—	—
Ms. Qi	December 19, 2016	—	—	—	—
Mr. Qu	September 15, 2014	—	—	—	—
Mr. Zhang Xuesong ("**Mr. Zhang**", 張雪松)	July 31, 2023	—	—	—	—
Mr. Caoyu ("**Mr. Cao**", 曹宇)	April 4, 2023	—	—	—	—
Mr. Deng Guanglei ("**Mr. Deng**", 鄧廣磊)	August 2, 2023	—	—	—	—
Subtotal		—	—	—	—
Supervisors					
Mr. Deng	September 15, 2014	—	—	—	—
Mr. Ren	July 3, 2019	—	—	—	—
Mr. Wang Du	December 19, 2016	359	66	30	455
Subtotal		359	66	30	455
Total		4,079	1,027	259	5,365

	Date of appointment	Salaries	Performance-based bonus	Retirement benefit scheme contributions and other social insurance	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024					
Executive directors					
Mr. Dang	September 15, 2014	357	90	31	478
Mr. Chang	May 27, 2021	300	171	49	520
Ms. Lin	May 27, 2021	705	46	31	782
Mr. Wen	July 29, 2015	602	170	31	803
Ms. Yin	May 27, 2021	686	225	31	942
Mr. Zhao Shen	December 28, 2015	601	185	31	817
Mr. Zhao Yimin	December 19, 2016	602	170	31	803
Mr. Huang Qing ("**Mr. Huang**", 黄晴)	February 7, 2024	600	184	31	815
Subtotal		4,453	1,241	266	5,960
Non-executive directors					
Mr. Deng	August 2, 2023	—	—	—	—
Mr. Bei	May 27, 2021	—	—	—	—
Mr. Chen *(note c)*	May 27, 2021	—	—	—	—
Ms. Qi	December 19, 2016	—	—	—	—
Mr. Qu	September 15, 2014	—	—	—	—
Mr. Zhang	July 31, 2023	—	—	—	—
Mr. Cao	September 14, 2023	—	—	—	—
Mr. Su Yi ("**Mr. Su**", 蘇毅)	February 7, 2024	—	—	—	—
Subtotal		—	—	—	—
Supervisors					
Mr. Deng	September 15, 2014	—	—	—	—
Mr. Ren	July 3, 2019	—	—	—	—
Mr. Wang Du	December 19, 2016	374	66	31	471
Subtotal		374	66	31	471
Total		4,827	1,307	297	6,431

Notes:

(a) Mr. Dang is the chief Executive Officer of the Company.

(b) Mr. Wang was resigned as a non-executive director of the Company on September 14, 2023.

(c) Mr. Chen was resigned as a non-executive director of the Company on February 7, 2024.

(d) Mr. Hua was resigned as a non-executive director of the Company on September 14, 2023.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs the Company and/or the Group during the Track Record Period. The supervisors' emoluments shown above were paid for their services as supervisors of the Company during the Track Record Period.

During the Track Record Period, none of the directors and supervisors of the Company waived or agreed to waive any emoluments and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement of join or upon joining the Group or as compensation for loss of office.

During the Track Record Period, certain directors were granted share options, in respect of their services to the Group, details are set out in Note 29 to the Historical Financial Information.

(B) Five highest paid employees

The five highest paid employees of the Group do not include any director and supervisor of the Company. The emoluments of the 5 highest paid employees for the Track Record Period are as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Salaries	8,598	5,587	5,511
Performance-based bonus *(note)*	1,154	1,181	1,137
Retirement benefit scheme contributions and other social insurance	194	361	334
	9,946	7,129	6,982

Note: Performance-based bonus is determined by reference to the duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The number of the five highest paid individuals are within the following bands presented in Hong Kong Dollar ("**HK$**"):

	Year ended December 31,		
	2022	2023	2024
	No. of individuals	No. of individuals	No. of individuals
HK$1,000,001 to HK$1,500,000	—	3	3
HK$1,500,001 to HK$2,000,000	2	1	1
HK$2,000,001 to HK$2,500,000	2	1	1
HK$3,000,001 to HK$3,500,000	1	—	—
Total	5	5	5

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	Year ended December 31,		
	2022	2023	2024
Loss (RMB'000):			
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	(245,722)	(217,697)	(185,661)
Number of shares ('000):			
Weighted average number of ordinary shares for the purpose of basic loss per share	46,457	47,570	49,316

No diluted loss per share for the Track Record Period as the conversion of the Company's outstanding redemption liabilities would result in a decrease in loss per share.

14. DIVIDENDS

No dividend was declared or paid by the Company in respect of the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Electronic equipment	Office furniture	Servers	Other equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST					
At January 1, 2022	27,141	715	127,143	1,036	156,035
Additions	4,312	15	21,666	—	25,993
Transfers from right-of-use assets	—	—	64,655	—	64,655
Disposals	(1)	—	—	—	(1)
At December 31, 2022	31,452	730	213,464	1,036	246,682
Additions	1,966	32	45,665	—	47,663
Disposals	(693)	—	(88,745)	—	(89,438)
At December 31, 2023	32,725	762	170,384	1,036	204,907
Additions	1,893	29	2,341	—	4,263
Transfers from right-of-use assets	—	—	58,536	—	58,536
At December 31, 2024	34,618	791	231,261	1,036	267,706
ACCUMULATED DEPRECIATION					
At January 1, 2022	21,578	420	61,251	779	84,028
Provided for the year	1,390	100	10,525	32	12,047
Transfers from right-of-use assets	—	—	27,343	—	27,343
Eliminated on disposals	(1)	—	—	—	(1)
At December 31, 2022	22,967	520	99,119	811	123,417
Provided for the year	1,857	98	24,594	—	26,549
Transfers from right-of-use assets	—	—	—	—	—
Eliminated on disposals	(659)	—	(52,814)	—	(53,473)
At December 31, 2023	24,165	618	70,899	811	96,493
Provided for the year	2,119	67	26,761	—	28,947
Transfers from right-of-use assets	—	—	25,306	—	25,306
At December 31, 2024	26,284	685	122,966	811	150,746
IMPAIRMENT					
At January 1 and December 31, 2022	2,129	—	30,359	173	32,661
Eliminated on disposals	—	—	(30,322)	—	(30,322)
At December 31, 2023 and 2024	2,129	—	37	173	2,339
CARRYING VALUE					
At December 31, 2022	6,356	210	83,986	52	90,604
At December 31, 2023	6,431	144	99,448	52	106,075
At December 31, 2024	6,205	106	108,258	52	114,621

The Company

	Electronic equipment	Office furniture	Servers	Other equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST					
At January 1, 2022	25,479	693	92,401	1,036	119,609
Additions	3,310	—	21,666	—	24,976
Transfers from right-of-use assets	—	—	64,655	—	64,655
Disposals	(1)	—	—	—	(1)
At December 31, 2022	28,788	693	178,722	1,036	209,239
Additions	1,849	30	45,665	—	47,544
Disposals	(693)	—	(56,010)	—	(56,703)
At December 31, 2023	29,944	723	168,377	1,036	200,080
Additions	1,893	29	2,341	—	4,263
Transfers from right-of-use assets	—	—	58,536	—	58,536
At December 31, 2024	31,837	752	229,254	1,036	262,879
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At January 1, 2022	20,129	406	41,264	779	62,578
Provided for the year	1,196	94	5,820	32	7,142
Transfers from right-of-use assets	—	—	27,343	—	27,343
Eliminated on disposals	(1)	—	—	—	(1)
At December 31, 2022	21,324	500	74,427	811	97,062
Provided for the year	1,639	92	21,176	—	22,907
Eliminated on disposals	(659)	—	(26,543)	—	(27,202)
At December 31, 2023	22,304	592	69,060	811	92,767
Provided for the year	1,892	63	26,918	—	28,873
Transfers from right-of-use assets	—	—	25,306	—	25,306
At December 31, 2024	24,196	655	121,284	811	146,946
IMPAIRMENT					
At January 1 and December 31, 2022	2,129	—	26,674	173	28,976
Eliminated on disposals	—	—	(26,637)	—	(26,637)
At December 31, 2023 and 2024	2,129	—	37	173	2,339
CARRYING VALUE					
At December 31, 2022	5,335	193	77,621	52	83,201
At December 31, 2023	5,511	131	99,280	52	104,974
At December 31, 2024	5,512	97	107,933	52	113,594

Property, plant and equipment of the Group and the Company, are depreciated on a straight-line basis on the following bases after taking into account the residual values:

	Useful lives
Electronic equipment	3-6 years
Office furniture	3-5 years
Servers	6 years
Other equipment	5 years

Certain servers of the Group and the Company had been pledged as securities in sale and leaseback arrangement as of December 31, 2022, 2023 and 2024 as summarized in Note 35.

16. RIGHT-OF-USE ASSETS

The Group

	Servers	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2022			
Carrying amount	207,949	7,003	214,952
At December 31, 2023			
Carrying amount	117,054	19,059	136,113
At December 31, 2024			
Carrying amount	30,368	14,336	44,704
For the year ended December 31, 2022			
Depreciation charge	118,581	7,136	125,717
For the year ended December 31, 2023			
Depreciation charge	89,026	9,239	98,265
For the year ended December 31, 2024			
Depreciation charge	55,815	4,724	60,539
For the year ended December 31, 2022			
Transfer to property, plant and equipment	37,312	—	37,312
For the year ended December 31, 2024			
Transfer to property, plant and equipment	33,230	—	33,230

For the years ended December 31, 2022 and 2024, certain right-of-use assets were transferred to property, plant and equipment. Costs of these assets were RMB64,655,000 and RMB58,536,000, respectively, with corresponding accumulated depreciation of RMB27,343,000 and RMB25,306,000.

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases	411	546	24
Total cash outflow for leases	58,369	89,123	46,099
Additions to right-of-use assets	104,553	21,738	2,360

During the Track Record Period, the Group leases various properties and servers for its operations. Lease contracts are entered into for fixed term of 2 to 6 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for offices. As of December 31, 2022, 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of RMB306,490,000, RMB258,897,000 and RMB217,004,000 are recognized with related right-of-use assets of RMB214,952,000, RMB136,113,000 and RMB44,704,000 at December 31, 2022, 2023 and 2024, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Company

	Servers	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2022			
Carrying amount	161,579	7,003	168,582
At December 31, 2023			
Carrying amount	117,054	19,059	136,113
At December 31, 2024			
Carrying amount	30,368	14,336	44,704
For the year ended December 31, 2022			
Depreciation charge	100,276	7,136	107,412
For the year ended December 31, 2023			
Depreciation charge	89,026	9,239	98,265
For the year ended December 31, 2024			
Depreciation charge	55,815	4,724	60,539
For the year ended December 31, 2022			
Transfer to property, plant and equipment	37,312	—	37,312
For the year ended December 31, 2024			
Transfer to property, plant and equipment	33,230	—	33,230

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases	336	263	—
Total cash outflow for leases	39,289	89,123	51,732
Additions to right-of-use assets	61,319	92,028	2,360

Sale and leaseback transactions — seller-lessee

To better manage the Group's and Company's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to server leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the server. During the years ended December 31, 2022, 2023 and 2024, the Group raised RMB4,500,000, RMB50,000,000 and RMB35,000,000 other payables and other long-term payables in respect of such sale and leaseback arrangements.

Details of the lease maturity analysis of other long-term payables are set out in Note 23 and Note 33.

Restrictions or covenants on leases

In addition, lease liabilities of RMB250,386,000, RMB258,897,000 and RMB217,004,000 are recognized with related right-of-use assets of RMB168,582,000, RMB136,113,000 and RMB44,704,000 at December 31, 2022, 2023 and 2024, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

17. INTANGIBLE ASSETS

The Group

	Software	Intellectual properties	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At January 1, 2022	3,420	21,868	25,288
Additions	1,239	—	1,239
At December 31, 2022	4,659	21,868	26,527
Additions	—	3,057	3,057
At December 31, 2023	4,659	24,925	29,584
Additions	—	2,547	2,547
Disposals	—	(18,868)	(18,868)
At December 31, 2024	4,659	8,604	13,263
AMORTIZATION			
At January 1, 2022	2,155	13,071	15,226
Charge for the year	268	4,073	4,341
At December 31, 2022	2,423	17,144	19,567
Charge for the year	1,022	4,074	5,096
At December 31, 2023	3,445	21,218	24,663
Charge for the year	340	1,378	1,718
Eliminated on disposals	—	(18,868)	(18,868)
At December 31, 2024	3,785	3,728	7,513
CARRYING VALUE			
At December 31, 2022	2,236	4,724	6,960
At December 31, 2023	1,214	3,707	4,921
At December 31, 2024	874	4,876	5,750

The Company

	Software	Intellectual properties	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At January 1, 2022 and December 31, 2022	3,372	3,000	6,372
Additions	—	3,057	3,057
At December 31, 2023	3,372	6,057	9,429
Additions	—	2,547	2,547
At December 31, 2024	3,372	8,604	11,976
AMORTIZATION			
At January 1, 2022	2,115	1,750	3,865
Charge for the year	238	300	538
At December 31, 2022	2,353	2,050	4,403
Charge for the year	194	300	494
At December 31, 2023	2,547	2,350	4,897
Charge for the year	194	1,378	1,572
At December 31, 2024	2,741	3,728	6,469
CARRYING VALUE			
At December 31, 2022	1,019	950	1,969
At December 31, 2023	825	3,707	4,532
At December 31, 2024	631	4,876	5,507

The intangible assets have finite useful lives. Such intangible assets are amortized on a straight-line basis over the following periods:

Software	5–10 years
Intellectual properties	5–10 years

18. INTERESTS IN ASSOCIATES AND A JOINT VENTURE

The Group and the Company

Associates	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments, unlisted	34,588	14,588	5,588
Share of losses and total comprehensive expenses	(5,765)	(3,096)	(1,441)
Impairment of the investments	(28,823)	(11,492)	(4,147)
	—	—	—

Details of the Group's joint venture and associates during the Track Record Period and the date of this report are as follows:

The Group

Joint Venture	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cost of investments, unlisted	500	—	—
Share of losses and total comprehensive expenses	(206)	—	—
	294	—	—

Associates

Name of entity	Country of incorporation/ registration	Proportion of ownership interest held by the Group and the Company				Principal activities
		At December 31,			At date of	
		2022	2023	2024	report	
Shanghai Moyu Network Technology Co., Ltd.* (上海摩娛網絡科技有限公司) *(note a)*	The PRC	30.00%	30.00%	30.00%	[N/A]	Software and Information Technology Services
Yuanshu Technology (Beijing) Co., Ltd.* (元數科技(北京)有限公司) *(note b)*	The PRC	27.75%	27.75%	N/A	[N/A]	Information Technology Research and Development Services
Fuzhou Fengmang Network Technology Co., Ltd.* (福州鋒芒網絡科技有限公司)	The PRC	25.00%	25.00%	25.00%	[25.00%]	Software and Information Technology Services
Zange (Beijing) Data Technology Co., Ltd.* (贊歌(北京)數據科技有限公司) *(note c)*	The PRC	25.00%	N/A	N/A	[N/A]	Software and Information Technology Services
Beijing Chaoshangyue Culture Co., Ltd.* (北京潮上月文化有限公司)	The PRC	20.00%	20.00%	20.00%	[20.00%]	Software and Information Technology Services

Joint Venture

Name of entity	Country of incorporation/ registration	Proportion of ownership interest held by the Group				Principal activities
		At December 31,			At date of	
		2022	2023	2024	report	
Jiangsu Tingjian Tingjian Technology Co.,Ltd.* (江蘇聽見聽鑒科技有限公司) (note d)	The PRC	50.00%	N/A	N/A	[N/A]	Information Technology Research and Development Services

Notes:

(a) Shanghai Moyu Network Technology Co., Ltd. was deregistered on January 23, 2025.

(b) Yuanshu Technology (Beijing) Co., Ltd. was deregistered on August 22, 2024.

(c) Zange (Beijing) Data Technology Co., Ltd. was deregistered on July 20, 2023.

(d) Jiangsu Tingjian Tingjian Technology Co.,Ltd. was deregistered on April 14, 2023.

