***You should read the following discussion and analysis of our financial conditions and results of operations in conjunction with our consolidated financial statements and the accompanying notes included in the Accountants' Report set out in Appendix I to this document. The Accountants' Report has been prepared in accordance with HKFRSs. Potential* [REDACTED] *should read the Accountants' Report set out in Appendix I to this document in its entirety and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, see "Risk Factors."***

## OVERVIEW

We are a leading independent distributed cloud computing service provider in China. According to CIC, we operate the largest computing power network in China in terms of the number of compute nodes as of December 31, 2025, and we are the largest independent edge cloud computing service provider in China in terms of revenue in 2025. We also rank first among independent AI cloud computing service providers in China in terms of average daily token consumption volume in 2025.

Our business began in the area of edge cloud computing services, as we identified significant mismatches between massive demand for and scattered, often underutilized supply of computing power. We established a computing power scheduling platform to aggregate and manage idle computing power from heterogeneous sources and deploy it in an efficient fashion to customers to accelerate content delivery and enhance low-latency computing experience. Leveraging our global compute scheduling network and comprehensive AI-native capabilities, we transform heterogeneous, cross-regional GPU resources into low-cost, low-latency and highly scalable computing services, serving AI-native applications, developers and enterprises worldwide. Rather than simply providing access to computing resources, our core value lies in delivering reliable, efficient and optimized model services that customers can seamlessly integrate into their products and workflows without building or managing the underlying infrastructure. We are also extending our platform into "agentic infra," creating the foundational layer that will power AI agents' autonomous and durable task execution. As agentic AI proliferates, we expect the primary callers of cloud computing infrastructure to shift from human users toward AI agents, giving rise to entirely new demand for computing resources.

Our services include (1) edge cloud computing services, encompassing edge node services and edge CDN; and (2) AI cloud computing services, encompassing GPU cloud services and model APIs. During the Track Record Period, our revenue amounted to RMB358.4 million, RMB558.0 million and RMB770.3 million in 2023, 2024 and 2025, respectively. We incurred loss for the year of RMB189.4 million, RMB293.5 million and RMB222.9 million in 2023, 2024 and 2025, respectively. Our net losses during the Track Record Period were largely due to fair value losses on convertible redeemable preferred shares, our significant investments in research and development and service network expansion. Our adjusted net loss (excluding the effects of fair value losses on convertible redeemable preferred shares and share-based payment expenses), a non-HKFRS measure, amounted to RMB37.1 million, RMB61.6 million and RMB104.6 million in 2023, 2024 and 2025, respectively. For details, please refer to the paragraph headed "Non-HKFRS Measure" in this section.

## BASIS OF PRESENTATION

Our historical financial information has been prepared on a consolidated basis. All intra-group transactions and balances have been eliminated on consolidation.

## MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATION

The following are the principal factors that have affected and will continue to affect our business, financial condition, results of operations and prospects.

### Development of the industry in which we operate

We operate in a rapidly growing industry. Our business and results of operations are significantly affected by the development of the cloud computing industry, especially the market for distributed cloud computing services. Distributed cloud computing platform, with its flexible resource allocation and asset-light operating model, can effectively address the constraints of traditional IDCs and accordingly is experiencing explosive growth.

We have successfully captured, and we believe that we are well-positioned to continue to capture, various market opportunities brought by the development of the distributed cloud computing market. As a leading independent distributed cloud computing service provider in China, we operate the largest computing power network in China in terms of the number of compute nodes as of December 31, 2025, according to CIC. In 2023, 2024 and 2025, we recorded revenue of RMB358.4 million, RMB558.0 million and RMB770.3 million, respectively. During the Track Record Period, we generated a major part of our revenue from our edge cloud computing services. We achieved the rapid growth along with the high speed development of edge cloud computing services market driven by the rising demand for real-time applications and surge in data generation, among others. The upward trend is expected to continue. According to CIC, China's market for edge cloud computing services is expected to grow from RMB15.3 billion in 2025 to RMB41.9 billion in 2030, at a CAGR of 22.2%.

Building on the edge cloud computing services provided by our computing network, we added GPU computing resources and introduced AI cloud computing services in response to the rapid growth of large-scale AI models, which spurred a surge in demand for GPU computing power as well as AI inference capabilities. We started to generate revenue from our AI cloud computing services in the second half of 2023 and recorded revenue of RMB0.3 million, RMB10.4 million and RMB119.2 million in 2023, 2024 and 2025, respectively. We anticipate rapid growth in our AI cloud computing services, driven by the strong momentum in the market segment. According to CIC, in terms of revenue, the size of the global AI cloud computing service market increased from RMB12.7 billion in 2023 to RMB188.2 billion in 2025, representing a CAGR of 284.3% from 2023 to 2025, and is expected to reach RMB4,666.8 billion by 2030, representing a CAGR of 90.1% from 2025 to 2030.

In addition, the global market for distributed cloud services has seen substantial growth in recent years. We are dedicated to seizing the opportunities arising from the ongoing expansion of overseas markets. Our strategy involves entering established and emerging markets to access untapped potential. Specifically, we intend to develop additional global compute nodes and collaborate with more computing power suppliers in these regions to bolster our resource-based competitive advantages.