* English name is for identification purpose only.

Aggregate information of the joint venture is not individually material.

	As of December 31,		
Joint Venture	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
The Group's share of profit (loss) and total comprehensive income (expenses)	6	(1)	—

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of the Group's interests in the joint venture	294	—	—

19. DEFERRED TAXATION

The Group

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	79,726	90,947	109,827
Deferred tax liabilities	(32,243)	(20,417)	(6,706)
	47,483	70,530	103,121

The following are the major deferred tax balances recognized and movements thereon during the Track Record Period:

	Tax losses	Allowance for credit loss	Accrued payroll	Lease liabilities	Right-of-use assets	Impairment of Assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	11,208	19,456	—	34,414	(41,014)	4,346	28,410
(Charge) credit to profit or loss	(2,882)	159	2,925	10,100	8,771	—	19,073
At December 31, 2022	8,326	19,615	2,925	44,514	(32,243)	4,346	47,483
Credit (charge) to profit or loss	18,297	1,079	1,519	(5,679)	11,826	(3,995)	23,047
At December 31, 2023	26,623	20,694	4,444	38,835	(20,417)	351	70,530
Credit (charge) to profit or loss	20,616	2,228	2,320	(6,284)	13,711	—	32,591
At December 31, 2024	47,239	22,922	6,764	32,551	(6,706)	351	103,121

At the end of December 31, 2022, 2023 and 2024, the Group has unused tax losses of approximately RMB348,291,000, RMB543,134,000 and RMB668,647,000, respectively, available for offset against future profits. Deferred tax assets have been recognized in respect of approximately RMB55,510,000, RMB177,490,000 and RMB314,929,000 as of December 31, 2022, 2023 and 2024 of such losses. No deferred tax asset has been recognized for the remaining tax losses of approximately RMB292,781,000, RMB365,644,000 and RMB353,718,000 as of December 31, 2022, 2023 and 2024 due to the unpredictability of future profit streams. The unrecognized tax losses will expire in the following years:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
2024	25,162	25,162	—
2025	16,609	16,609	16,609
2026	70,190	70,190	70,190
2027	180,820	180,820	180,820
2028	—	72,863	72,863
2029	—	—	13,236
	292,781	365,644	353,718

As at December 31, 2022, 2023 and 2024, the Group has deductible temporary differences of RMB535,941,000, RMB478,740,000 and RMB433,562,000, respectively, available to offset against future profits, of which RMB476,003,000, RMB428,830,000 and RMB417,256,000 were recognized deferred tax assets accordingly. No deferred tax asset has been recognized in relation to the remaining deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The Company

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	72,713	90,616	109,255
Deferred tax liabilities	(25,287)	(20,417)	(6,706)
	47,426	70,199	102,549

The following are the major deferred tax balances recognized and movements thereon during the Track Record Period:

	Tax losses	Allowance for credit loss	Accrued payroll	Lease liabilities	Right-of-use assets	Impairment of Assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	11,208	19,456	—	31,197	(37,798)	4,346	28,409
(Charge) credit to profit or loss	(2,882)	159	2,868	6,361	12,511	—	19,017
At December 31, 2022	8,326	19,615	2,868	37,558	(25,287)	4,346	47,426
Credit (charge) to profit or loss	18,297	1,079	1,245	1,277	4,870	(3,995)	22,773
At December 31, 2023	26,623	20,694	4,113	38,835	(20,417)	351	70,199
Credit (charge) to profit or loss	20,616	2,228	2,079	(6,284)	13,711	—	32,350
At December 31, 2024	47,239	22,922	6,192	32,551	(6,706)	351	102,549

20. TRADE, BILLS AND OTHER RECEIVABLES

The Group

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	67,965	137,883	241,049
Bills receivable	57,704	80,095	50,133
	125,669	217,978	291,182
Less: Allowance for credit loss for trade and bills receivable	(15,466)	(25,722)	(38,257)
	110,203	192,256	252,925
Advances to suppliers	1,911	2,890	9,073
Deposits	1,254	5,992	5,459
Prepaid expenses	—	—	7,862
Deductible VAT	17,835	16,514	13,453
Deferred **[REDACTED]** cost	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	1,375	604	813
	22,375	26,000	37,588
Less: Allowance for credit loss for other receivables	(1,022)	(41)	(25)
	21,353	25,959	37,563
	131,556	218,215	290,488

Certain trade receivables of the Group had been pledged as securities for lease liabilities and bank borrowings as of December 31, 2022, 2023 and 2024 as summarized in Note 35.

Certain bills receivable of the Group had been pledged as securities for bank borrowings as of December 31, 2022, 2023 and 2024 as summarized in Note 35.

As of January 1, 2022, the Group's trade receivables and bills receivable from contracts with customers amounted to RMB108,112,000.

As of December 31, 2024, the Group had derecognized bills discounted to banks or endorsed to certain suppliers, but not expired on a full recourse basis amounting to RMB25,699,000. These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered that the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group pay off the outstanding balance. Therefore, the Group continued the involvement in them. As of the year ended December 31, 2022, 2023 and 2024, the balance of bills receivable represents discounted but not expired commercial bills.

During the year ended December 31, 2022, 2023 and 2024, short-term borrowings drawn on discounted bills with recourse of RMB108,212,000, RMB101,744,000 and RMB126,264,000 have been settled through bills discounted to the relevant financial institutions. As of December 31, 2022, 2023 and 2024, certain trade receivables was pledged for borrowings, which is disclosed in Note 35.

As of December 31, 2022, 2023 and 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB13,209,000, RMB16,756,000 and RMB35,683,000 which are past due as of the reporting date. Out of the past due balances, RMB6,048,000, RMB9,315,000 and RMB21,039,000 is not considered as in default.

The Company

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	28,060	109,955	219,840
Bills receivable	57,704	80,095	50,133
	85,764	190,050	269,973
Less: Allowance for credit loss for trade and bills receivables	(3,210)	(10,220)	(25,320)
	82,554	179,830	244,653
Advances to suppliers	692	2,348	8,854
Deposits	1,033	5,973	5,451
Prepaid expenses	—	—	7,862
Deductible VAT	15,598	11,923	11,267
Deferred **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	1,303	323	489
	18,626	20,567	34,851
Less: Allowance for credit loss for other receivables	(921)	(21)	(25)
	17,705	20,546	34,826
	100,259	200,376	279,479

As of 1 January 2022, the Company's trade receivables and bills receivable from contracts with customers amounted to RMB73,977,000.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on revenue recognition date at the end of each reporting period:

The Group

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 90 days	33,761	92,991	145,074
91 to 365 days	5,539	2,459	22,047
Over 365 days	13,209	16,756	35,683
	52,509	112,206	202,804

The Company

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 90 days	19,885	87,818	139,238
91 to 365 days	583	2,459	22,047
Over 365 days	4,392	9,502	33,247
	24,860	99,779	194,532

All bills received by the Group are with a maturity period of less than six months.

Details of the assessment on the provision of the allowance for credit loss of trade, bills and other receivables of the Group and the Company as of December 31, 2022, 2023 and 2024 are set out in Note 33.

21. OTHER NON-CURRENT ASSETS

The Group

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Rental deposits	5,526	5,871	3,308
Prepayment of advertising fee	—	—	11,138
Prepayment for acquisition of property, plant and equipment	38,141	31,304	52,704
	43,667	37,175	67,150

The Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Rental deposits	5,526	5,871	3,308
Prepayment of advertising fee	—	—	11,138
Prepayment for acquisition of property, plant and equipment	38,141	30,659	51,733
	43,667	36,530	66,179

22. CASH AND CASH EQUIVALENTS

The Group and The Company

Cash and cash equivalents as of December 31, 2022, 2023 and 2024 carry interest at market rates range from 0.20% to 0.25%, 0.05% to 0.25%, and 0.05% to 0.20% per annum, respectively, during the Track Record Period.

23. TRADE AND OTHER PAYABLES

The Group

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	51,293	65,513	206,177
Accrued payroll	37,733	52,798	70,900
Other taxes payables	3,456	5,084	11,343
Expenses reimbursement	940	1,112	867
Payables for acquisition of intangible assets	900	3,240	—
Accrued **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	594	660	915
	43,623	62,894	86,122
Obligation arising from the sale and leaseback			
— non-current	2,906	19,431	6,451
— current	1,659	27,652	36,653
	4,565	47,083	43,104
	99,481	175,490	335,403
Analyzed as			
Non-current liabilities	2,906	19,431	6,451
Current liabilities	96,575	156,059	328,952
	99,481	175,490	335,403

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period.

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	34,488	48,787	185,953
1 year to 5 years	7,239	4,071	5,842
Over 5 years	9,566	12,655	14,382
	51,293	65,513	206,177

The average credit period on purchases of goods and services is 90 days.

The Company

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	21,756	60,333	199,983
Accrued payroll	21,875	41,242	57,081
Other taxes payables	757	4,194	12,837
Expenses reimbursement	582	717	565
Payables for acquisition of intangible assets	—	3,240	—
Accrued **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Others	364	305	689
	23,578	49,698	73,269
Obligation arising from the lease agreement			
— non-current	2,906	19,431	6,451
— current	1,659	27,652	36,653
	4,565	47,083	43,104
	49,899	157,114	316,356
Analyzed as			
Non-current liabilities	2,906	19,431	6,451
Current liabilities	46,993	137,683	309,905
	49,899	157,114	316,356

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 1 year	7,011	47,571	184,460
1 year to 5 years	6,023	1,472	2,648
Over 5 years	8,722	11,290	12,875
	21,756	60,333	199,983

As of December 31, 2022, 2023 and 2024, obligation arising from the lease agreement amounted to RMB4,565,000, RMB47,083,000 and RMB43,104,000 were secured by certain trade receivables or property, plant and equipment of the Company, respectively

As of December 31, 2022, 2023 and 2024, the range of effective interest rates per annum on the Group and the Company's obligation arising from the lease agreement are 18.43%, 7.73% to 18.43%, 5.06% to 18.43% respectively.

24. CONTRACT LIABILITIES

The Group

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	2,146	1,734	3,116

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Contract liabilities that are expected to be settled within the Group's normal operating cycle are classified as current liabilities based on the Group's earliest obligation to rendering service to the customers. As at January 1 2022, contract liabilities amounted to RMB1,960,000.

The following table shows the amount of revenue recognized that was included in the contract liabilities balance at the beginning of the year:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
GPUaaS for virtual desktop and VMI	1,960	2,146	1,734

Contract liabilities represent the advances received from customers arising from sales orders of GPUaaS for virtual desktop and VMI before the performance obligations are satisfied.

There was no revenue recognized in the Track Record Period that related to performance obligations that were satisfied in prior periods.

The Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	—	1,734	3,116

As at January 1, 2022, contract liability was nil.

The following table shows the amount of revenue recognized that was included in the contract liabilities balance at the beginning of the year:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
GPUaaS for virtual desktop and VMI	—	—	1,734

25. BANK AND OTHER BORROWINGS

The Group and the Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings			
— Secured and guaranteed *(note a)*	—	20,020	30,065
— Secured and unguaranteed *(note a)*	—	10,014	—
— Unsecured and guaranteed *(note b)*	40,043	62,042	64,075
	40,043	92,076	94,140
Other borrowings			
— Discounted bills	57,704	70,999	49,979
— Third-party individuals	5,000	10,000	10,000
	62,704	80,999	59,979
The carrying amounts of the above borrowings are repayable*:			
— within one year	102,747	173,075	154,119

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

Notes:

a) As of December 31, 2023 and 2024, borrowings amounted to RMB20,020,000 and RMB30,065,000 were guaranteed by Mr. Dang, and secured by certain trade receivables of the Company, respectively.

As of December 31, 2023, borrowings amounted to RMB10,014,000 were secured by certain trade receivables of the Company.

b) As of December 31, 2022, 2023 and 2024, borrowings amounted to RMB40,043,000, RMB62,042,000 and RMB64,075,000 were guaranteed by Mr. Dang and Ms. Huang Le and third party financial institutions, respectively.

The exposure of the Group and the Company's borrowings are as follows:

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Fixed-rate borrowings	102,747	153,052	100,040
Variable-rate borrowings	—	20,023	54,079
	102,747	173,075	154,119

The range of effective interest rates per annum (which are also equal to contracted interest rates) on the Group and the Company's borrowings are as follows:

	As of December 31,		
	2022	**2023**	**2024**
	%	%	%
Effective interest rates:			
Fixed-rate borrowings	3.65–4.30	2.94–4.55	3.10–3.60
Variable-rate borrowings	—	2.80–5.20	3.10–5.75

26. LEASE LIABILITIES

The Group

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	223,834	223,169	205,919
Within a period of more than one year but not exceeding two years	64,297	25,285	5,413
Within a period of more than two years but not exceeding five years	18,359	10,443	5,672
	306,490	258,897	217,004
Less: Amounts due for settlement within 12 months shown under current liabilities	(223,834)	(223,169)	(205,919)
Amounts due for settlement after 12 months shown under non-current liabilities	82,656	35,728	11,085

The incremental borrowing rate applied to lease liabilities ranged from 3.97% to 15.52% per annum for the years ended December 31, 2022, 2023 and 2024.

The Company

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities payable:			
Within one year	187,995	223,169	205,919
Within a period of more than one year but not exceeding two years	51,449	25,285	5,413
Within a period of more than two years but not exceeding five years	10,942	10,443	5,672
	250,386	258,897	217,004
Less: Amounts due for settlement within 12 months shown under current liabilities	(187,995)	(223,169)	(205,919)
Amounts due for settlement after 12 months shown under non-current liabilities	62,391	35,728	11,085

The incremental borrowing rate applied to lease liabilities ranged from 3.97% to 15.52% per annum for the years ended December 31, 2022, 2023 and 2024.

27. SHARE CAPITAL

The Group and the Company

	Number of shares	Share capital
	'000	*RMB'000*
Ordinary shares of RMB1 each		
Issued and fully paid:		
At January 1 and December 31, 2022	46,457	46,457
Issue of Series D1 shares *(note i)*	1,830	1,830
Issue of Series D2 shares *(note i)*	702	702
At December 31, 2023	48,989	48,989
Issue of Series D3 shares *(note ii)*	491	491
At December 31, 2024	49,480	49,480

Notes:

i: In September 2023, the Company completed Series D1 and D2 financing, with RMB108,180,000 invested into the Company, among which RMB2,532,000 was credited to the Company's share capital and the remaining balance was credited as capital reserve.

ii: In April 2024, the Company completed Series D3 financing, with RMB21,000,000 invested into the Company, among which RMB491,000 was credited to the Company's share capital and the remaining balance was credited as capital reserve.

28. REDEMPTION LIABILITIES

The Company was established in the PRC in December 2013, with an initial registered capital of RMB100,000.

In 2014, the Company entered into an investment agreement with series Angel investors, pursuant to which the Company issued and allotted approximately 9,900,000 shares, to series Angel investors, at a consideration of RMB37,964,000.

In 2015, the Company entered into an investment agreement with series A1 investors, pursuant to which the Company issued and allotted approximately 1,111,111 shares at a consideration of RMB40,000,000.

In 2015, the Company was converted into a joint stock company with limited liabilities. Upon completion of such conversion, the registered capital of the Company was RMB20,000,000 divided into 20,000,000 Shares with a nominal value of RMB1.00 each.

In 2016, the Company entered into an investment agreement with series A2 investors, pursuant to which the Company issued and allotted 80,059 Shares at a consideration of RMB15,948,000.

In 2018, the Company entered into an investment agreement with series B1 investors, pursuant to which the Company issued and allotted 8,120,457 Shares at a consideration of RMB280,000,000.

In 2019, the Company entered into an investment agreement with series B2 investors, pursuant to which the Company issued and allotted 1,827,103 Shares at a consideration of RMB63,000,000.

In 2021, the Company entered into an investment agreement with series C investors, pursuant to which the Company issued and allotted 8,377,411 Shares at a consideration of RMB198,000,000.

In 2023, the Company entered into investment agreements with series D1 and D2 investors, pursuant to which the Company issued and allotted 1,829,999 and 702,226 Shares respectively at a consideration of RMB108,180,000.

In 2024, the Company entered into an investment agreement with series D3 investors, pursuant to which the Company issued and allotted 491,558 Shares at a consideration of RMB21,000,000.

Redemption right

Investors have a right to require the Company to redeem their investment if (i) the Company failed to Qualified **[REDACTED]**. before a certain date; (ii) the Company and its existing shareholders have committed a major breach to the agreements (iii) the Company and its existing shareholders have committed a significant violation of laws and regulations, which has an adverse impact on the Company or results in the Company being unable to complete a **[REDACTED]**.

The redemption amount is calculated as the original investment principal from investors, plus an annual simple rate of 10% of the original investment principal for a period of time commencing from the delivery date to the actual payments date of the settlement (calculated as 365 days in a calendar year).

Upon the closure of the investment, at the Group's consolidated statements of the financial position, the Group recognized the contractual obligation to the investors as financial liabilities measured at amortized cost using the effective interest rate method over the period from the closure date to the maturity date of July 31, 2025.

Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the pre-**[REDACTED]** investors who are eligible for the anti-dilution rights as stipulated in relevant investment agreements (the "**Anti-Dilution Right Holder**") on a per share capital basis prior to a qualified public offering, the Anti-Dilution Right Holder has a right to require the Company and the controlling shareholder of the Company to take necessary actions, so that the total amount paid by the Anti-Dilution Right Holder divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no liability was recognized by the Company.

Liquidation preferences

In the event of any liquidation of the Company, the investors of the pre-**[REDACTED]** investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company in order of priority as specified in relevant shareholder agreements.

Pursuant to a supplemental agreement to investment agreement and the shareholders' agreement entered into among shareholders of the Company in June 2025 (the "**Supplement Agreement**"), except for the return guarantee and redemption rights as described below, all other special rights shall cease to be effective and be discontinued upon **[REDACTED]**.

Pursuant to the Supplemental Agreement, the redemption rights of all pre-**[REDACTED]** investors (other than one shareholder) shall cease to be effective and be discontinued before the first **[REDACTED]** of the Company to the Stock Exchange, and resume to be effective and exercisable automatically upon the earlier of (i) the **[REDACTED]** is rejected, returned or disapproved by the relevant regulatory authorities, or our Company voluntarily withdraws the **[REDACTED]**; or (ii) the Company fails to achieve the **[REDACTED]** of the H Shares on the Stock Exchange within 20 months after the **[REDACTED]** is filed.

The Group and the Company

The movements of this redemption liabilities are as follows:

	Total
	RMB'000
At January 1, 2022	900,191
Charged to finance costs	72,099
At December 31, 2022	972,290
Recognition of financial instruments with preferred rights at amortized cost	108,180
Charged to finance costs	80,145
At December 31, 2023	1,160,615
Recognition of financial instruments with preferred rights at amortized cost	21,000
Charged to finance costs	96,776
At December 31, 2024	1,278,391

29. EMPLOYEE INCENTIVE PLAN

During the year ended December 31, 2023, in recognition of the contribution of the Group's senior management and core personnel and to incentivize them to promote the business development, the Group adopted the employee incentive plan (the "**Employee Incentive Plan**") and 5,040,000 shares of the Company were issued to Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)) ("**Zhixing Jiashi**") in September 2023 as the future incentive shares to 6 directors and 20 employees at a subscription consideration of RMB23.16 per share.

Anhui Dongxiang Joint Enterprise Management Consulting Partnership (Limited Partnership) (安徽動想共同企業管理諮詢合夥企業(有限合夥)) (the "**ESOP Holding Entity**"), a limited partnership, was established in the PRC in May 2025 to serve as an employee ownership platform and indirectly held the abovementioned 5,040,000 shares issued by the Company to Zhixing Jiashi by holding 49.78% partnership interests in Zhixing Jiashi.

During the Track Record Period, no expense in relation to the abovementioned equity instruments granted was recognized.

Details of the Employee Incentive Plan were set out in "Employee Incentive Plan" of Appendix IV "Statutory and General Information" to this document.

30. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in the Historical Financial Information, the Group had the following significant transactions and balances with related parties during the Track Record Period:

Name of related party	Relationship with the Company
Mr. Dang	Founder of the Group
Ms. Huang Le	Spouse of Mr. Dang
Ms. Lin	An executive director of the Group
Ms. Yin	An executive director of the Group
UCloud Technology Co., Ltd.* ("**UCloud**") (優刻得科技股份有限公司)	A shareholder of the Group
Migu Culture Technology Co., Ltd.* ("**Migu Culture**") (咪咕文化科技有限公司)	A shareholder of the Group
China Mobile Limited ("**China Mobile**") (中國移動有限公司) *(note)*	The holding company of Migu Culture

Note: Related party disclosure of China Mobile excludes Migu Culture.

* *English name is for identification purpose only.*

(a) Related party transactions

	Years ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
i. Sales of GPUaaS for cloud gaming and cloud-native content			
Migu Culture	123,457	156,298	185,407
China Mobile	—	562	2,734
*ii. Purchase of Internet Data Center ("**IDC**") services and computing resources*			
UCloud	20,999	18,768	17,245
China Mobile	23,689	505	—
iii. Purchase of property, plant and equipment			
UCloud	2,286	—	—
iv. Purchase of other services			
Migu Culture	—	107	2,331
v. Interest expenses on lease liabilities			
UCloud	19,682	11,980	4,271
vi. Additional of right-of-use assets and lease liabilities			
UCloud	41,591	—	—

vii. Guarantees provided by related parties

During the years ended December 31, 2022, 2023 and 2024, Mr. Dang and his spouse provided guarantees to the Company in respect of the Group's bank borrowings. Details of release of the guarantees are disclosed in Note 25.

(b) Related party balances

i Amounts due from related parties

The Group

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade related			
Migu Culture	23,541	50,254	49,330
China Mobile	—	567	1,449
Less: Allowance for credit loss	(948)	(2,036)	(2,028)
	22,593	48,785	48,751

The Company

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade related			
Migu Culture	23,541	50,254	43,071
China Mobile	—	567	1,449
Less: Allowance for credit loss	(948)	(2,036)	(1,783)
	22,593	48,785	42,737

The Group's and the Company's trade receivables from related parties are all aged within one year.

ii Bills receivable

The Group and the Company

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade related			
Migu Culture	57,704	80,095	50,133
Less: Allowance for credit loss	(10)	(45)	(12)
	57,694	80,050	50,121

iii Amounts due to related parties

The Group

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade related			
UCloud	10,065	8,543	13,040
China Mobile	13,794	2,009	2,009
	23,859	10,552	15,049

The Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade related			
UCloud	2,286	8,543	13,040
China Mobile	2,009	2,009	2,009
	4,295	10,552	15,049

The Group's and the Company's trade payables to related parties are all aged within four years.

The Group and the company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-trade related			
Mr. Dang	24,800	24,932	24,800
Ms. Huang Le	—	1,000	—
Ms. Lin	—	7,500	24,000
Ms. Yin	—	—	5,000
	24,800	33,432	53,800

Interest expense on amounts due to related parties

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Mr. Dang	1,081	1,042	842

iv Lease liabilities

The Group and the Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
UCloud	207,186	187,145	182,454

Except the lease liabilities and certain non-trade related balances as set out above are carried with interest, all other balances with related parties are unsecured, interest free and repayable on demand. The non-trade related balances as at December 31, 2024 will be settled prior to the Latest Practicable Date.

v Amounts due from subsidiaries

The Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade related			
Trade receivables	87,870	87,876	165,251
Non-trade related			
Loans to subsidiaries	121,347	209,423	129,063
	209,217	297,299	294,314

Maximum amount of amounts due from subsidiaries outstanding during the year ended December 31, 2022, 2023 and 2024 is RMB121,347,000, RMB209,423,000, and RMB180,295,000, respectively.

Note: The trade receivables from subsidiaries were mainly arising from sales of products and rendering of headquarter management service, which do not have a credit period and repayable on demand.

All of the loans to subsidiaries were unsecured, interest free and repayable on demand.

vi Amounts due to subsidiaries

The Company

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade related			
Trade payables	2,068	211	211
Non-trade related			
Loans from subsidiaries	—	9,845	282
	2,068	10,056	493

Note: The trade payables to subsidiaries were mainly arising from purchase of products and logistics service, which do not have a credit period and repayable on demand.

All of the loans from subsidiaries were unsecured, interest free and repayable on demand.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the Track Record Period were as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other benefits	5,573	4,989	5,487
Performance-based bonuses	769	1,236	1,362
Retirement benefit scheme contributions and other social insurance	259	424	454
	6,601	6,649	7,303

The remuneration of directors and key executives is determined with regard to the performance of individuals and market trends.

31. RESERVES OF THE COMPANY

	Capital and other reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	(57,651)	(562,062)	(619,713)
Loss and total comprehensive expense for the year	—	(117,144)	(117,144)
At December 31, 2022	(57,651)	(679,206)	(736,857)
Loss and total comprehensive expense for the year	—	(158,020)	(158,020)
Issue of Series D1 shares *(Note 27)*	76,350	—	76,350
Issue of Series D2 shares *(Note 27)*	29,298	—	29,298
Redemption liabilities *(Note 28)*	(108,180)	—	(108,180)
At December 31, 2023	(60,183)	(837,226)	(897,409)
Loss and total comprehensive expense for the year	—	(177,380)	(177,380)
Issue of Series D3 shares *(Note 27)*	20,509	—	20,509
Redemption liabilities *(Note 28)*	(21,000)	—	(21,000)
At December 31, 2024	(60,674)	(1,014,606)	(1,075,280)

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes the bank and other borrowings, lease liabilities and other long-term payables disclosed in respective notes, net of cash and cash equivalents and equity of the Group, comprising issued share capital and reserves.

The management of the Group reviews the capital structure from time to time. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortized cost	160,933	275,051	337,471
Financial liabilities			
Amortized cost	1,181,988	1,495,282	1,752,422

The Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Amortized cost	322,885	558,717	616,801
Financial liabilities			
Amortized cost	1,133,467	1,499,408	1,746,193

Financial risk management objectives and policies

The Group and the Company's major financial instruments include Long-term rental deposits, redemption liabilities, trade receivables, bills receivable and certain other receivables, amounts due from related parties, amounts due from subsidiaries, cash and cash equivalents, trade and other payables, amounts due to related parties, amounts due to subsidiaries, other long-term payables, and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to redemption liabilities, borrowings and lease liabilities (details are set out in notes 25, 26 and 28, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group's exposures on an on-going basis and will consider hedging interest rate risk should the need arises.

The Group is also exposed to cash flow interest rate risk in relation to bank balances.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates quoted by loan prime rate (LPR).

Sensitivity analysis

The Group considers that the exposure of cash flow interest rate risk arising from variable-rate cash and cash equivalents and variable-rate bank borrowings is insignificant because the current market interest rates are relatively low and stable. Therefore no sensitivity analysis on such risk has been prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, bills receivable and other receivables, long-term rental deposits, amounts due from related parties and cash and cash equivalents. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management and the related impairment assessment, if applicable, are summarized as below:

Trade receivables and amounts due from related parties

For trade receivables and amounts due from related parties, the Group has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. The Group determines the ECL on these items on an individual basis for customers with high credit risk and the remaining is estimated collectively by using a provision matrix, estimated based on

debtors' aging because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The Group has concentration of credit risk as 79.17%, 61.76% and 18.52% of the total trade receivables as at December 31, 2022, 2023 and 2024 was due from the Group's the five largest customers respectively.

The Group writes off trade receivables and amounts due from related parties when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Bills receivable/other receivables/long-term rental deposits

For bills receivable, other receivables and long-term rental deposits, the Group has applied the general approach in IFRS 9 to measure the impairment loss allowance at 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case Group recognize lifetime ECL.

In determining the ECL, the management of the Group has taken into account the historical credit loss experience based on the past default experience of the counterparty, general economic conditions of the industry in which the counterparty operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Cash and cash equivalents

Loss allowance for cash and cash equivalents are measured at an amount equal to 12m ECL. The credit risk on cash and cash equivalent is limited because the counterparties are banks with high credit-ratings assigned by credit rating agencies. The Group assessed the loss allowance to be insignificant and no provision is provided.

The tables below detail the credit risk exposures of the Group's and the Company's financial assets which are subjected to ECL assessment:

The Group

December 31, 2022	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
			RMB'000
Trade receivables	Lifetime ECL — not credit-impaired	13.64%	60,804
	Lifetime ECL — credit-impaired	100.00%	7,161
Bills receivable	12m ECL	0.02%	57,704
Amounts due from related parties	Lifetime ECL — not credit-impaired	4.03%	23,541
Other receivables/Long-term rental deposits	12m ECL	0.38%	7,160
	Lifetime ECL — credit-impaired	100.00%	995
Cash and cash equivalents	12m ECL	Insignificant	21,004
			178,369

December 31, 2023	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
			RMB'000
Trade receivables	Lifetime ECL — not credit-impaired	13.98%	130,442
	Lifetime ECL — credit-impaired	100.00%	7,441
Bills receivable	12m ECL	0.06%	80,095
Amounts due from related parties	Lifetime ECL — not credit-impaired	4.01%	50,821
Other receivables/Long-term rental deposits	12m ECL	0.33%	12,467
Cash and cash equivalents	12m ECL	Insignificant	21,584
			302,850

December 31, 2024	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
			RMB'000
Trade receivables	Lifetime ECL — not credit-impaired	10.42%	226,405
	Lifetime ECL — credit-impaired	100.00%	14,644
Bills receivable	12m ECL	0.02%	50,133
Amounts due from related parties	Lifetime ECL — not credit-impaired	3.99%	50,779
Other receivables/Long-term rental deposits	12m ECL	0.26%	9,581
Cash and cash equivalents	12m ECL	Insignificant	26,239
			377,781

The Company

December 31, 2022	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
			RMB'000
Trade receivables	Lifetime ECL — not credit-impaired	10.16%	27,672
	Lifetime ECL — credit-impaired	100.00%	388
Bills receivable	12m ECL	0.02%	57,704
Amounts due from related parties	Lifetime ECL — not credit-impaired	4.03%	23,541
Other receivables/Long-term rental deposits	Credit-impaired	0.23%	6,957
	Lifetime ECL — credit-impaired	100.00%	905
Cash and cash equivalents	12m ECL	Insignificant	1,580
Amounts due from subsidiaries	Lifetime ECL — not credit-impaired	Insignificant	209,217
			327,964

December 31, 2023	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
			RMB'000
Trade receivables	Lifetime ECL — not credit-impaired	8.93%	109,568
	Lifetime ECL — credit-impaired	100.00%	388
Bills receivable	12m ECL	0.06%	80,095
Amounts due from related parties	Lifetime ECL — not credit-impaired	4.01%	50,821
Other receivables/Long-term rental deposits	12m ECL	0.17%	12,167
Cash and cash equivalents	12m ECL	Insignificant	20,656
Amounts due from subsidiaries	Lifetime ECL — not credit-impaired	Insignificant	297,299
			570,994

December 31, 2024	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
			RMB'000
Trade receivables	Lifetime ECL — not credit-impaired	9.69%	215,395
	Lifetime ECL — credit-impaired	100.00%	4,445
Bills receivable	12m ECL	0.02%	50,133
Amounts due from related parties	Lifetime ECL — not credit-impaired	4.00%	44,520
Other receivables/Long-term rental deposits	12m ECL	0.27%	9,248
Cash and cash equivalents	12m ECL	Insignificant	25,874
Amounts due from subsidiaries	Lifetime ECL — not credit-impaired	Insignificant	294,314
			643,929

For trade receivables and amounts due from related parties, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors which are credit-impaired, the Group determines the ECL on these items by using a provision matrix. The following table provides information about the exposure to credit risk for trade receivables and amounts due from related parties as at December 31, 2022, 2023 and 2024.