### Our ability to upgrade and expand our services and solutions and to compete effectively

Our business and results of operations depend on our ability to continuously refine and expand our service offerings to keep pace with rapid advancements in cloud computing, AI and edge technologies, while meeting the evolving needs of customers. During the Track Record Period, we established ourselves as a leading independent distributed cloud computing service provider in China by delivering edge cloud solutions that integrate dispersed, heterogeneous computing resources from third-party providers to meet our customers' needs for edge computing and transmission. This has allowed us to build a broad customer base across various industries, including pan-entertainment, social networking, e-commerce, education, automotive, telecommunications, information technology and intelligent manufacturing. Recognizing the growing demand for AI cloud computing services, we expanded into AI cloud computing services in 2023, aligning with broader industry trends toward distributed and specialized cloud infrastructure.

To maintain our competitive edge and market leadership, we must continue investing in R&D, including proprietary technologies and scalable infrastructure, while optimizing pricing strategies to balance affordability and profitability. The distributed cloud computing and AI cloud computing markets are growing, presenting opportunities to attract new customers through targeted expansions, such as in various AI application verticals, agentic AI and embodied AI. Strengthening partnerships with key industry players and enhancing service differentiation will be critical to improving our pricing power and customer retention. As competition intensifies from both established cloud providers and niche players, our ability to innovate and scale efficiently will determine our long-term success.

**Our ability to continue to invest in technology innovation and talent acquisition**

We believe investing in technological advancement and the recruitment of top-tier talent are fundamental drivers of our long-term success. Performance of our services and solutions have benefited greatly from our various self-developed technologies, such as the SDN@Edge intelligent three-layer network architecture and distributed inference acceleration technology, reflecting our commitment to research excellence. As of the December 31, 2025, we had 34 patents and 67 software copyrights in the PRC. Such innovations have not only increased operational efficiency but also strengthened our competitive edge in the rapidly evolving cloud and AI computing sectors. We have made significant investments in technology innovation. In 2023, 2024 and 2025, we incurred research and development expenses of RMB67.8 million, RMB86.3 million and RMB119.9 million, respectively, accounting for 18.9%, 15.5% and 15.6% of our revenue in the same years, respectively. As we plan to continue to invest heavily in research and development and focus on innovations in order to remain competitive, we expect our research and development costs to increase in the future.

We also place strong emphasis on the recruitment of technology specialists and senior engineers with extensive experience in the industry. Our technological capabilities are built by our talented and dedicated research and development team. As of December 31, 2025, we had a team of 170 R&D professionals, representing approximately 61.8% of our total employees.

**Our ability to effectively control our costs and expenses and improve operating efficiency**

Our ability to effectively manage our costs while achieving expected business growth is critical to achieve profitability. A significant component of our cost of sales is computing resource costs. Our computing resource costs for edge cloud computing services were RMB278.8 million, RMB448.6 million and RMB541.2 million in 2023, 2024 and 2025, respectively, representing 77.8%, 80.4% and 70.3% of our revenue in the same years, respectively.

In addition, our business and results of operations are affected by our operating expense structure, which primarily consists of research and development expenses discussed above, selling and marketing expenses and administrative expenses. Our selling and marketing expenses were RMB20.2 million, RMB25.8 million and RMB42.4 million, in 2023, 2024 and 2025, respectively, representing 5.6%, 4.6% and 5.5% of our revenue in the same years, respectively. Our administrative expenses were RMB25.3 million, RMB31.3 million and RMB57.3 million, in 2023, 2024 and 2025, respectively, representing 7.1%, 5.6% and 7.4% of our revenue in the same years, respectively. Excluding the impact of [**REDACTED**] expenses, our administrative expenses in 2025 would be RMB40.4 million, representing 5.2% of our total revenue. Our selling and marketing expenses and administrative expenses increased during the Track Record Period, primarily due to the continued expansion of our business. Our selling and marketing expenses and administrative expenses (excluding [**REDACTED**] expenses) decreased as a percentage of our revenue during the Track Record Period, reflecting our improved operational efficiency. Going forward, we expect to continue expanding our sales and marketing team, especially for our AI cloud computing services, and our administrative team to support our business growth, but we believe we can leverage our established network and accumulated operational experience to maintain such expenses at a relatively low level as a proportion of revenue.

## MATERIAL ACCOUNTING INFORMATION AND ESTIMATES

The preparation of the financial information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of 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. See note 2.3 and 3 to the Accountants' Report in Appendix I to this document for details of our material accounting policies, estimates and judgments.

### Revenue Recognition

We mainly provide distributed cloud computing services, including edge computing services and AI cloud computing services. We recognize revenue from contracts with customers when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The nature of the performance obligation is a single performance obligation to be ready to provide integrated services throughout the contract period. We recognize revenue from the provision of cloud computing services over the scheduled period because the customer simultaneously receives and consumes the benefits provided by us. Revenue from cloud computing services is measured on a usage basis and is recognized over time. We use an output method to measure the value to the customer of the services rendered to date, with no rights of return once consumed, because the customer simultaneously receives and consumes the benefits provided by us. We use monthly utilization records to recognize revenue over time. At the end of each month, the transaction consideration is fixed based on utilization records and hence no estimation of the transaction price during the Track Record Period is necessary.

### Impairment of Non-financial Assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the value of such asset or cash-generating unit ("CGU") in use and its fair value less costs of disposal. The asset's recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs. In testing a CGU for impairment, a portion of the carrying amount of a corporate asset, such as a headquarters building, is allocated to an individual CGU if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of CGU.