The Group

As at December 31, 2022	Trade receivables			Amount due from related parties		
	Average Loss Rate	Gross amount	ECL amount	Average Loss Rate	Gross amount	ECL amount
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*
Provision on an individual basis	100%	7,161	7,161	—	—	—
Provision on a collective basis						
Less than 1 year	3.77%	40,843	1,538	4.03%	23,541	948
1 to 2 years	18.82%	3,598	677	—	—	—
2 to 3 years	31.69%	14,711	4,662	—	—	—
Over 3 years	85.84%	1,652	1,418	—	—	—
		60,804	**8,295**		**23,541**	**948**

As at December 31, 2023	Trade receivables			Amount due from related parties		
	Average Loss Rate	Gross amount	ECL amount	Average Loss Rate	Gross amount	ECL amount
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*
Provision on an individual basis	100%	7,441	7,441	—	—	—
Provision on a collective basis						
Less than 1 year	3.92%	99,341	3,890	4.01%	50,821	2,036
1 to 2 years	18.95%	14,065	2,665	—	—	—
2 to 3 years	31.87%	2,372	756	—	—	—
Over 3 years	74.50%	14,664	10,925	—	—	—
		130,442	**18,236**		**50,821**	**2,036**

As at December 31, 2024	Trade receivables			Amount due from related parties		
	Average Loss Rate	Gross amount	ECL amount	Average Loss Rate	Gross amount	ECL amount
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*
Provision on an individual basis	100%	14,644	14,644	—	—	—
Provision on a collective basis						
Less than 1 year	3.89%	174,293	6,781	3.99%	50,779	2,028
1 to 2 years	18.38%	33,114	6,088	—	—	—
2 to 3 years	31.20%	11,974	3,736	—	—	—
Over 3 years	99.60%	7,024	6,996	—	—	—
		226,405	**23,601**		**50,779**	**2,028**

The Company

As at December 31, 2022	Trade receivables			Amount due from related parties		
	Average Loss Rate	Gross amount	ECL amount	Average Loss Rate	Gross amount	ECL amount
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*
Provision on an individual basis	100%	388	388	—	—	—
Provision on a collective basis						
Less than 1 year	3.74%	21,264	795	4.03%	23,541	948
1 to 2 years	18.83%	110	21	—	—	—
2 to 3 years	31.69%	6,298	1,996	—	—	—
		27,672	**2,812**		**23,541**	**948**

As at December 31, 2023	Trade receivables			Amount due from related parties		
	Average Loss Rate	Gross amount	ECL amount	Average Loss Rate	Gross amount	ECL amount
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*
Provision on an individual basis	100%	388	388	—	—	—
Provision on a collective basis						
Less than 1 year	4.03%	94,069	3,791	4.01%	50,821	2,036
1 to 2 years	18.94%	9,825	1,861	—	—	—
2 to 3 years	31.88%	4	1	—	—	—
Over 3 years	72.93%	5,670	4,135	—	—	—
		109,568	**9,788**		**50,821**	**2,036**

As at December 31, 2024	Trade receivables			Amount due from related parties		
	Average Loss Rate	Gross amount	ECL amount	Average Loss Rate	Gross amount	ECL amount
		RMB'000	*RMB'000*		*RMB'000*	*RMB'000*
Provision on an individual basis	100%	4,445	4,445	—	—	—
Provision on a collective basis						
Less than 1 year	4.12%	168,208	6,923	4.00%	44,520	1,783.00
1 to 2 years	18.38%	32,131	5,907	—	—	—
2 to 3 years	28.02%	9,754	2,733	—	—	—
Over 3 years	99.96%	5,302	5,300	—	—	—
		215,395	**20,863**		**44,520**	**1,783**

The following table shows the movement in lifetime ECL that has been recognized for trade receivables under the simplified approach:

Gorup

	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
At January 1, 2022	7,150	7,161	14,311
Impairment loss allowance recognized (reversed), net	1,145	—	1,145
At December 31, 2022	8,295	7,161	15,456
Impairment loss allowance recognized (reversed), net	10,181	40	10,221
Transfer to credit-impaired	(240)	240	—
At December 31, 2023	18,236	7,441	25,677
Impairment loss allowance recognized (reversed), net	10,731	1,837	12,568
Transfer to credit-impaired	(5,366)	5,366	—
At December 31, 2024	23,601	14,644	38,245

Company

	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
At January 1, 2022	1,419	388	1,807
Impairment loss allowance recognized (reversed), net	1,393	—	1,393
At December 31, 2022	2,812	388	3,200
Impairment loss allowance recognized (reversed), net	6,976	—	6,976
At December 31, 2023	9,788	388	10,176
Impairment loss allowance recognized (reversed), net	14,034	1,098	15,132
Transfer to credit-impaired	(2,959)	2,959	—
At December 31, 2024	20,863	4,445	25,308

The following table shows the movement in lifetime ECL that has been recognized for amounts due from related parties under the simplified approach:

The Group

	Lifetime ECL not credit-impaired
	RMB'000
At January 1, 2022	1,278
Impairment loss allowance reversed	(330)
At December 31, 2022	948
Impairment loss allowance recognized	1,088
At December 31, 2023	2,036
Impairment loss allowance reversed	(8)
At December 31, 2024	2,028

The Company

	Lifetime ECL not credit-impaired
	RMB'000
At January 1, 2022	1,278
Impairment loss allowance reversed	(330)
At December 31, 2022	948
Impairment loss allowance recognized	1,088
At December 31, 2023	2,036
Impairment loss allowance reversed	(253)
At December 31, 2024	1,783

The following table shows reconciliation of loss allowances that has been recognized for bills receivable, other receivables and other non-current assets.

The Group

	12m ECL	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	91	905	996
Impairment loss allowance recognized (reversed), net	(52)	88	36
Transfer to credit-impaired	(2)	2	—
At December 31, 2022	37	995	1,032
Impairment loss allowance recognized (reversed), net	49	(995)	(946)
At December 31, 2023	86	—	86
Impairment loss allowance recognized (reversed), net	(49)	—	(49)
At December 31, 2024	37	—	37

The Company

	12m ECL	Lifetime ECL credit-impaired	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2022	28	905	933
Impairment loss allowance recognized (reversed), net	(2)	—	(2)
At December 31, 2022	26	905	931
Impairment loss allowance recognized (reversed), net	40	(905)	(865)
At December 31, 2023	66	—	66
Impairment loss allowance recognized.	(29)	—	(29)
At December 31, 2024	37	—	37

Liquidity risk

The management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group

At December 31, 2022	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables						
— Obligation arising from lease agreement	18.44%	2,362	—	—	2,362	1,659
— Others	—	53,727	—	—	53,727	53,727
Long-term other payable	18.44%	—	2,094	1,307	3,401	2,906
Amounts due to related parties-trade	—	23,859	—	—	23,859	23,859
Amounts due to related parties-non trade	4.20%	25,842	—	—	25,842	24,800
Bank borrowings						
— Fixed-rate	3.96%	40,936	—	—	40,936	40,043
Other Borrowing	1.09%	62,927			62,927	62,704
Redemption liabilities	8.01%	—	—	1,186,583	1,186,583	972,290
Lease liabilities	12.90%	236,652	102,990	52,371	392,013	306,490
		446,305	**105,084**	**1,240,261**	**1,791,650**	**1,488,478**

At December 31, 2023	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables						
— Obligation arising from lease agreement	11.40%	30,855	—	—	30,855	27,652
— Others	—	70,525	—	—	70,525	70,525
Long-term other payable	11.40%	—	20,149	61	20,210	19,431
Amounts due to related parties-trade	—	10,552	—	—	10,552	10,552
Amounts due to related parties-non trade	4.10%	34,274	—	—	34,274	33,432
Bank borrowings						
— Fixed-rate	3.76%	73,435	—	—	73,435	72,053
— Variable-rate	2.80%–5.20%	20,628	—	—	20,628	20,023
Other Borrowing	1.48%	81,294			81,294	80,999
Redemption liabilities	8.28%	—	1,316,401	—	1,316,401	1,160,615
Lease liabilities	12.27%	248,059	40,021	12,350	300,430	258,897
		569,622	**1,376,571**	**12,411**	**1,958,604**	**1,754,179**

At December 31, 2024	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables						
— Obligation arising from lease agreement	8.59%	38,490	—	—	38,490	36,653
— Others	—	207,959	—	—	207,959	207,959
Long-term other payable	8.59%	—	6,633	—	6,633	6,451
Amounts due to related parties-trade	—	15,049	—	—	15,049	15,049
Amounts due to related parties-non trade	4.00%	54,234	—	—	54,234	53,800
Bank borrowings						
— Fixed-rate	3.40%	40,679	—	—	40,679	40,061
— Variable-rate	3.10%–5.75%	55,543	—	—	55,543	54,079
Other Borrowing	1.04%	60,132	—	—	60,132	59,979
Redemption liabilities	8.40%	1,339,396	—	—	1,339,396	1,278,391
Lease liabilities	12.80%	218,558	5,894	4,304	228,756	217,004
		2,030,040	**12,527**	**4,304**	**2,046,871**	**1,969,426**

The Company

At December 31, 2022	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables						
— Obligation arising from lease agreement	18.44%	2,362	—	—	2,362	1,659
— Others	—	22,702	—	—	22,702	22,702
Long-term other payable	18.44%	—	2,094	1,307	3,401	2,906
Amounts due to related parties-trade	—	4,295	—	—	4,295	4,295
Amounts due to related parties-non trade	4.20%	25,842	—	—	25,842	24,800
Amounts due to subsidiaries	—	2,068	—	—	2,068	2,068
Bank borrowings						
— Fixed-rate	3.96%	40,936	—	—	40,936	40,043
— Variable-rate		—	—	—	—	—
Other Borrowing	1.09%	62,927	—	—	62,927	62,704
Redemption liabilities	8.01%	—	—	1,186,583	1,186,583	972,290
Lease liabilities	13.61%	209,466	87,007	41,730	338,203	250,386
		370,598	**89,101**	**1,229,620**	**1,689,319**	**1,383,853**

At December 31, 2023	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables						
— Obligation arising from lease agreement	11.40%	30,855	—	—	30,855	27,652
— Others	—	64,595	—	—	64,595	64,595
Long-term other payable	11.40%	—	20,149	61	20,210	19,431
Amounts due to related parties-trade	—	10,552	—	—	10,552	10,552
Amounts due to related parties-non trade	4.10%	34,274	—	—	34,274	33,432
Amounts due to subsidiaries	—	10,056	—	—	10,056	10,056
Bank borrowings						
— Fixed-rate	3.76%	73,435	—	—	73,435	72,053
— Variable-rate	2.80%–5.20%	20,628	—	—	20,628	20,023
Other Borrowing	1.48%	81,294	—	—	81,294	80,999
Redemption liabilities	8.28%	—	1,316,401	—	1,316,401	1,160,615
Lease liabilities	12.27%	232,076	30,610	11,121	273,807	258,897
		557,765	**1,367,160**	**11,182**	**1,936,107**	**1,758,305**

At December 31, 2024	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables						
— Obligation arising from lease agreement	8.59%	38,490	—	—	38,490	36,653
— Others	—	201,237	—	—	201,237	201,237
Long-term other payable	8.59%	—	6,633	—	6,633	6,451
Amounts due to related parties-trade	—	15,049	—	—	15,049	15,049
Amounts due to related parties-non trade	4.00%	54,234	—	—	54,234	53,800
Amounts due to subsidiaries	—	493	—	—	493	493
Bank borrowings						
— Fixed-rate	3.40%	40,679	—	—	40,679	40,061
— Variable-rate	3.10%–5.75%	55,543	—	—	55,543	54,079
Other Borrowing	1.04%	60,132	—	—	60,132	59,979
Redemption liabilities	8.35%	1,339,396	—	—	1,339,396	1,278,391
Lease liabilities	12.83%	218,558	5,894	4,304	228,756	217,004
		2,023,811	**12,527**	**4,304**	**2,040,642**	**1,963,197**

Fair value measurements of financial instruments

The management of the Group considers that the carrying amount of the Group's financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements approximate their fair values.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation at the end of each reporting period. The finance department of the Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(i) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's and the Company's financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Bank and other borrowings	Issue Cost	Trade and other payables	Amounts due to related parties	Lease liabilities	Other long-term payables	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	98,925	—	—	24,800	236,403	—	900,191	1,260,319
Financing cash flows	101,813	—	—	(1,081)	(58,369)	4,100	—	46,463
Non-cash changes	—	—	—	—	(3,412)	318	—	(3,094)
Interest expenses	5,061	—	—	1,081	29,984	147	72,099	108,372
New leases entered	—	—	—	—	101,884	—	—	101,884
Termination of bills receivable	(103,052)	—	—	—	—	—	—	(103,052)
Increase (Decrease) in trade and other payables	—	—	1,659	—	—	(1,659)	—	—
At December 31, 2022	102,747	—	1,659	24,800	306,490	2,906	972,290	1,410,892
Financing cash flows	153,879	—	—	7,590	(89,123)	37,942	108,180	218,468
Non-cash changes	—	—	—	—	—	2,489	—	2,489
Interest expenses	6,402	—	—	1,042	20,248	2,087	80,145	109,924
New leases entered	—	—	—	—	21,282	—	—	21,282
Termination of bills receivable	(89,953)	—	—	—	—	—	—	(89,953)
Increase (Decrease) in trade and other payables	—	—	25,993	—	—	(25,993)	—	—
At December 31, 2023	173,075	—	27,652	33,432	258,897	19,431	1,160,615	1,673,102
Financing cash flows	121,034	(774)	—	19,526	(46,099)	(8,072)	21,000	106,615
Non-cash changes	—	—	—	—	(5,632)	(331)	—	(5,963)
Interest expenses	8,602	—	—	842	7,928	4,424	96,776	118,572
Deferred **[REDACTED]** costs	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
New leases entered	—	—	—	—	1,910	—	—	1,910
Termination of bills receivable	(148,592)	—	—	—	—	—	—	(148,592)
Increase (Decrease) in trade and other payables	—	—	9,001	—	—	(9,001)	—	—
At December 31, 2024	154,119	154	36,653	53,800	217,004	6,451	1,278,391	1,746,572

35. PLEDGE OF ASSETS

Save as disclosed elsewhere in the Historical Financial Information, the following assets have been pledged to banks for facilities and to financial institutions for financing lease and sale and leaseback transactions at the end of each reporting period:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bills receivable	57,704	80,095	50,133
Trade receivables	1,301	34,272	9,944
Property, plant and equipment	4,478	36,584	49,491
	63,483	150,951	109,568

2,748,373 shares of the Company were pledged by Zhixing Jiashi to two shareholders of the Company as of December 31, 2022, December 31, 2023, and December 31, 2024, among which the pledge of 2,000,000 shares of the Company has been released in June 2025. Details of the pledge were set out in "Return Guarantee of Guangyi Culture Investment" and "Return Guarantee and redemption rights of Tianpu Asset" included in "HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE" of the document.

36. RETIREMENT BENEFIT PLANS

In accordance with the rules and regulations in the mainland China, the employees of the Group based in the mainland China participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the mainland China under which the Group and the relevant employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired mainland-China-based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans are recognized as employee benefit charged to profit or loss and capitalized where applicable.

37. PARTICULARS OF SUBSIDIARIES

During the Track Record Period and as of the date of this report, the Company has direct and indirect shareholding in the following subsidiaries:

Name of subsidiaries	Place of incorporation/ establishment	Date of incorporation/ establishment	Registered capital	Shareholding attributable to the Company as of December 31,			Shareholding attribute to the Company as of the Date of this report	Principal activities	Notes
				2022	2023	2024			
Directly held:									
Dasheng Shuyu (Tianjin) Technology Co., Ltd.* (大勝數娛(天津)科技有限公司). .	Mainland China	July 7, 2015	RMB10,000,000	100%	100%	100%	[100]%	Software and information technology services	ii and iii
Haimacloud (Tianjin) Information Technology Co., Ltd.* (海馬雲(天津)信息技術有限公司)	Mainland China	October 25, 2016	RMB14,285,700	100%	100%	100%	[100]%	Science and technology promotion and application services	ii and iii
Hefei Yunju Shengyuan Information Technology Co., Ltd.* (合肥雲聚盛元信息科技有限公司)	Mainland China	October 8, 2022	RMB5,000,000	70%	70%	N/A	N/A	Science and technology promotion and application services	i, ii and v
Haimacloud (Beijing) Technology Co., Ltd.* (海馬雲(北京)科技有限公司). . .	Mainland China	July 4, 2023	RMB5,000,000	N/A	100%	100%	[100]%	Science and technology promotion and application services	i, ii and iv
Hong Kong Meta Cloud Technology Limited (香港元雲科技有限公司)	Hong Kong	November 15, 2024	USD1,000,000	N/A	100%	100%	[100]%	Computer software development, sales, and system services	i, ii and iv
Anhui Yanmo Technology Co., Ltd.* (安徽煙墨科技有限公司)	Mainland China	November 6, 2024	RMB5,000,000	N/A	N/A	100%	[100]%	Software and information technology services industry	i, ii and iv

Name of subsidiaries	Place of incorporation/ establishment	Date of incorporation/ establishment	Registered capital	Shareholding attributable to the Company as of December 31, 2022	2023	2024	Shareholding attribute to the Company as of the Date of this report	Principal activities	Notes
Anhui Sidimeng Technology Co., Ltd.* (安徽絲蒂蒙科技有限公司)	Mainland China	October 25, 2024	RMB5,000,000	N/A	N/A	100%	[100]%	Science and technology promotion and application services	i, ii and iv
Indirectly held:									
Chongqing Jiarui Xinke Technology Co., Ltd.* (重慶嘉睿信氪科技有限公司) . .	Mainland China	August 15, 2023	RMB5,000,000	N/A	100%	100%	[100]%	Science and technology promotion and application services	i, ii and iv
HONG KONG HUIZE TECHNOLOGY CO., LIMITED* (香港惠澤科技有限公司)	Hong Kong	September 6, 2023	HKD10,000	N/A	N/A	100%	[100]%	Computer software development, sales, and system services	i, ii and iv

All subsidiaries now comprising the Group are limited liability companies and have adopted December 31 as their financial year end date.

Notes:

(i) No audited statutory financial statements of these entities for the years ended December 31, 2022 and 2023, if applicable, have been issued as of the date of this report.

(ii) No audited statutory financial statements of these entities for the years ended December 31, 2024 have been issued as of the date of this report.

(iii) The statutory financial statements of these entities for the years ended December 31, 2022 and 2023 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by Pan-China Certified Public Accountants LLP Beijing Branch* (天健會計師事務所(特殊普通合夥)北京分所), certified public accountants registered in the PRC.

(iv) These subsidiaries were established during the Track Record Period.

(v) This subsidiary was deregistered during the Track Record Period.

* *English name is for identification purpose only.*

38. INVESTMENTS IN SUBSIDIARIES

The Company

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments in subsidiaries at cost.	37,591	37,591	37,591

39. SUBSEQUENT EVENTS

(1) Subsequent to December 31, 2024, the issued share capital of the Company was increased to RMB57,104,526, comprising 57,104,526 shares of nominal value RMB1.00 each.

(2) The Group raised new capital injection from new pre-**[REDACTED]** investors amounting to RMB110,000,000 subsequent to December 31, 2024;

40. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2024 and up to the date of this report.]

*The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of three years ended December 31, 2024 (the "**Accountants' Report**") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this document, and is included herein for information only.*

The unaudited **[REDACTED]** *financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set forth in Appendix I to this document.*

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited **[REDACTED]** statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for illustration only, and is set out to illustrate the effect of the proposed **[REDACTED]** (as defined in this document) on the consolidated net tangible liabilities of the Group attributable to the owners of the Company as of December 31, 2024, as if the **[REDACTED]** had taken place on that date.

The unaudited **[REDACTED]** statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company had the **[REDACTED]** been completed as of December 31, 2024 or as of any subsequent dates following the **[REDACTED]**.

The following unaudited **[REDACTED]** statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 as derived from the Accountants' Report set out in Appendix I to this document, and adjusted as described below.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024	Estimated [REDACTED] from the [REDACTED]	Unaudited [REDACTED] adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024	Unaudited [REDACTED] adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as of December 31, 2024	
	*Renminbi ("**RMB**") '000* *(Note 1)*	*RMB'000* *(Note 2)*	*RMB'000*	*RMB* *(Note 3)*	*Hong Kong dollars ("**HK$**")* *(Note 4)*
Based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**	(1,361,808)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**	(1,361,808)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

1. The audited consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 is arrived at after deducting intangible assets attributable to owners of the Company of RMB5,750,000 from the audited consolidated net liabilities attributable to owners of the Company of RMB1,356,058,000 as of December 31, 2024 as extracted from the Accountants' Report set out in Appendix I to this document.

2. The estimated **[REDACTED]** from the issue of **[REDACTED]** pursuant to the **[REDACTED]** are based on **[REDACTED]** Shares at the **[REDACTED]** of **[REDACTED]** (equivalent to **[REDACTED]**) and **[REDACTED]** (equivalent to **[REDACTED]**) per **[REDACTED]**, being the high-end and low-end of the stated **[REDACTED]** range, after deduction of the estimated **[REDACTED]** and **[REDACTED]** and other **[REDACTED]** related expenses payable by the Company (excluding the **[REDACTED]** expenses that have been charged to profit or loss during the Track Record Period). It does not take into account of any shares which may be allotted and issued (i) upon the exercise of the **[REDACTED]**; or (ii) under restricted shares scheme.

   For the purpose of this unaudited **[REDACTED]** financial information, the estimated **[REDACTED]** from the **[REDACTED]** are converted from Hong Kong dollars into Renminbi at an exchange rate of HK$1.00 to RMB[0.91298], which was the exchange rate prevailing on [June 25, 2025] with reference to the rate published by the People's Bank of China. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at all.

3. The unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as of December 31, 2024 is arrived on the basis that [59,557,635] shares including 49,480,335 existing ordinary shares in issue and **[REDACTED]** were issued assuming that the **[REDACTED]** had been completed on December 31, 2024 and it does not take into account of any Share which may be allotted and issued (i) upon the exercise of the **[REDACTED]**; or (ii) under restricted shares scheme.

4. The unaudited **[REDACTED]** adjusted consolidated tangible liabilities of the Group attributable to the owners of the Company per Share as of December 31, 2024 is converted from Renminbi to Hong Kong dollars at an exchange rate of RMB1.00 to HK$[1.0953], which was the exchange rate prevailing on [June 25, 2025] with reference to the rate published by the People's Bank of China. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at all.

5. Upon the **[REDACTED]**, all preferred rights entitled to the Company's investors will be terminated and the redemption liabilities recognized due to these preferred rights will be reclassified to equity. Accordingly, for the purpose of the unaudited **[REDACTED]** financial information, the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities attributable to the owners of the Company will be increased by RMB1,278,391,000, being the carrying amount of the redemption liabilities as of December 31, 2024. Had all redemption liabilities were reclassified to equity on December 31, 2024, the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2024 would be approximately RMB[576,513,000] or RMB[524,076,000], based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively, and the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2024 would be RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**) or RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively.

6. No adjustment has been made to the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 to reflect any trading result or other transaction of the Group entered into subsequent to December 31, 2024. In particular, the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 have not been adjusted to illustrate the effect of Pre-**[REDACTED]** shares issued and paid of RMB[110,000,000], subsequent to December 31, 2024 as disclosed in Note [39] "Subsequent Events" to the Accountants' Report set out in Appendix I to this Document.

   Had these shares were issued and paid on December 31, 2024, the shares in issue would be 62,132,463 shares and the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as of December 31, 2024 would be approximately RMB[(701,878,000)] or RMB[(754,315,000)], based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively, and the unaudited **[REDACTED]** adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as of December 31, 2024 would be **[REDACTED]** (equivalent to HK$**[REDACTED]**) or RMB**[REDACTED]** (equivalent to HK$**[REDACTED]**), based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively.

   Also, had these shares were issued and paid and all redemption liabilities were reclassified to equity on December 31, 2024, the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2024 would be approximately RMB[686,513,000] or RMB[634,076,000], based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively, and the unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of December 31, 2024 would be **[REDACTED]** (equivalent to **[REDACTED]**) or **[REDACTED]** (equivalent to **[REDACTED]**), based on the **[REDACTED]** of **[REDACTED]** or **[REDACTED]** per **[REDACTED]**, respectively.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED [REDACTED] FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited **[REDACTED]** *financial information prepared for the purpose of incorporation in this document.*

To the Directors of Anhui Haimacloud Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited **[REDACTED]** financial information of Anhui Haimacloud Technology Co., Ltd.* (安徽海馬雲科技股份有限公司) (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited **[REDACTED]** financial information consists of the unaudited **[REDACTED]** statement of adjusted consolidated net tangible liabilities as of December 31, 2024 and related notes as set out on pages II-1 to II-[3] of Appendix II to the document issued by the Company dated [•] (the "**Document**"). The applicable criteria on the basis of which the Directors have compiled the unaudited **[REDACTED]** financial information are described on pages II-1 to II-[3] of Appendix II to the Document.

The unaudited **[REDACTED]** financial information has been compiled by the Directors to illustrate the impact of the proposed **[REDACTED]** (as defined in the Document) on the Group's financial position as of December 31, 2024 as if the proposed **[REDACTED]** had taken place at December 31, 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2024, on which an accountants' report set out in Appendix I to the Document has been published.

Directors' Responsibilities for the Unaudited [REDACTED] Financial Information

The Directors are responsible for compiling the unaudited **[REDACTED]** financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited **[REDACTED]** financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited **[REDACTED]** financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Document" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited **[REDACTED]** financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited **[REDACTED]** financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited **[REDACTED]** financial information.

The purpose of unaudited **[REDACTED]** financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at December 31, 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited **[REDACTED]** financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited **[REDACTED]** financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the unaudited **[REDACTED]** financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited **[REDACTED]** financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited **[REDACTED]** financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited **[REDACTED]** financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited **[REDACTED]** financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[•]

This appendix mainly provides investors with a summary of the Articles of Association. As the following information is in summary form, it does not include all information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall be issued under the same terms and at the same price; the same price shall be paid for each of the shares subscribed for by subscribers.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws and regulations, and upon resolutions passed by the Shareholders' meeting:

(1) Issuing shares to non-specific objects;

(2) Issuing shares to specific objects;

(3) Distributing bonus shares to existing shareholders;

(4) Converting capital reserve into share capital;

(5) Other methods stipulated or approved by laws, administrative regulations, the CSRC and the securities regulatory authority of the place where the Company's shares are listed.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the Company Law and other relevant regulations and the Articles of Association.

Repurchase of Shares

The Company may repurchase its own shares under the following circumstances:

(1) To reduce the Company's registered capital;

(2) To merge with another company holding the Company's shares;

(3) To use the shares for employee stock ownership plans or equity incentives;

(4) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(5) To use the shares for conversion of convertible corporate bonds issued by the Company into shares;

(6) As necessary to maintain Company's value and protect the interests of shareholders;

(7) Any other circumstances stipulated in the laws, regulations, regulatory rules of the place where the Company's shares are listed.

The Company may repurchase its own shares through public centralized trading or other methods recognized by laws, administrative regulations, the securities regulatory authority of the Company's stock listing place.

The Company shall repurchase its own shares through public centralized trading under the circumstances specified in items (3), (5), and (6) above. The Company shall repurchase its own shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (1) and (2) above; the Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (3), (5), and (6) above, provided that it complies with the provisions of the Articles of Association or as authorized by the Shareholders' meeting.

After the Company repurchases its own shares, subject to the applicable securities regulatory rules of the place where the Company's shares are listed, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (1) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified

in items (2) and (4) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (3), (5), and (6) above, provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company.

Transfer of Shares

Shares issued before the Company's public offering shall not be transferred within one year from the date the Company's shares are listed and traded on the stock exchange.

Directors and senior management members of the Company shall report to the Company their shareholdings and any changes therein. During their term of office determined upon taking office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If the relevant regulations of the securities regulatory authority of the place where the Company's shares are listed have other provisions on the transfer restrictions of the Company's shares, such provisions shall prevail.

The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned above include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the above provisions, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the court in the name of the Company for the benefit of the Company.

If the Board of Directors fails to execute the above provisions, the responsible Directors shall bear joint and several liability according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration and authorities. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares. Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

(1) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;

(2) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting and exercise corresponding voting rights in accordance with laws;

(3) To supervise the Company's operations and make suggestions or inquiries;

(4) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, the relevant provisions of the securities regulatory authority and stock exchange of the place where the Company's shares are listed and the provisions of Articles of Association;

(5) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors and financial reports; Shareholders who meet requirements may inspect accounting books and vouchers of the Company;

(6) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;

(7) To request the Company to acquire their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting, provided that they meet the procedural requirements of the Articles of Association and relevant laws and regulations for repurchasing shares;

(8) Other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions.

If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply. Where the Board of Directors, shareholders and other relevant parties dispute the validity of a resolution of a Shareholders' meeting, they shall promptly file a lawsuit with the people's court. The relevant parties shall implement the resolution of the Shareholders' meeting before the people's court makes a judgment or ruling, such as revocation of the resolution. The Company, its Directors and senior management members shall diligently perform their duties to ensure the normal operation of the Company.

Shareholders of the Company shall bear the following obligations:

(1) To comply with laws, administrative regulations and the Articles of Association;

(2) To pay the share price according to the shares they subscribe for and the method of subscription;

(3) Not to withdraw their capital except in circumstances stipulated by laws and regulations;

(4) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

(5) Other obligations stipulated by laws, administrative regulations and the Articles of Association.

General Provisions on Shareholders' Meeting

The Shareholders' meeting of the Company consists of all shareholders. The Shareholders' meeting is the Company's authority and shall exercise the following powers according to law:

(1) To elect and replace Directors and decide on matters related to Directors' remuneration;

(2) To examine and approve the Board of Directors' report;

(3) To examine and approve the Company's profit distribution plan and loss recovery plan;

(4) To make resolutions on the Company's increase or decrease of registered capital and issuance of any class of shares, warrants and other similar securities;

(5) To make resolutions on the issuance of corporate bonds;

(6) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(7) To amend the Articles of Association;

(8) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business;

(9) To examine and approve the guarantee matters stipulated in Article 46 of the Articles of Association;

(10) To examine and approve matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's latest audited total assets within one year;

(11) To consider and approve transactions between the Company and related parties that are required to be submitted to the Shareholders' meeting for approval in accordance with laws, administrative regulations, and the provisions of the securities regulatory authority of the place where the Company's shares are listed;

(12) To consider and approve changes in the use of proceeds;

(13) To consider and approve equity incentive plans and employee stock ownership plans;

(14) To consider and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules or the Articles of Association;

(15) To consider and approve other matters as required by the listing rules of the stock exchange of the place where the Company's shares are listed.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds. Unless otherwise provided by laws, administrative regulations, CSRC regulations or stock exchange rules, the above powers of the Shareholders' meeting shall not be delegated to the Board of Directors or any other institutions or individuals for exercise.

The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting:

(1) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the latest audited net assets;

(2) Any guarantee provided after the total external guarantees of the Company exceed 30% of the latest audited net assets;

(3) Any guarantee provided by the Company to others within one year with a guarantee amount exceeding 30% of the latest audited net assets;

(4) Any guarantee provided to a party with a debt-to-asset ratio exceeding 70%;

(5) Any single guarantee with an amount exceeding 10% of the latest audited net assets;

(6) Any guarantee provided to shareholders, actual controllers, and their connected parties;

(7) Any guarantee required to be approved by the Shareholders' meeting in accordance with laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Where the Company provides a guarantee for its shareholders or actual controllers, such shareholders or shareholders controlled by the actual controllers shall not participate in the voting on such matters, and the voting shall be approved by a majority of the voting rights held by other shareholders attending the meeting. Guarantee matters other than those mentioned above shall be considered and approved by the Board of Directors. When the Board of Directors considers the above guarantees, such guarantees are required to be passed by more than two-thirds of Directors

attending the board meeting. When the guarantee specified in item (3) above is considered at the Shareholders' meeting, it shall be passed by more than two-thirds of voting rights held by the shareholders attending the Shareholders' meeting.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

(1) When the number of Directors is less than the number stipulated by the Company Law or two-thirds of the number stipulated by the Articles of Association;

(2) When the Company's unrecovered losses reach one-third of the total paid-in share capital;

(3) When shareholders who individually or jointly hold more than 10% of the Company's shares request it;

(4) When the Board of Directors deems it necessary;

(5) When the Audit Committee proposes to convene;

(6) Other circumstances stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convention of Shareholders' Meetings

Shareholders' meetings shall be convened by the Board of Directors in accordance with the law, unless otherwise stipulated by the laws and regulations such as the Company Law, the listing rules of the place where the Company's shares are listed, and the Articles of Association.