We recognize an impairment loss only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each year of the Track Record Period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication occurs, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset. Such reversal will not be to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss, with line items in absolute amounts and as percentages of our revenue for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % of revenue | Amount | % of revenue | Amount | % of revenue |
| | *(RMB in thousands, except for percentages)* | | | | | |
| Revenue | 358,385 | 100.0 | 558,037 | 100.0 | 770,345 | 100.0 |
| Cost of sales | (294,868) | (82.3) | (489,190) | (87.7) | (698,306) | (90.6) |
| Gross profit | 63,517 | 17.7 | 68,847 | 12.3 | 72,039 | 9.4 |
| Other income and gains, net | 9,231 | 2.6 | 7,475 | 1.3 | 15,919 | 2.1 |
| Selling and marketing expenses | (20,178) | (5.6) | (25,836) | (4.6) | (42,378) | (5.5) |
| Administrative expenses | (25,333) | (7.1) | (31,273) | (5.6) | (57,293) | (7.4) |
| Research and development expenses | (67,783) | (18.9) | (86,346) | (15.5) | (119,939) | (15.6) |
| Other expenses | (2,901) | (0.8) | (2,973) | (0.5) | (203) | (–*) |
| Finance costs | (882) | (0.2) | (1,656) | (0.3) | (2,822) | (0.4) |
| Fair value losses on convertible redeemable preferred shares | (145,048) | (40.5) | (221,750) | (39.7) | (88,272) | (11.5) |
| **Loss before tax** | **(189,377)** | **(52.8)** | **(293,512)** | **(52.6)** | **(222,949)** | **(28.9)** |
| Income tax expense | – | – | – | – | – | – |
| **Loss for the year** | **(189,377)** | **(52.8)** | **(293,512)** | **(52.6)** | **(222,949)** | **(28.9)** |

* Less than 0.05%.

## NON-HKFRS MEASURE

To supplement our consolidated financial statements presented in accordance with HKFRS, we also use a non-HKFRS measure, namely adjusted net loss, as an additional financial measure, which is not required by or presented in accordance with HKFRS. We believe that such non-HKFRS measure facilitates comparisons of operating performance from year to year by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net loss (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under HKFRS.

We define adjusted net loss (non-HKFRS measure) as loss for the year excluding the effects of fair value losses on convertible redeemable preferred shares, share-based payment expenses and [**REDACTED**]. Fair value losses on convertible redeemable preferred shares represent losses in the fair value of the convertible redeemable preferred shares issued by us to certain investors. The convertible redeemable preferred shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**] and we do not expect to recognize any further fair value losses on convertible redeemable preferred shares after the [**REDACTED**]. Share-based payment expenses are non-cash in nature and are employee related expenses arising from grant of share options under our share incentive scheme. [**REDACTED**] expenses are non-recurring and non-operating expenses incurred in connection with the [**REDACTED**]. The adjustments have been consistently made during the Track Record Period. The following table sets forth the reconciliation of our net loss to adjusted net loss (non-HKFRS measure) for the years indicated:

| | **As of December 31,** | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(RMB in thousands)* | | |
| Loss for the year | (189,377) | (293,512) | (222,949) |
| Adjusted for: | | | |
| Fair value losses on convertible redeemable preferred shares | (145,048) | (221,750) | (88,272) |
| Share-based payment expenses | (7,248) | (10,145) | (13,139) |
| [**REDACTED**] expenses | – | – | [**REDACTED**] |
| **Adjusted net loss (Non-HKFRS measure)** | **(37,081)** | **(61,617)** | **(104,604)** |

Our net loss decreased from RMB293.5 million in 2024 to RMB222.9 million in 2025, primarily due to (i) an increase in revenue driven by strong growth in our AI cloud computing services and stable growth in our edge cloud computing services; and (ii) a decrease in fair value losses on convertible redeemable preferred shares. Such convertible redeemable preferred shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**] and we do not expect to recognize any further fair value losses on convertible redeemable preferred shares after the [**REDACTED**].

Our net loss increased from RMB189.4 million in 2023 to RMB293.5 million in 2024, primarily due to (i) a significant increase in fair value losses on convertible redeemable preferred shares, which resulted from the increase in the valuation of our convertible redeemable preferred shares as our business continued to grow; and (ii) an increase in research and development expenses, which reflected the increase in employee salary and other benefits primarily as a result of an increase in the number of research and development related personnel for our AI cloud computing services and the increase in testing expenses related to testing and hosting new large-scale AI models and AI inference acceleration technologies for our AI cloud computing services in 2024.

During the Track Record Period, we recorded adjusted net losses (non-HKFRS measure) primarily because our revenue and gross profit were insufficient to cover relatively high operating expenses, which were driven by continued investment in research and development activities and service network expansion.

Our adjusted net loss (non-HKFRS measure) increased from RMB37.1 million in 2023 to RMB61.6 million in 2024, mainly reflecting the increase in our loss for the year from RMB189.4 million in 2023 to RMB293.5 million in 2024 driven by an increase in our research and development expenses from RMB67.8 million in 2023 to RMB86.3 million in 2024. Our adjusted net loss (non-HKFRS measure) increased from RMB61.6 million in 2024 to RMB104.6 million in 2025, primarily due to (i) an increase in our research and development expenses from RMB86.3 million in 2024 to RMB119.9 million in 2025; (ii) an increase in our selling and marketing expenses from RMB25.8 million in 2024 to RMB42.4 million in 2025; and (iii) an increase in our administrative expenses from RMB31.3 million in 2024 to RMB57.3 million in 2025. For details, see "Year-to-year comparison of results of operations" of this section.

## DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

### Revenue

During the Track Record Period, we generated a substantial proportion of our revenue from providing edge cloud computing services. The following table sets forth a breakdown of our revenue by service type for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentages) | | | | | |
| Edge cloud computing services | 358,120 | 99.9 | 547,650 | 98.1 | 651,128 | 84.5 |
| – Edge node services | 313,235 | 87.4 | 390,951 | 70.0 | 502,645 | 65.2 |
| – Edge CDN | 44,885 | 12.5 | 156,699 | 28.1 | 148,483 | 19.3 |
| AI cloud computing services | 265 | 0.1 | 10,387 | 1.9 | 119,217 | 15.5 |
| **Total** | **358,385** | **100.0** | **558,037** | **100.0** | **770,345** | **100.0** |

During the Track Record Period, revenue from our edge cloud computing services was derived from (i) edge node services and (ii) edge CDN.

*Edge node services*. We have established a widely distributed network of edge compute nodes and provide edge node services that could relocate computing power from central nodes to edge nodes closer to users, aimed at supporting scenarios such as edge storage, audio and video processing, video transcoding and distribution. We charge our edge node services based on actual usage and recognize the usage-based fees as revenue in the year in which the usage occurs. We use monthly utilization records to recognize revenue over time. In 2023, 2024 and 2025, revenue from our edge node services were RMB313.2 million, RMB391.0 million and RMB502.6 million, respectively, representing approximately 87.4%, 70.0% and 65.2% of our revenue in the same years. The increase in revenue from our edge node services were primarily due to (i) the increase in demand from our existing customers and (ii) the expansion of our customer base in line with our business expansion. The proportion of revenue from edge node services decreased over the Track Record Period due to the expansion of our other services offerings.

*Edge CDN*. Our edge CDN is built on an expansive network of edge nodes and draws on our expertise in intelligent scheduling, distributed caching and network transmission technologies. Similar to edge node services, we charge our edge CDN services based on resource use, data traffic and bandwidth actual usage and record usage-based fees as revenue in the year in which the usage occurs. In 2023, 2024 and 2025, revenue from our edge CDN was RMB44.9 million, RMB156.7 million and RMB148.5 million respectively, representing approximately 12.5%, 28.1% and 19.3% of our revenue in the same years. Our revenue from edge CDN increased from RMB44.9 million in 2023 to RMB156.7 million in 2024, primarily due to an increase in the number of customers and service usage as a result of (i) the recognition of our technology capabilities by our customers, as our services can support a wide range of application scenarios; and (ii) the expansion of our service offering. Our revenue from edge CDN decreased from RMB156.7 million in 2024 to RMB148.5 million in 2025, primarily due to our strategic decision to scale down certain edge CDN projects with relatively low profitability and to allocate more resources to expand our AI cloud computing services.

During the Track Record Period, we also generated revenue from our AI cloud computing services. Our AI cloud computing services consist of (i) GPU cloud services, which provide customers with access to powerful computing resources without the need to purchase physical GPUs or manage GPU servers; and (ii) model APIs, which are pre-built, ready-to-use models (which are mainly LLMs and multimodal models) that cater to customer who need AI technology but lack the capability to build, train or manage highly complicated AI models themselves. We charge GPU cloud services based on hours of usage and model API services based on actual consumption of tokens, number of images generated or the length of video generated. As a result of the expansion of our service offering and customer base, revenue from our AI cloud computing services increased significantly from RMB0.3 million in 2023 to RMB10.4 million in 2024, representing approximately 0.1% and 1.9% of our revenue in the same years. Revenue from our AI cloud computing services increased significantly from RMB10.4 million in 2024 to RMB119.2 million in 2025, representing approximately 1.9% and 15.5% of our revenue in the same years, respectively. This increase was primarily driven by a surging demand for our AI cloud computing services as a result of (i) the continued enhancement and commercial maturity of our technologies and service offerings; and (ii) the strengthening of our sales and marketing capabilities and customer acquisition efforts.

During the Track Record Period, we generated substantially all of our services in mainland China. The following table sets forth a breakdown of our revenue by region for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | |
| Mainland China | 357,919 | 99.9 | 555,155 | 99.5 | 714,881 | 92.8 |
| Other countries/regions[1] | 466 | 0.1 | 2,882 | 0.5 | 55,464 | 7.2 |
| **Total** | **358,385** | **100.0** | **558,037** | **100.0** | **770,345** | **100.0** |

*Note:*

(1) Primarily include Singapore and the United States.

## Cost of Sales

Our cost of sales consists of the costs and expenses that are related to providing our services to our customers. During the Track Record Period, our cost of sales primarily consisted of (i) computing resource costs, primarily arising from an integrated set of services, such as server costs, electricity and maintenance costs, (ii) cloud service expenses, primarily involving fees for third-party cloud platforms providing computing, storage and certain built-in infrastructure services, (iii) depreciation costs primarily related to our own servers and equipment, (iv) employee salary and other benefits, primarily related to employees' salaries, bonuses, allowances and other benefits in kind and (v) server rental costs. The following table sets forth a breakdown of our cost of sales according to service lines for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | |
| Edge cloud computing services | 294,361 | 99.8 | 468,928 | 95.9 | 566,350 | 81.1 |
| AI cloud computing services | 507 | 0.2 | 20,262 | 4.1 | 131,956 | 18.9 |
| **Total** | **294,868** | **100.0** | **489,190** | **100.0** | **698,306** | **100.0** |

The following table sets forth a breakdown of our cost of sales for our edge cloud computing services for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentages) | | | | | |
| Computing resource costs | 278,759 | 94.7 | 448,583 | 95.7 | 541,188 | 95.5 |
| Cloud service expenses | 5,042 | 1.7 | 10,200 | 2.2 | 11,255 | 2.0 |
| Depreciation costs | 6,346 | 2.2 | 6,689 | 1.4 | 10,499 | 1.9 |
| Employee salary and other benefits | 1,310 | 0.4 | 1,476 | 0.3 | 2,719 | 0.5 |
| Server rental costs | 1,175 | 0.4 | 327 | 0.1 | – | – |
| Others | 1,729 | 0.6 | 1,653 | 0.3 | 689 | 0.1 |
| **Total** | **294,361** | **100.0** | **468,928** | **100.0** | **566,350** | **100.0** |