The Shareholders' meeting shall be convened by the Board of Directors in a timely manner within the specified period. With the approval of more than half of all independent directors, independent directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. For the proposal of the independent directors to convene the extraordinary Shareholders' meeting, the Board of Directors shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, provide written

feedback on whether or not to convene the extraordinary Shareholders' meeting within ten days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of Shareholders' meeting within five days after making the resolution of the Board of Directors; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall be entitled to propose to the Board of Directors to convene an extraordinary Shareholders' meeting, and shall put forward its proposal to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and provisions of the Articles of Association, give a written reply on whether or not to convene the extraordinary Shareholders' meeting within 10 days after receipt of the proposal. If the Board of Directors agrees to convene the extraordinary Shareholders' meeting, it will serve a notice of such meeting within 5 days after the resolution of the Board of Directors is made. In the event of any change to the original proposal set forth in the notice, the consent of the Audit Committee shall be obtained. If the Board of Directors does not agree to hold the extraordinary Shareholders' meeting or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

If the shareholder(s) severally or jointly holding 10% or more shares of the Company request the Board of Directors to convene an extraordinary Shareholders' meeting, the shareholder(s) shall put forward such request to the Board of Directors in writing. The Board of Directors shall, pursuant to laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and provisions of the Articles of Association, give a written reply on whether or not to convene the extraordinary Shareholders' meeting within 10 days after receipt of the proposal. If the Board of Directors agrees to convene the extraordinary Shareholders' meeting, it shall serve a notice of such meeting within five days after the resolution of the Board of Directors is made. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the Board of Directors does not agree to hold the extraordinary Shareholders' meeting, or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary Shareholders' meeting, and shall put forward such request to the Audit Committee in writing.

If the Audit Committee agrees to convene the extraordinary Shareholders' meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. In the case of failure to issue the notice for the Shareholders' meeting within the term

stipulated, the Audit Committee shall be deemed as failing to convene and preside over the Shareholders' meeting. The shareholder(s) severally or jointly holding 10% or more shares of the Company for 90 consecutive days or more may convene and preside over such meeting by itself/themselves.

Notice of Shareholders' Meetings

The convener shall notify all shareholders of an annual Shareholders' meeting 20 days before the meeting, and notify all shareholders of an extraordinary Shareholders' meeting 15 days before the meeting. When calculating the advance notice period, the day on which the notice is dispatched and the day on which the meeting is held shall not be included. Where the laws, administrative regulations, the listing rules of the place where the Company's shares are listed, or securities regulatory authorities provide otherwise, such provisions shall prevail. The notice of Shareholders' meeting shall be served to shareholders (regardless of whether they have voting rights at the Shareholders' meeting) either by hand or by post in a prepaid mail to the registered address as shown in the register of members, or by publication on the Company's website or the website designated by the Hong Kong Stock Exchange, subject to compliance with applicable laws, administrative regulations and the listing rules of the place where the Company's shares are listed. After the notice of a Shareholders' meeting is made and before the meeting is convened, the convener may, in accordance with the Company Law and relevant provisions, issue a second notice.

The notice of the Shareholders' meeting shall set forth the following particulars:

(1) Time, place and duration of the meeting;

(2) Matters and proposals submitted to the meeting for consideration and approval;

(3) Statement made in distinct words: that all shareholders shall have the right to attend the Shareholders' meeting and may authorize a proxy in writing to attend such meeting and participate in voting, who is not necessarily a shareholder of the Company;

(4) The share registration date for the shareholders who are entitled to attend the Shareholders' meeting;

(5) Name and telephone number of the standing contact person of the meeting;

(6) The voting time and voting procedures via internet or other methods;

(7) Other matters required by laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the opinions of an independent Director are required on the matters to be discussed, such opinions and reasons thereof shall be provided at the same time when the notices or supplementary notices of Shareholders' meetings are served. The notices and supplementary notices of Shareholders' meeting shall include the contents stipulated in the Listing Rules of the Hong Kong Stock Exchange and the Articles of Association, and shall fully and completely disclose all specific contents of all proposals.

Proposals of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's share separately or jointly have the right to submit proposals to the Company. Shareholders holding more than 1% of the Company's share separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded. Where the laws, administrative regulations and the securities regulatory authorities of the place where the Company's shares are listed prescribe otherwise, such provisions shall prevail. If the Shareholders' meeting needs to be postponed due to the issuance of a supplementary notice of the Shareholders' meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the Shareholders' meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed.

Except for the foregoing circumstances, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting. Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

Proxy for Shareholders' Meeting

Shareholders may attend Shareholders' Meetings in person or appoint a proxy to attend and vote on their behalf.

Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder.

Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a legal written power of attorney issued by the legal representative of the corporate shareholder.

Partnership shareholder shall be represented by its managing partner (including the representative of the managing partner) or its proxy. The managing partner attending the meeting shall present its ID card and valid proof of its managing partner status; the proxy attending the meeting shall present their ID card and a legal written power of attorney issued by the managing partner of the partnership shareholder.

If the shareholder is a Recognized Clearing House in the place where the Company's securities are listed or its proxy, the shareholder may authorize one or more persons it deems appropriate to act as its representative at Shareholders' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and category of shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the Recognized Clearing House. The authorized person may attend the meetings on behalf of the Recognized Clearing House (or its proxy) (upon presentation of their ID card, without presenting shareholding certificates, notarized authorization, and/or further evidence of formal authorization) and shall exercise the rights of the Recognized Clearing House (or its proxy), as if the person were an individual shareholder of the Company.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

(1) The name or title of the principal and the category and quantity of shares held;

(2) The name or title of the proxy;

(3) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;

(4) The date of issuance and validity period of the power of attorney;

(5) The signature (or seal) of the principal. If the principal is a corporate shareholder or a partnership shareholder, the corporate or partnership seal shall be affixed;

(6) Where the Listing Rules of the Hong Kong Stock Exchange contain specific provisions regarding proxy forms, such provisions shall prevail.

Voting at the Shareholders' Meeting

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

(1) The work report of the Board of Directors;

(2) The profit distribution plan and loss recovery plan proposed by the Board of Directors;

(3) The appointment and dismissal of board members and their remuneration and payment methods;

(4) Other matters except those that, as stipulated by laws, administrative regulations, the listing rules of the place where the Company's shares are listed, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

(1) The increase or decrease of the Company's registered capital and the issuance of any class of shares, warrants or other similar securities;

(2) The division, merger, dissolution, and liquidation (including voluntary liquidation) or change in the corporate form of the Company;

(3) Amendments to the Articles of Association;

(4) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's latest audited total assets within one year;

(5) Equity incentive plans and employee stock ownership plans;

(6) Other matters stipulated by laws, administrative regulations, the listing rules of the place where the Company's shares are listed, or the Articles of Association, as well as matters that the Shareholders' meeting may by ordinary resolution determine will have a significant impact on the Company and require a special resolution.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote, except for shareholders of different classes of shares. The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting. The Board of Directors of the Company and shareholders who meet the relevant regulations may solicit shareholders' voting rights in accordance with the applicable regulations.

According to the regulations of the stock exchange where the Company's shares are listed, if any shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by the Shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Directors assume office. A Director may also hold the senior management positions, but the total number of Directors who also serve as senior management positions shall not exceed half of the total number of Directors of the Company.

Chairman of the Board

The Board of Directors shall have one chairman. The chairman shall be elected by the Board by a majority vote of all Directors.

The chairman shall exercise the following powers and duties:

(1) Presiding over the Shareholders' meeting and convening and presiding over board meetings;

(2) Supervising and inspecting the implementation of board resolutions;

(3) Signing important documents of the Board of Directors and other documents that shall be signed by the Company's legal representative;

(4) Exercising special powers of disposal in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company and subsequently reporting such activities to the Board of Directors of the Company and the Shareholders' meeting, in the event of any urgent situation due to force majeure such as catastrophic natural disasters;

(5) Other powers and duties stipulated by the laws, administrative regulations, departmental rules or the Articles of Association or granted by the Board of Directors.

If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall perform his duties.

Board of Directors

The Board of Directors consists of nine Directors, including one chairman and three independent Directors.

The Board of Directors shall exercise the following powers and duties:

(1) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;

(2) Implementing the resolutions of the Shareholders' meeting;

(3) Deciding on the Company's business plans and investment proposals;

(4) Formulating the Company's profit distribution plans and loss recovery plans;

(5) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;

(6) Drafting plans for the Company's major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(7) Deciding on matters such as the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope authorized by the Shareholders' meeting;

(8) Deciding on the establishment of the Company's internal management structure;

(9) Appointing or dismissing the Company's general manager and secretary of the Board; based on the general manager's nomination, appointing or dismissing the deputy general manager, chief financial officer, and other senior management members, and determining their remuneration and reward or punishment;

(10) Formulating the Company's basic management systems;

(11) Drafting amendments to the Articles of Association;

(12) Managing the Company's information disclosure matters;

(13) Proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;

(14) Receiving the work reports of the Company's general manager and reviewing the general manager's work;

(15) Other powers and duties stipulated by the laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association or granted by the Shareholders' meeting.

The matters beyond the scope of authorization of the Shareholders' meeting shall be submitted to the Shareholders' meeting for consideration.

The Board of Directors shall hold at least two regular meetings each year, convened by the chairman, with written notice provided to all Directors at least 10 days before the meeting. The chairman may convene and preside over an extraordinary board meeting within a reasonable timeframe when he/she deems necessary.

Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days after receiving such a proposal.

The notice convening the extraordinary board meetings shall be served by personal delivery, mail, fax, telephone, email and in other manners approved by all Directors, to all Directors, the general manager and the secretary of the Board at least three days before the meeting. In cases of urgent matters requiring immediate board meetings, the aforementioned notice period may be waived, provided that reasonable advance notice shall be given.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Where the laws, administrative regulations, departmental rules, or the Articles of Association provide otherwise on the minimum number of directors required for attendance or approval, such provisions shall prevail. Each Director shall have one vote on board resolutions, which shall be conducted by way of casting written votes with a completed ballot or a show of hands.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, he/she may appoint another Director in writing to attend on his/her behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authorization, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authorization. If a Director fails to attend the board meeting or appoint a proxy to attend, he/she shall be deemed to have abstained from voting at that meeting.

Audit Committee under the Board

The Board of the Company shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the Company Law.

The Audit Committee shall consist of non-executive Directors who are not senior managers in the Company, with the majority of the members being independent non-executive Directors and shall be chaired (convened) by an independent non-executive Director with appropriate professional qualification, or accounting or related financial management expertise.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

(1) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(2) Appointment or dismissal of the accounting firm auditing the listed company;

(3) Appointment or dismissal of the chief financial officer of the listed company;

(4) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;

(5) Other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid.

Other Special Committees under the Board

The Board of Directors of the Company shall establish other special committees, such as the Nomination Committee and the Remuneration and Appraisal Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of these special committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have a general manager, who shall be appointed or dismissed by the Board of Directors. The Company shall have a deputy general manager, who shall be nominated by the general manager and appointed or dismissed by the Board of Directors. The Company shall have a board secretary, who shall be responsible for the preparation of the Company's Shareholders' meeting and board meetings, the custody of documents, the management of the

Company's Shareholders' information, and the handling of information disclosure affairs. The board secretary shall be appointed by the Board of Directors and shall be accountable to the Board of Directors.

The term of office of the general manager shall be three years which can be re-appointed. The general manager shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(1) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;

(2) Implementing the Company's annual business plans and investment proposals;

(3) Drafting proposals for the establishment of the Company's internal management structure;

(4) Drafting the Company's basic management systems;

(5) Formulating the Company's specific regulations;

(6) Proposing to the Board of Directors the appointment or dismissal of the deputy general manager and chief financial officer of the Company;

(7) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;

(8) Other powers and duties granted by the Articles of Association or the Board of Directors.

Save for matters that are required under the Articles of Association to be submitted to the Board of Directors or Shareholders' meeting for consideration and approval, transactions, connected transactions, and borrowings of the Company shall be approved by the general manager of the Company.

The general manager shall attend Board meetings.

The Qualification and Obligation of Directors and Senior Management Members of the Company

Directors of the Company shall be natural persons. A person in any of the following circumstances may not serve as the Company's Director and senior management member:

(1) A person who is of civil incompetence or limited civil competence;

(2) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, or who has been deprived of his/her political rights due to criminal offense, where less than five years have elapsed since the sentence was served; and not more than two years have elapsed since the date of the expiration of the probation period if probation is announced;

(3) A person who served as the Director, factory manager or general manager of a company or an enterprise which has become insolvent and has been liquidated and who was personally liable for the insolvency of such company or enterprise, and where less than three years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;

(4) A person who served as the former legal representative of a company or an enterprise of which the business license was revoked and was ordered to close down due to violation of law and who was personally liable for such violation, where less than three years have elapsed since the date of the revocation of business license and closure, as ordered, of such company or enterprise;

(5) A person who is listed as defaulters by the people's court since he/she has a substantial amount of personal debts due and unsettled;

(6) A person who is currently being prohibited from participating in securities market by the CSRC and such barring period has not elapsed;

(7) A person who is publicly determined by a stock exchange as unsuitable to serve as Director, supervisor or senior management member of a listed company with a period yet to be expired;

(8) Other circumstances stipulated in laws, administrative regulations, departmental rules or the listing rules of the place where the Company's shares are listed.

If the election or appointment of a Director is in violation of the foregoing provisions, such election, appointment or employment shall be invalid. If any of the aforementioned circumstances occurs during the term of office of a Director, the Company shall dismiss the Director from his/her duties.

Financial Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations, and the provisions of relevant national authorities.

The Company shall disclose a preliminary announcement of its annual results within three months after the end of each fiscal year, and disclose a preliminary announcement of its interim results within two months after the end of the first six months of each fiscal year. Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the CSRC (if necessary) and the stock exchange where the Company's shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC (if necessary) and the stock exchange where the Company's shares are listed, and submit and disclose its quarterly reports in accordance with the relevant regulations of the stock exchange where the Company's shares are listed. If the regulatory provisions of the place where the Company's shares are listed prescribe otherwise, such provisions shall prevail.

The aforesaid financial accounting reports shall be prepared in accordance with relevant laws, administrative regulations, provisions of the CSRC and the securities regulatory authorities and stock exchange where the Company's shares are listed.

The Company shall not establish separate accounting books other than the statutory accounting books. The Company's funds shall not be deposited in any personal account.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations.

If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above.

After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association.

If the Shareholders' meeting violates the Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation.

The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company shall appoint one or more receiving agents in Hong Kong for H shareholders. The receiving agents shall collect and hold dividends and other payables distributed in respect of H shares by the Company on behalf of the relevant H shareholders, pending payment to such H shareholders. The receiving agents appointed by the Company shall comply with the requirements of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional registered capital. When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations.

When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

After the profit distribution plan has been resolved at the Shareholders' meeting of the Company or after the board of the Company has formulated specific plan based on the conditions and upper limit for the next interim dividend distribution approved by the Shareholders' meeting, the dividend (or share) distribution shall be completed within two months after the Shareholders' meeting by the board of the Company.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work. The internal audit institution shall be independent, staffed by professional audit personnel, and shall not be placed under the leadership of the finance department or co-located with the finance department. The internal audit institution is accountable to the Board of Directors.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year, commencing upon the conclusion of the current annual Shareholders' meeting and ending upon the conclusion of the next annual Shareholders' meeting, and may be renewed.

The appointment or dismissal of an accounting firm shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

Merger, Division, Capital Increase, and Capital Reduction of the Company

The Company's merger can be in the form of an absorption merger or a consolidation merger.

When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly.

When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution of the Shareholders' meeting on the capital reduction and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancelation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law.

When the Company increases or reduces its registered capital, it shall apply for a change of registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(1) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;

(2) The Shareholders' meeting resolves to dissolve the Company;

(3) The Company needs to be dissolved due to a merger or division;

(4) The Company is legally revoked its business license, ordered to close, or revoked;

(5) The Company is dissolved by the people's court in accordance with Article 231 of the Company Law.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

(1) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;

(2) Notifying and announcing to creditors;

(3) Handling the Company's unfinished business related to the liquidation;

(4) Paying off the taxes owed and the taxes incurred during the liquidation process;

(5) Cleaning up claims and debts;

(6) Distributing the remaining assets after the Company's debts are settled;

(7) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in newspapers or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation.

After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets of the Company shall be distributed to shareholders according to the proportion of shares held.

During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the foregoing provisions.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for cancelation of the Company's registration.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

(1) After the Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association conflict with the amended provisions;

(2) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;

(3) The Shareholders' meeting resolves to amend the Articles of Association.

If the amendment of the Articles of Association passed by a resolution of the Shareholders' meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendment of the Articles of Association and the approval opinions of the competent authority.

If the amendment of the Articles of Association involves information required to be disclosed by laws and regulations, it shall be announced in accordance with regulations.

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company was established as a limited liability company in the PRC on December 27, 2013 and was converted into a joint stock limited company with limited liability on December 28, 2015 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB57,104,526.

Our Company has established a place of business in Hong Kong at Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and [has been registered] as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on [•]. Ms. Lee Li Li (李莉莉), one of our joint company secretaries, has been appointed as the authorized representative in Hong Kong and our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association and the relevant aspects of the laws and regulations of the PRC is set out in Appendix III and "Regulatory Overview" section in this Document.

Changes in Share Capital of Our Company

Save as disclosed in the section headed "History, Development and Corporate Structure — Major Shareholding Changes of our Company", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants' Report in Appendix I.

The changes in the share capital of our subsidiaries during the two years immediately preceding the date of this Document is set out as follows:

(a) On July 4, 2023, Haimacloud (Beijing) Technology Co., Ltd. (海馬雲(北京)科技有限公司) was established in the PRC as a directly wholly-owned subsidiary of our Company with registered capital of RMB5,000,000.

(b) On August 15, 2023, Chongqing Jiarui Xinke Technology Co., Ltd. (重慶嘉睿信氪科技有限公司) was established in the PRC as an indirectly wholly-owned subsidiary of our Company with registered capital of RMB5,000,000.

(c) On September 6, 2023, HONG KONG HUIZE TECHNOLOGY CO., LIMITED (香港惠澤科技有限公司) was incorporated in Hong Kong as a private limited company with share capital of HK$10,000.

(d) On October 25, 2024, Anhui Sidimeng Technology Co., Ltd. (安徽絲蒂蒙科技有限公司) was established in the PRC as a directly non-wholly-owned subsidiary of our Company with registered capital of RMB5,000,000.

(e) On November 6, 2024, Anhui Yanmo Technology Co., Ltd. (安徽煙墨科技有限公司) was established in the PRC as a directly wholly-owned subsidiary of our Company with registered capital of RMB5,000,000.

(f) On November 15, 2024, Hong Kong Meta Cloud Technology Limited was incorporated in Hong Kong as a private limited company with share capital of US$1,000,000.

(g) On February 13, 2025, Anhui Haimacloud Intelligent Technology Development Co., Ltd. (安徽海馬雲智能科技發展有限公司) was established in the PRC as a directly wholly-owned subsidiary of our Company with registered capital of 10,000,000.

(h) On February 17, 2025, Lu'an Haimacloud Technology Co., Ltd. (六安海馬雲科技有限公司) was established in the PRC as a directly wholly-owned subsidiary of our Company with registered capital of RMB50,000,000.

Save as disclosed above, as of the Latest Practicable Date, there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this Document.

Resolutions of our Shareholders

Pursuant to a general meeting held on June 23, 2025, among other things, our Shareholders considered and approved that:

(a) the **[REDACTED]** by our Company of the H Shares of nominal value of RMB1.00 each and such H Shares being **[REDACTED]** on the Hong Kong Stock Exchange;

(b) the number of H Shares to be **[REDACTED]** shall not be more than **[REDACTED]** of the total issued share capital of our Company as enlarged by the **[REDACTED]**, and the grant to the **[REDACTED]** (or their representatives) of the **[REDACTED]** of not more than **[REDACTED]** of the number of H Shares issued pursuant to the **[REDACTED]**;

(c) subject to the filing procedure with the CSRC, upon completion of the **[REDACTED]**, **[REDACTED]** Unlisted Shares in aggregate will be converted into H Shares on a one-for-one basis;

(d) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association which shall become effective on the **[REDACTED]**, and authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules;

(e) authorization of the Board and its authorized persons to handle matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of the H Shares;

(f) subject to the completion of the **[REDACTED]**, the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as at the **[REDACTED]**; and

(g) subject to the completion of the **[REDACTED]**, the granting of a general mandate to the Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be **[REDACTED]** shall not exceed 20% of the number of the Shares in issue as at the **[REDACTED]**.

Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

(i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or

(ii) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or

(iii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in issue as of the **[REDACTED]** being repurchased during the relevant period.

(c) Source of fund

In repurchasing its Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be canceled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) General

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors have undertaken to the Stock Exchange that they will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that are or may be material:

(a) the investment agreement dated May 29, 2023 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾菁(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈰投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Shenzhen CDF Capital Co., Ltd. (深圳市創東方投資有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥

海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)) and Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)), to increase the registered capital of our Company and transfer of shares among the shareholders;

(b) the shareholders' agreement dated May 29, 2023 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Shenzhen CDF Capital Co., Ltd. (深圳市創東方投資有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥

海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)) and Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)), pursuant to which shareholders' rights were agreed among the aforementioned parties;

(c) the investment agreement dated September 15, 2023 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Shenzhen CDF Capital Co., Ltd. (深圳市創東方投資有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase

II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)), Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)) and Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司), to increase the registered capital of our Company and transfer of shares among the shareholders;

(d) the shareholders' agreement dated September 15, 2023 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Shenzhen CDF Capital Co., Ltd. (深圳市創東方投資有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥

海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)), Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)) and Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司), pursuant to which shareholders' rights were agreed among the aforementioned parties;

(e) the investment agreement dated March 10, 2024 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Shenzhen CDF Capital Co., Ltd. (深圳市創東方投資有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有

限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)), Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)), Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司), Hefei High-tech Industry Intellectual Property Operation Equity Investment Fund Partnership (Limited Partnership) (合肥高技術產業知識產權運營股權投資基金合夥企業(有限合夥)), Hefei Xinglu Science and Technology Innovation Investment Fund Partnership (Limited Partnership) (合肥興廬科創投資基金合夥企業(有限合夥)), Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) (安徽省人工智能主題投資基金合夥企業(有限合夥)) and Beijing Baosheng Intelligence Venture Capital Center (Limited Partnership) (北京寶盛智能創業投資中心(有限合夥)), to increase the registered capital of our Company and transfer of shares among the shareholders;

(f) the shareholders' agreement dated March 10, 2024 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Shenzhen CDF Capital Co., Ltd. (深圳市創東方投資有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry

Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)), Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)), Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司), Hefei High-tech Industry Intellectual Property Operation Equity Investment Fund Partnership (Limited Partnership) (合肥高技術產業知識產權運營股權投資基金合夥企業(有限合夥)), Hefei Xinglu Science and Technology Innovation Investment Fund Partnership (Limited Partnership) (合肥興廬科創投資基金合夥企業(有限合夥)), Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) (安徽省人工智能主題投資基金合夥企業(有限合夥)) and Beijing Baosheng Intelligence Venture Capital Center (Limited Partnership) (北京寶盛智能創業投資中心(有限合夥)), pursuant to which shareholders' rights were agreed among the aforementioned parties;

(g) the investment agreement dated April 2, 2025 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Ningbo Yueran Textile Co., Ltd. (寧波悦然紡織品有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment

Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)), Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)), Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司), Hefei High-tech Industry Intellectual Property Operation Equity Investment Fund Partnership (Limited Partnership) (合肥高技術產業知識產權運營股權投資基金合夥企業(有限合夥)), Hefei Xinglu Science and Technology Innovation Investment Fund Partnership (Limited Partnership) (合肥興廬科創投資基金合夥企業(有限合夥)), Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) (安徽省人工智能主題投資基金合夥企業(有限合夥)), Beijing Baosheng Intelligence Venture Capital Center (Limited Partnership) (北京寶盛智能創業投資中心(有限合夥)), Changchun Changxing Equity Investment Fund (Limited Partnership) (長春長興股權投資基金合夥企業(有限合夥)), Anhui Hua'an Zhiche Equity Investment Fund (Limited Partnership) (安徽華安智車股權投資基金合夥企業(有限合夥)) and Chengdu Huatai Tianfu Digital Venture Investment (Limited Partnership) (成都華泰天府數智創業投資合夥企業(有限合夥)), to increase the registered capital of our Company and transfer of shares among the shareholders (the "**Investment Agreement**");

(h) the shareholders' agreement dated April 2, 2025 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Ningbo Yueran Textile Co., Ltd. (寧波悦然紡織品有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)), Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)), Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司), Hefei High-tech Industry Intellectual Property Operation Equity Investment Fund Partnership (Limited Partnership) (合肥高技術產業知識產權運營股權投資基金合夥企業(有限合

夥)), Hefei Xinglu Science and Technology Innovation Investment Fund Partnership (Limited Partnership) (合肥興廬科創投資基金合夥企業(有限合夥)), Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) (安徽省人工智能主題投資基金合夥企業(有限合夥)), Beijing Baosheng Intelligence Venture Capital Center (Limited Partnership) (北京寶盛智能創業投資中心(有限合夥)), Changchun Changxing Equity Investment Fund (Limited Partnership) (長春長興股權投資基金合夥企業(有限合夥)), Anhui Hua'an Zhiche Equity Investment Fund (Limited Partnership) (安徽華安智車股權投資基金合夥企業(有限合夥)) and Chengdu Huatai Tianfu Digital Venture Investment (Limited Partnership) (成都華泰天府數智創業投資合夥企業(有限合夥)), pursuant to which shareholders' rights were agreed among the aforementioned parties (the "**Shareholders' Agreement**");

(i) the supplemental agreement to the Investment Agreement and the Shareholders' Agreement dated June 25, 2025 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)), Shanghai Giant Network Technology Co., Ltd. (上海巨人網絡科技有限公司), Beihai Laibu Investment Consulting Co., Ltd. (北海錸鈽投資諮詢有限公司), Hangzhou New Line Investment Partnership (Limited Partnership) (杭州新綫投資合夥企業(有限合夥)), Ningbo Yueran Textile Co., Ltd. (寧波悦然紡織品有限公司), Mr. Zhao Yang (趙陽), Jiangxi CDF Technology Entrepreneurship Investment Center (Limited Partnership) (江西省創東方科技創業投資中心(有限合夥)), Beihai Kangrui Investment Co., Ltd. (北海康瑞投資有限公司), Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), Nanjing Linghang Guangyi Technology Industry Investment Partnership (Limited Partnership) (南京領航光一科技產業投資合夥企業(有限合夥)), Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), Xinglu Dingtai (Tongxiang) Big Data Industry Equity Investment Fund (Limited Partnership) (星路鼎泰(桐鄉)大數據產業股權投資基金合夥企業(有限合夥)), Beijing Guotai Jiaze Venture Capital Center (Limited Partnership) (北京國泰嘉澤創業投資中心(有限合夥)), Migu Culture Technology Co., Ltd. (咪咕文化科技有限公司), UCloud Technology Co., Ltd. (優刻得科技股份有限公司), Anhui Tieji Haimayun Equity

Investment Partnership (Limited Partnership) (安徽鐵基海馬雲股權投資合夥企業(有限合夥)), Hefei New Economy Industry Development Investment Co., Ltd. (合肥新經濟產業發展投資有限公司), Hefei Emerging Industry Venture Capital Partnership (Limited Partnership) (合肥新興產業創業投資合夥企業(有限合夥)), Hefei Haiyun Management Consulting Partnership (Limited Partnership) (合肥海雲管理諮詢合夥企業(有限合夥)), Anhui Intelligent Voice Artificial Intelligence Phase II Venture Capital Partnership (Limited Partnership) (安徽省智能語音人工智能二期創業投資合夥企業(有限合夥)), Anhui Zhixin Venture Capital Partnership (Limited Partnership) (安徽執新創業投資合夥企業(有限合夥)), Hefei Hongshuo Equity Investment Partnership (Limited Partnership) (合肥弘碩股權投資合夥企業(有限合夥)), Anhui Anhua Innovation Venture Capital Co., Ltd. (安徽安華創新風險投資基金有限公司), Hefei High-tech Industry Intellectual Property Operation Equity Investment Fund Partnership (Limited Partnership) (合肥高技術產業知識產權運營股權投資基金合夥企業(有限合夥)), Hefei Xinglu Science and Technology Innovation Investment Fund Partnership (Limited Partnership) (合肥興廬科創投資基金合夥企業(有限合夥)), Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) (安徽省人工智能主題投資基金合夥企業(有限合夥)), Beijing Baosheng Intelligence Venture Capital Center (Limited Partnership) (北京寶盛智能創業投資中心(有限合夥)), Changchun Changxing Equity Investment Fund (Limited Partnership) (長春長興股權投資基金合夥企業(有限合夥)), Anhui Hua'an Zhiche Equity Investment Fund (Limited Partnership) (安徽華安智車股權投資基金合夥企業(有限合夥)) and Chengdu Huatai Tianfu Digital Venture Investment (Limited Partnership) (成都華泰天府數智創業投資合夥企業(有限合夥));

(j) the supplemental agreement to the return guarantee agreement dated May 18, 2021 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)) and Jiaxing Tianpu Tianping Investment Partnership (Limited Partnership) (嘉興田僕天平投資合夥企業(有限合夥)), which was dated June 17, 2025;

(k) the supplemental agreement to the return guarantee agreement dated May 18, 2021 entered into among the Company, Mr. Dang Jinfeng (黨勁峰), Zhixing Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (知行嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Huiju Jiashi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (匯聚嘉實(天津)企業管理諮詢合夥企業(有限合夥)), Aixin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾歆(天津)企業管理諮詢合夥企業(有限合夥)), Aijing (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (艾箐(天津)企業管理諮詢合夥企業(有限合夥)), Tianjin Haima Leyun Enterprise Management Consulting Partnership (Limited Partnership) (天津海馬樂雲企業管理諮詢合夥企業(有限合夥)), Tianjin Yifeng Joint Enterprise Management Consulting Partnership (Limited Partnership) (天津毅峰共同企業管理諮詢合夥企業(有限合夥)) and Nanjing Guangyi Culture Industry Investment Development Partnership (Limited Partnership) (南京光一文化產業投資發展合夥企業(有限合夥)), which was dated June 20, 2025; and

(l) the **[REDACTED]**.