The following table sets forth a breakdown of our cost of sales for our AI cloud computing services for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentages) | | | | | |
| Computing resource costs | 151 | 29.8 | 9,423 | 46.5 | 117,394 | 89.0 |
| Cloud service expenses | 356 | 70.2 | 3,868 | 19.1 | 8,328 | 6.3 |
| Depreciation costs | – | – | 6,971 | 34.4 | 5,250 | 4.0 |
| Employee salary and other benefits | – | – | – | – | 984 | 0.7 |
| **Total** | **507** | **100.0** | **20,262** | **100.0** | **131,956** | **100.0** |

### Gross Profit and Gross Profit Margin

We recorded a gross profit of RMB63.5 million, RMB68.8 million and RMB72.0 million in 2023, 2024 and 2025, respectively, with a gross profit margin of 17.7%, 12.3% and 9.4%, respectively. During the Track Record Period, our gross profit and gross profit margin were mainly affected by our edge cloud computing services, and according to CIC, the fluctuations are in line with our industry peers.

Our AI cloud computing services recorded gross loss and gross loss margin during the Track Record Period, mainly because we were in the early stages of development for this service line and incurred set up costs relating to servers and other computing resources costs and cloud service expenses, while the related revenue was relatively limited as we were still in the process of expanding our service offerings and establishing market recognition, in preparation for future expansion.

The following table sets forth our gross profit and gross profit margin for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentages) | | | | | |
| Edge cloud computing services | 63,759 | 17.8 | 78,722 | 14.4 | 84,778 | 13.0 |
| AI cloud computing services | (242) | (91.3) | (9,875) | (95.1) | (12,739) | (10.7) |
| | **63,517** | **17.7** | **68,847** | **12.3** | **72,039** | **9.4** |

### Other Income and Gains, Net

Other income and gains primarily consist of (i) gains on disposal of property, plant and equipment, (ii) interest income, (iii) foreign exchange gain, (iv) government grants, (v) fair value gains from financial assets at FVTPL, primarily consisting of unrealized investment income from wealth management products and (vi) investment income from financial assets at FVTPL. The following table sets forth a breakdown of the components of our other income for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | (RMB in thousands, except for percentages) | | | | | |
| **Other Income** | | | | | | |
| Government grants | 1,474 | 16.0 | 2,003 | 26.8 | 2,692 | 16.9 |
| Interest income | 2,076 | 22.5 | 1,570 | 21.0 | 3,506 | 22.0 |
| Investment income from financial assets at FVTPL | 4,099 | 44.4 | 2,677 | 35.8 | 599 | 3.8 |
| **Gains** | | | | | | |
| Gains on disposal of property, plant and equipment | – | – | – | – | 4,525 | 28.4 |
| Foreign exchange gain | – | – | – | – | 2,952 | 18.5 |
| Fair value gains from financial assets at FVTPL | 1,468 | 15.9 | 862 | 11.5 | 1,539 | 9.7 |
| Others | 114 | 1.2 | 363 | 4.9 | 106 | 0.7 |
| **Total** | **9,231** | **100.0** | **7,475** | **100.0** | **15,919** | **100.0** |

### Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee salary and other benefits, (ii) advertising and marketing expenses relating to organizing events and campaign for our services, (iii) share-based payment expenses, (iv) testing expenses related to service testing we offered to potential customers, (v) travel expenses, (vi) office rental expenses and (vii) other miscellaneous items. Our selling and marketing expenses accounted for 5.6%, 4.6% and 5.5% of our revenue in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of the major components of our selling and marketing expenses for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | |
| Employee salary and other benefits | 15,039 | 74.5 | 17,088 | 66.1 | 24,186 | 57.1 |
| Advertising and marketing expenses | 94 | 0.5 | 653 | 2.5 | 8,430 | 19.9 |
| Share-based payment expenses | 1,836 | 9.1 | 3,695 | 14.3 | 3,506 | 8.3 |
| Testing expenses | 817 | 4.0 | 1,238 | 4.8 | 834 | 2.0 |
| Travel expenses | 1,197 | 5.9 | 1,085 | 4.2 | 1,575 | 3.7 |
| Office rental expenses | 565 | 2.8 | 971 | 3.8 | 921 | 2.2 |
| Others[(1)] | 630 | 3.2 | 1,106 | 4.3 | 2,925 | 6.8 |
| **Total** | **20,178** | **100.0** | **25,836** | **100.0** | **42,377** | **100.0** |

(1) Others primarily include office expenses and business development expenses.