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Number	Class	Owner	Expiration Date	Place of Registration
1.	Hippocampus h9s	61668540	9	the Company	June 20, 2032	PRC
2.	Hippocampus h9s	61682105	41	the Company	June 20, 2032	PRC
3.		34862810	41	Tianjin Haimacloud	July 20, 2029	PRC
4.		34866897	9	Tianjin Haimacloud	July 20, 2029	PRC

No.	Trademark	Registration Number	Class	Owner	Expiration Date	Place of Registration
5.	海马云	22156005	9	Tianjin Haimacloud	January 20, 2028	PRC
6.	海马云	22157709	41	Tianjin Haimacloud	January 20, 2028	PRC
7.	HAIMACloud	29134838	9	Tianjin Haimacloud	October 6, 2029	PRC
8.	HAIMACloud	23559885	41	Tianjin Haimacloud	December 6, 2028	PRC
9.	HAIMACLOUD	23560100	41	Tianjin Haimacloud	July 20, 2028	PRC
10.		306665725	9, 35, 38, 41, 42	the Company	September 9, 2034	Hong Kong
11.		306665725	9, 35, 38, 41, 42	the Company	September 9, 2034	Hong Kong

Patents

As of the Latest Practicable Date, we have the following patents which we consider to be or may be material to our Group's business:

No.	Patents	Registered Owner	Patent Number	Type	Date of Application
1.	Method for preinstalling example system application (實例系統應用的預安裝方法)	the Company	201610597791.X	Invention	July 26, 2016
2.	Method and device for optimizing cloud-based application screen lag (雲應用畫面卡頓優化方法與裝置)	Tianjin Haimacloud	202411794224.4	Invention	December 9, 2024
3.	Method and device for optimizing terminal rendering performance (優化終端渲染性能的方法和裝置)	the Company	202311287713.6	Invention	October 8, 2023

No.	Patents	Registered Owner	Patent Number	Type	Date of Application
4.	CPU board and server (CPU板卡和服務器)	the Company	202121394163.4	Utility Model	June 23, 2021
5.	Method and device for scheduling cloud gaming resource (雲遊戲資源調度方法與裝置)	the Company	202110283858.3	Invention	March 17, 2021
6.	Method and device, electronic equipment and storage media for mouse data processing (鼠標數據處理方法與裝置、電子設備及存儲介質)	Tianjin Haimacloud	202410889090.8	Invention	July 4, 2024
7.	Method and device for optimizing display jitter of cloud-based application screens (雲應用畫面顯示抖動優化方法與裝置)	Tianjin Haimacloud	202410746080.9	Invention	June 11, 2024
8.	Method, device, storage media and electronic equipment for rapid startup of cloud-based application (雲應用快速啟動的方法、裝置、存儲介質及電子設備)	the Company	202211670910.1	Invention	December 26, 2022
9.	Method and device, data receiving device and storage media for sending retransmission request (發送重傳請求的方法及裝置、數據接收端設備和存儲介質)	the Company	202310396185.1	Invention	April 14, 2023
10.	Method and device for creating Android container (Android容器創建方法與裝置)	the Company	202111267217.5	Invention	October 29, 2021
11.	Method and device for extracting and updating hot-update resource of cloud-based application (雲應用的熱更新資源提取與更新方法和裝置)	the Company	202210536271.3	Invention	May 18, 2022

No.	Patents	Registered Owner	Patent Number	Type	Date of Application
12.	Method and device, electronic equipment and storage media for generating virtual attribute information (虛擬屬性信息生成方法與裝置、電子設備及存儲介質)	Tianjin Haimacloud	202410985361.X	Invention	July 23, 2024
13.	Method and device for system recovery of server equipment (服務器設備進行系統恢復的方法和裝置)	the Company	202311509738.6	Invention	November 14, 2023
14.	Method and device for rapid startup of application on Android system (安卓系統快速啓動應用的方法)	the Company	201611190681.8	Invention	December 21, 2016
15.	Method and device for data processing of VR equipment (VR設備的數據處理方法和裝置)	Tianjin Haimacloud	202410969324.X	Invention	July 19, 2024

Copyrights

As of the Latest Practicable Date, we have the following copyrights which we consider to be or may be material to our Group's business:

No.	Copyright Name	Registration Number	Registered Owner	Place of Registration
1.	Haimacloud computing platform V1.0.0 (海馬雲計算平台V1.0.0)	2023SR1152194	the Company	PRC
2.	Haimacloud game partner platform 1.0 (海馬雲遊戲接入商平台1.0)	2023SR1162983	the Company	PRC
3.	Haimacloud game partner platform 2.0 (海馬雲遊戲接入商平台2.0)	2023SR1162981	the Company	PRC

No.	Copyright Name	Registration Number	Registered Owner	Place of Registration
4.	Haimacloud self-service platform 1.0 (海馬雲自助服務平台1.0)	2023SR1162940	the Company	PRC
5.	Haimacloud cloud phone software 1.0 (海馬云云手機軟件1.0)	2023SR1681936	the Company	PRC
6.	Haimacloud computer software (PC) 1.0.0 (海馬雲電腦軟件(PC端)1.0.0)	2024SR0173791	the Company	PRC
7.	Haimacloud computer software (Android) 1.0.0 (海馬雲電腦軟件(Android端)1.0.0)	2024SR0404176	the Company	PRC
8.	RunningHub platform ([Abbreviation: RunningHub] 1.0) (RunningHub平台[簡稱：RunningHub] 1.0)	2024SR1132687	the Company	PRC

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	runninghub.cn	the Company	January 18, 2026
2.	haimacloud.com	the Company	August 20, 2026

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Interests of our Directors and the chief executive of our Company

Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of our Company and any interests and/or short positions (as applicable) in shares, underlying Shares or debentures of any of our Company's associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name	Position	Nature of Interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares after the [REDACTED][(1)]	Approximate percentage of shareholding in the total share capital of our Company after the [REDACTED][(1)]
Mr. Dang	Chairman of the Board, executive Director and chief executive officer	Interested in controlled operation[(2)]	Unlisted Shares	[REDACTED]	[REDACTED]	[REDACTED]
			H Shares	[REDACTED]	[REDACTED]	[REDACTED]
		Interested held jointly with other persons[(3)]	Unlisted Shares	[REDACTED]	[REDACTED]	[REDACTED]
			H Shares	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhao Shen (趙珅).	Executive Director and vice president	Interested in controlled operation[(4)]	Unlisted Shares	[REDACTED]	[REDACTED]	[REDACTED]
			H Shares	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The calculation is based on the total number of **[REDACTED]** Unlisted Shares in issue and **[REDACTED]** H Shares in issue upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised).

(2) As of the Latest Practicable Date, Mr. Dang was the general partner of Zhixing Jiashi, Haima Leyun, Yifeng Joint and Huiju Jiashi. By virtue of the SFO, Mr. Dang is deemed to be interested in the Shares held by Zhixing Jiashi, Huiju Jiashi, Haima Leyun and Yifeng Joint.

(3) Pursuant to the Concert Party Agreement entered into by Zhixing Jiashi, Aixin and Aijing (each a "**Concert Party**" and collectively, the "**Concert Parties**") on September 30, 2020 and renewed on May 30, 2025, the Concert Parties are agreed to align their votes in the shareholders' meeting of our Company, and in the case of any disagreement, Aixin and Aijing shall follow Zhixing Jiashi's vote to arrive at a unanimous consent. By virtue of the SFO, each of the Concert Parties is deemed to be interested in the Shares held by the other Concert Parties. As Mr. Dang is the general partner of Zhixing Jiashi, Mr. Dang is deemed to be interested in the Shares held by Aixin and Aijing.

(4) Anhui Dongxiang, the ESOP Holding Entity, was the limited partner of Zhixing Jiashi and owned approximately 49.78% partnership interests in Zhixing Jiashi. Mr. Zhao Shen was the general partner of Anhui Dongxiang. By virtue of the SFO, each of Anhui Dongxiang and Mr. Zhao Shen is deemed to be interested in the Shares held by Zhixing Jiashi.

Interests of the substantial shareholders

Save as disclosed in "Substantial Shareholders", immediately following the completion of the **[REDACTED]** and without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]**, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Particulars of Directors' Service Contracts and Letters of Appointment

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment include (i) the term of service, and (ii) are subject to termination in accordance with their respective term. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts or letters of appointment with any of our Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 12 to the Accountants' Report set out in Appendix I, for the three financial years ended December 31, 2022, 2023 and 2024, none of our Directors received other remunerations of benefits in kind from us.

Disclaimers

Save as disclosed in this Document:

(a) none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are **[REDACTED]** on the Stock Exchange;

(b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the **[REDACTED]** and the conversion of Unlisted Shares into H Shares (without taking into account any H Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]**), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group; and

(d) none of our Directors or any of the parties listed in "Qualifications of Experts" in this Appendix is:

    i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

EMPLOYEE INCENTIVE PLAN

To attract and retain talents and to provide incentives to our employees for contributing to the development of our Company in long-run, our Company adopted the Employee Incentive Plan by way of establishing the ESOP Holding Entity, namely Anhui Dongxiang Joint Enterprise Management Consulting (Limited Partnership) ("**Anhui Dongxiang**", 安徽動想共同企業管理諮詢合夥企業(有限合夥)). For details of the ESOP Holding Entity, please see "History, Development and Corporate Structure — Major Shareholding Changes of our Company — Establishment of the ESOP Holding Entity" and "History, Development and Corporate Structure — Employee Incentive Plan".

The Employee Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of share options or awards or any issuance of new Shares by our Company after the **[REDACTED]**. Given the Shares under the Employee Incentive Plan have already been issued to the ESOP Holding Entity through Zhixing Jiashi as of the Latest Practicable Date, there will not be any dilutive effect to the issued Shares as a result of the operation of the Employee Incentive Plan. The principal terms of the Employee Incentive Plan are set out as follows.

(a) Administration

Our Board is the executive management body of the Employee Incentive Plan, which is responsible for the implementation of the Employee Incentive Plan and handling all relevant matters of the Employee Incentive Plan within the authorization of the general meeting. Our Board may delegate authority within its authorization to handle part of the relevant matters in relation to the implementation of the Employee Incentive Plan to the general manager, including: (1) to determine if the participant meets the conditions for releasing restrictions (excluding any restrictions regarding the lock-up period); (2) to determine new participants; (3) to determine the allocation of reserved shares among new participants; (4) to explain the Employee Incentive Plan within its authorization.

(b) Shares under the Employee Incentive Plan

As of the Latest Practicable Date, the ESOP Holding Entity held 49.78% of the equity interests in Zhixing Jiashi and indirectly held 5,040,000 Shares through Zhixing Jiashi, representing approximately 8.83% of the total issued Shares. Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), the ESOP Holding Entity will be interested in approximately [7.50]% of the total issued Shares.

(c) ESOP Holding Entity

Anhui Dongxiang is a limited partnership established on May 21, 2025 as our ESOP Holding Entity. Shares are granted to eligible participants under the Employee Incentive Plan (the "**Participants**") in the form of partnership interests in Anhui Dongxiang.

As of the Latest Practicable Date, Anhui Dongxiang indirectly held 5,040,000 Shares through Zhixing Jiashi. The general partner of Anhui Dongxiang is Mr. Zhao Shen (趙珅), an executive Director and vice president of our Company, who holds approximately 23.86% partnership interests in Anhui Dongxiang. The remaining approximately 76.14% partnership interests in Anhui Dongxiang are held by 25 limited partners who are current employees of our Group. Among the limited partners of Anhui Dongxiang, none of them hold more than one-third of its partnership interests.

(d) Voting rights

The general partner of the ESOP Holding Entity shall be entitled to exercise the voting rights attached to the Shares held by the ESOP Holding Entity on behalf of the ESOP Holding Entity.

(e) Lock-up, Transferability and Repurchase of Partnership Interests

The partnership interests held by the Participants in the ESOP Holding Entity, which represent the awards granted to the Participants under the Employee Incentive Plan, are subject to lock-up restrictions, whereby 100% of the incentive shares granted to all Participants are lock-up shares with a lock-up period of 5 years from the date of grant. Lock-up restrictions could be released in 12-month period upon the expiry of the lock-up period, during which percentage of incentive shares with lock-up restrictions released to all incentive shares held shall be 100%. Incentive shares that do not meet the lock-up restrictions releasing conditions shall not be released from lock-up restrictions, and will be repurchased and canceled at price of grant by our Company within 12 months after the expiry of the lock-up period, or acquired at the price of grant by the entity designated by the *de facto* controller for subsequent employee incentive purposes. In addition, during the lock-up period, the partnership interests granted to the Participants may be

repurchased by the ESOP Holding Entity by way of capital reduction or by the *de facto* controller as the general partner of the ESOP Holding Entity in the following events, including but not limited to:

- in case of a no-fault situation: (i) termination of Participants' employment relationship with our Group due to their loss of capability to work; (ii) death (or declared death) or missing of Participants; (iii) retirement of the Participants; (iv) termination of Participants' employment relationship with our Group due to Participants suffering from illness or injuries not arising out of work and confirmed by Labour Appraisal Committee that they are incapable to perform the original job or jobs otherwise arranged by our Group; (v) our Group terminates its labor relationship or other service contract relationship with Participants due to layoff and other reasons but Participants are not at fault; (vi) our Group does not agree to renew or rehire Participants upon the expiry of such Participants' labor contracts or other service contracts but Participants are not at fault or incompetence; (vii) termination of Participants' employment relationship with our Group by reasons of loss of office or tendering resignation, resignation or voluntary dismissal during the term of labor contracts or other service contracts, but Participants are not at fault or incompetence; and (viii) Participants do not agree to renew or be rehired upon the expiry of the labor contracts or other service contracts, but Participants are not at fault or incompetence. In the event of any of the aforesaid circumstances, Participants' incentive shares that have been released from lock-up restrictions will continue to be valid, while those incentive shares granted but not yet released from lock-up restrictions shall not be released from lock-up restrictions, and shall be repurchased and canceled at no-fault exit price by our Group, or acquired at no-fault exit price by the entity designated by the *de facto* controller. No-fault exit price = grant consideration + financing costs actually paid by Participants for the payment of the grant consideration.

- in case of a fault situation: (i) dismissal or termination of Participants' contracts by our Group due to their incapabilities; (ii) dismissal or termination of Participants' contracts with grounds of breach of labor contracts or other service contracts, violation of national laws and regulations, by-laws of our Company or serious dereliction of duty; (iii) Participants who are held criminally responsible, administratively detained, or subject to compulsory measures for suspected criminal responsibility; (iv) Participants have other illegal, non-compliance or disciplinary behaviors; (v) when Participants are also Directors or senior management of our Group, occurrence of circumstances as stipulated in Company Law provisions that prohibiting them from doing so. All incentive shares granted to Participants under this incentive scheme, regardless of whether they have been released from lock-up restrictions, will be repurchased and

canceled by our Company at the fault exit price, or acquired by the entity designated by the *de facto* controller at the fault exit price. Fault exit price = grant consideration + dividends entitled by Participants during the period of which they hold the incentive shares.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all of the 11 then Shareholders as of December 28, 2015, immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the **[REDACTED]** and the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since December 31, 2024 (being the date to which the latest consolidated financial statements of our Group were prepared).

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
CMB International Capital Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
Haiwen & Partners	PRC legal adviser and PRC Data Compliance Legal Adviser
China Insights Industry Consultancy Limited	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to "Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

Joint Sponsor' Independence

Both of the Joint Sponsors satisfy the independence criteria applicable to the sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letters entered into between the Company and the Joint Sponsors respectively, the fees of each of the Joint Sponsors payable by us to them in respect of their service as the sponsors in connection with the **[REDACTED]** on the Stock Exchange is US$1 million.

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no **[REDACTED]**, **[REDACTED]**, **[REDACTED]** fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) no part of the equity or debt securities of our Company, if any, is currently **[REDACTED]** on or **[REDACTED]** in on any stock exchange or trading system, and no such **[REDACTED]** or permission to **[REDACTED]** on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts"; and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at ***www.hkexnews.hk*** and the Company's website at ***www.haimacloud.com*** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the audited consolidated financial statements of our Group for the three years ended December 31, 2022, 2023 and 2024;

(c) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I;

(d) the report from Deloitte Touche Tohmatsu on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II;

(e) the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts";

(f) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts";

(g) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Particulars of Directors' Service Contracts and Letters of Appointment";

(h) the legal opinions issued by Haiwen & Partners, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

(i) the industry report issued by China Insights Industry Consultancy Limited referred to in "Industry Overview"; and

(j) a copy of the following PRC laws, together with unofficial English translations:

(i) the PRC Company Law;

(ii) the PRC Securities Law; and

(iii) the Overseas Listing Trial Measures.