### Administrative Expenses

Our administrative expenses primarily consist of (i) employee salary and other benefits, (ii) [**REDACTED**] expenses, (iii) professional service fees such as legal, auditing and recruiting services, (iv) share-based payment expenses, (v) office expenses, (vi) office rental expenses, (vii) travel expenses, (viii) depreciation of fixed assets and (ix) other miscellaneous items, such as software procurement expenses. Our administrative expenses accounted for 7.1%, 5.6% and 7.4% of our revenue in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of the components of our administrative expenses for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | |
| Employee salary and other benefits | 15,774 | 62.3 | 17,838 | 57.0 | 22,823 | 39.8 |
| [**REDACTED**] expenses | – | – | – | – | [REDACTED] | [REDACTED] |
| Professional service fees | 1,995 | 7.9 | 3,301 | 10.6 | 5,547 | 9.7 |
| Share-based payment expenses | 2,491 | 9.8 | 3,213 | 10.3 | 3,847 | 6.7 |
| Office expenses | 750 | 3.0 | 980 | 3.1 | 1,353 | 2.4 |
| Office rental expenses | 798 | 3.2 | 1,432 | 4.6 | 872 | 1.5 |
| Travel expenses | 675 | 2.7 | 1,065 | 3.4 | 655 | 1.1 |
| Depreciation of fixed assets | 713 | 2.8 | 353 | 1.1 | 442 | 0.8 |
| Others[(1)] | 2,137 | 8.3 | 3,091 | 9.9 | 4,820 | 8.4 |
| **Total** | **25,333** | **100.0** | **31,273** | **100.0** | **57,293** | **100.0** |

(1) Others primarily include software procurement expenses.

### Research and Development Expenses

Research and development expenses primarily consist of (i) employee salary and other benefits, (ii) testing expenses relating to in-house testing and maintenance fees, (iii) share-based payment expenses, (iv) depreciation of fixed assets and (v) other miscellaneous items, such as travel and office expenses, amortization of intangible assets and training expenses. Our research and development costs accounted for 18.9%, 15.5% and 15.6% of our revenue in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of the components of our research and development expenses for the years indicated.

| | Year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | |
| Employee salary and other benefits | 54,851 | 80.9 | 71,617 | 82.9 | 80,755 | 67.3 |
| Testing expenses | 1,093 | 1.6 | 2,417 | 2.8 | 24,299 | 20.3 |
| Share-based payment expenses | 2,921 | 4.3 | 3,237 | 3.7 | 5,786 | 4.8 |
| Depreciation of fixed assets | 2,966 | 4.4 | 3,182 | 3.7 | 1,960 | 1.6 |
| Others | 5,952 | 8.8 | 5,893 | 6.9 | 7,139 | 6.0 |
| **Total** | **67,783** | **100.0** | **86,346** | **100.0** | **119,939** | **100.0** |

### Other Expenses

Our other expenses include exchange losses, loss from disposal of assets and donations. We recorded other expenses of RMB2.9 million, RMB3.0 million and RMB0.2 million in 2023, 2024 and 2025, respectively.

### Finance Costs

Our finance costs consist of interest on bank loans and interest on lease liabilities. Our finance cost amounted to RMB0.9 million, RMB1.7 million and RMB2.8 million in 2023, 2024 and 2025, respectively.

### Fair Value Losses on Convertible Redeemable Preferred Shares

We recorded fair value losses on convertible redeemable preferred shares of RMB145.0 million, RMB221.8 million and RMB88.3 million in 2023, 2024 and 2025, respectively. Such amounts reflected losses in the fair value of our convertible redeemable preferred shares issued pursuant to certain financing agreements that we entered into with certain [**REDACTED**] Investors.

### Income Tax Expense

We recorded nil income tax expense during the Track Record Period. See note 10 to the Accountants' Report in Appendix I to this document for the reconciliation of the tax expense applicable to our loss before tax using the statutory rate to the tax expense at the effective tax rate.

During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities, and we did not have any outstanding or potential disputes with such tax authorities.

We are subject to various rates of income tax under different jurisdictions. The following summarizes major factors affecting our applicable tax rates in mainland China, the Cayman Islands, Hong Kong and Singapore.

*Mainland China*

Our subsidiaries incorporated in China are subject to entity income tax at the statutory rate of 25.0% on the taxable profits determined in accordance with the relevant laws and regulations. During the Track Record Period, certain subsidiary within our Group was entitled to preferential income tax rates of 15.0%, as a high and new technology enterprise pursuant to the relevant tax regulations.

*Cayman Islands*

We are incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law and exempted from the payment of Cayman Islands income tax.

*Hong Kong*

Our subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the Track Record Period. No provision for Hong Kong profits tax has been made as we had no assessable profits derived from or earned in Hong Kong during the Track Record Period.

*Singapore*

Our subsidiary incorporated in Singapore is subject to Singaporean tax at the rate of 17.0%. No provision for Singapore profits tax has been made as we had no assessable profits derived from or earned in Singapore during the Track Record Period.

### Loss for the Year

As a result of the foregoing, we recorded loss of RMB189.4 million, RMB293.5 million and RMB222.9 million in 2023, 2024 and 2025, respectively.

### Total Comprehensive Loss for the Year

We recorded total comprehensive loss of RMB195.8 million, RMB302.1 million and RMB206.2 million in 2023, 2024 and 2025, respectively. The differences between the loss for the year and the total comprehensive loss for the year was mainly due to the exchange differences on translation.

## YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

### Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

*Revenue*

Our revenue increased by 38.1% from RMB558.0 million in 2024 to RMB770.3 million in 2025, primarily driven by an increase in revenue from our edge cloud computing services and AI cloud computing services. The growth in our edge cloud computing services resulted from increasing demand from our key customers. Revenue from our edge node services increased from RMB391.0 million in 2024 to RMB502.6 million in 2025, primarily due to (i) an increase in the number of customers for such services; and (ii) the increase in the demand from our key customers as a result of recognition of our services and an increase in their business needs. The revenue contribution from our edge CDN services decreased from RMB156.7 million in 2024 to RMB148.5 million in 2025, primarily due to our strategic decision to scale down certain edge CDN projects with relatively low profitability and to allocate more resources to expand our AI cloud computing services. Additionally, revenue from our AI cloud computing services increased significantly from RMB10.4 million in 2024 to RMB119.2 million in 2025, primarily driven by a surging demand for our AI cloud computing services as a result of (i) the rapid development and use of large models; (ii) the continued enhancement and commercial maturity of our technologies and service offerings; and (iii) the strengthening of our sales and marketing capabilities and customer acquisition efforts. The number of paying customers of our AI cloud computing services increased from 47,860 as of December 31, 2024 to 91,538 as of December 31, 2025.

***Cost of Sales***

Our cost of sales increased by 42.8% from RMB489.2 million in 2024 to RMB698.3 million in 2025, primarily reflecting the increase in costs of our edge cloud computing services, especially the computing resource costs and cloud service expenses, which were usage-based and increased as our business expanded. The increase in our cost of sales was also attributable to the significant increase in costs of our AI cloud computing services of RMB111.7 million, as our service line expanded and incurred more computing resource and cloud service-related costs to build computing resource network to ensure sufficient resources are reserved for the growing client demand.

***Gross Profit and Gross Profit Margin***

Our gross profit remained relatively stable at RMB68.8 million and RMB72.0 million in 2024 and 2025, respectively. Our overall gross profit margin decreased from 12.3% in 2024 to 9.4% in 2025, primarily due to:

- the slight decrease in the gross profit margin of our edge cloud computing services from 14.4% in 2024 to 13.0% in 2025. The decrease was primarily due to our offering of competitive price to maintain the continuous increase in our edge cloud computing service volume and deepen collaboration with our major customers; and

- the negative margin of our AI cloud computing services as this business was still in its ramp-up stage of development. In view of our rapid service expansion, we incurred costs to procure computing resources and build computing resource network to ensure sufficient resources are reserved for the growing client demand. Driven by an approximately sevenfold increase in revenue from our AI cloud computing services, its gross loss margin had narrowed down from 95.1% in 2024 to 10.7% in 2025.

***Other Income and Gains, Net***

Our other income and gains increased by 113.0% from RMB7.5 million in 2024 to RMB15.9 million in 2025, primarily because we recorded gains on disposal of property, plant and equipment of RMB4.5 million in 2025 as we disposed of certain equipments relating to our edge cloud computing services in order to optimize our asset portfolio and improve overall asset utilization.

***Selling and Marketing Expenses***

Our selling and marketing expenses increased by 64.0% from RMB25.8 million in 2024 to RMB42.4 million in 2025, primarily due to (i) an increase in our employee salary and other benefits of RMB7.1 million, as a result of the expansion of our sales and marketing team for promoting our AI cloud computing services; and (ii) an increase in advertising and marketing expenses for promoting our AI cloud computing services through events and campaigns.

***Administrative Expenses***

Our administrative expenses increased by 83.2% from RMB31.3 million in 2024 to RMB57.3 million in 2025, primarily because (i) we recorded employee salary and other benefits of RMB22.8 million in 2025 due the increase in the number of administrative personnel in line with our business expansion; and (ii) we recorded [**REDACTED**] expenses of RMB[**REDACTED**] million in 2025 in connection with the [**REDACTED**].

***Research and Development Expenses***

Our research and development expenses increased by 38.9% from RMB86.3 million in 2024 to RMB119.9 million in 2025, primarily due to (i) the increase in testing expenses of RMB21.9 million related to testing and hosting new large-scale AI models and AI inference acceleration technologies for our AI cloud computing services; and (ii) the increase in employee salary and other benefits of RMB9.1 million as a result of an increase in the number of research and development related personnel for our AI cloud computing services.

***Other Expenses***

Our other expenses decreased by 93.2% from RMB3.0 million and RMB0.2 million in 2024 and 2025, primarily due to decrease in foreign exchange loss as a result of the appreciation of Renminbi in 2025, which increased the value of Renminbi-denominated assets held by our overseas subsidiaries.

***Finance Costs***

Our finance costs increased by 70.4% from RMB1.7 million in 2024 to RMB2.8 million in 2025, primarily due to an increase in interest on bank loans of RMB1.2 million.

***Fair value losses on convertible redeemable preferred shares***

Our fair value losses on convertible redeemable preferred shares decreased by 60.2% from RMB221.8 million in 2024 to RMB88.3 million in 2025, primarily due to the issuance of certain preferred shares in 2025.

***Loss for the Year***

As a result of the foregoing, our loss for the year decreased from RMB293.5 million in 2024 to RMB222.9 million in 2025.

**Year Ended December 31, 2024 Compared to Year Ended December 31, 2023**

***Revenue***

Our revenue increased by 55.7% from RMB358.4 million in 2023 to RMB558.0 million in 2024, primarily driven by an increase in revenue from our edge cloud computing services from RMB358.1 million in 2023 to RMB547.7 million in 2024. The growth in this service line resulted from enhanced resource allocation, as well as stronger demand from key customers, particularly for our edge CDN services. The revenue contribution from our edge CDN services increased from RMB44.9 million in 2023 to RMB156.7 million in 2024, primarily driven by the increase in demand from our existing customers and the expansion of our customer base. Revenue from our edge node services increased from RMB313.2 million in 2023 to RMB391.0 million in 2024, primarily due to (i) an increase in the number of customers for such services; and (ii) the increase in the demand from our customers as a result of recognition of our services and an increase in their business needs. Additionally, revenue from our AI cloud computing services increased significantly from RMB0.3 million in 2023 to RMB10.4 million in 2024. This growth reflects the service line's transition from its launch in the second half of 2023 to its early-stage development, marked by an expanding service offering and a growing customer base. The number of paying customers of our AI cloud computing services increased from 7,454 as of December 31, 2023 to 47,860 as of December 31, 2024.

***Cost of Sales***

Our cost of sales increased by 65.9% from RMB294.9 million in 2023 to RMB489.2 million in 2024, primarily reflecting the increase in costs of our edge cloud computing services, especially the computing resource costs and cloud service expenses, which were usage-based and increased as our business expanded. The increase in our cost of sales was also attributable to an increase in costs of our AI cloud computing services of RMB19.8 million, as our service line expanded and incurred more computing resource and cloud service-related costs.

### *Gross Profit and Gross Profit Margin*

Our gross profit increased by 8.4% from RMB63.5 million in 2023 to RMB68.8 million in 2024. Our overall gross profit margin decreased from 17.7% in 2023 to 12.3% in 2024, primarily due to:

- the decrease in gross profit margin of our edge cloud computing services as the price of our services gradually returned to normal from a relatively high level in 2023 due to the lagging effect from the COVID-19 pandemic period. During this period, users' increased reliance on online services led to elevated demand that significantly exceeded market supply, which resulted in a higher edge cloud computing service price in 2023. The relatively high user demand and service price in 2023 gradually returned to normal level in 2024;

- negative margin of our AI cloud computing services given this business is at a very early stage of development, as we expanded our service offering and incurred more costs for computing resources in preparation for future expansion.

### *Other Income and Gains, Net*

Our other income and gains decreased by 19.0% from RMB9.2 million in 2023 to RMB7.5 million in 2024, primarily due to decreases in investment income from financial assets at FVTPL and gains from financial assets at FVTPL, reflecting decreased income and unrealized gain from wealth management products primarily due to the decrease in the amount of such products purchased in 2024.

### *Selling and Marketing Expenses*

Our selling and marketing expenses increased by 28.0% from RMB20.2 million in 2023 to RMB25.8 million in 2024, primarily reflecting increases in (i) our employee salary and other benefits of RMB2.0 million, as a result of the expansion of our sales and marketing team for promoting our services; and (ii) our share-based payment expenses of RMB1.9 million.

### *Administrative Expenses*

Our administrative expenses increased by 23.4% from RMB25.3 million in 2023 to RMB31.3 million in 2024, primarily reflecting increases in (i) our employee salary and other benefits of RMB2.1 million, as a result of an increase in the number of administrative personnel to support our overall business expansion; (ii) professional service fees of RMB1.3 million as we engaged more services related to intellectual property registration in 2024; and (iii) our share-based payment expenses of RMB0.7 million.

### *Research and Development Expenses*

Our research and development costs increased by 27.4% from RMB67.8 million in 2023 to RMB86.3 million in 2024, primarily reflecting increases in (i) our employee salary and other benefits of RMB16.8 million, primarily as a result of an increase in the number of research and development related personnel for our AI cloud computing services; and (ii) testing expenses of RMB1.3 million related to testing and hosting new large-scale AI models and AI inference acceleration technologies for our AI cloud computing services in 2024.

### *Other Expenses*

Our other expenses remained relatively stable at RMB2.9 million and RMB3.0 million in 2023 and 2024, respectively.

### *Finance Costs*

Our finance costs increased 87.8% from RMB0.9 million in 2023 to RMB1.7 million in 2024, primarily due to an increase in interest on bank loans of RMB0.9 million.

***Fair value losses on convertible redeemable preferred shares***

Our fair value losses on convertible redeemable preferred shares increased by 52.9% from RMB145.0 million in 2023 to RMB221.8 million in 2024, primarily due to the increase in the valuation of our convertible redeemable preferred shares as our business continued to grow. As such preferred shares were recorded as financial liabilities, this higher fair value is recorded as a loss in our consolidated statements of profit or loss and other comprehensive income because it represented an increase in the liability owed to the holders of such preferred shares. The convertible redeemable preferred shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**] and we do not expect to recognize any further fair value losses on convertible redeemable preferred shares after the [**REDACTED**].

***Loss for the Year***

As a result of the foregoing, we recorded a loss of RMB189.4 million in 2023 and a loss of RMB293.5 million in 2024.

## DISCUSSION OF CERTAIN KEY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

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

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(RMB in thousands)* | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 30,381 | 39,277 | 33,911 |
| Right-of-use assets | 2,980 | 2,460 | 2,843 |
| Other intangible assets | 915 | 808 | 701 |
| Prepayments, other receivables and other assets | 1,142 | – | 6,264 |
| **Total non-current assets** | **35,418** | **42,545** | **43,719** |
| **Current assets** | | | |
| Trade receivables | 90,862 | 150,130 | 168,195 |
| Prepayments, other receivables and other assets | 25,456 | 28,113 | 13,613 |
| Financial assets at FVTPL | 90,471 | 16,765 | 137,348 |
| Time deposits | 68,952 | 36,019 | 34,267 |
| Pledged deposits | 1,529 | 17,638 | 13,246 |
| Cash and cash equivalents | 45,772 | 113,987 | 194,596 |
| **Total current assets** | **323,042** | **362,652** | **561,265** |
| **Current liabilities** | | | |
| Trade and bills payables | 35,383 | 95,352 | 79,829 |
| Convertible redeemable preferred shares | 662,414 | 895,692 | 1,286,710 |
| Other payables and accruals | 17,633 | 33,467 | 43,154 |
| Lease liabilities | 2,834 | 2,535 | 742 |
| Interest-bearing bank borrowings | 43,500 | 74,000 | 80,494 |

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | | *(RMB in thousands)* | |
| **Total current liabilities** | **761,764** | **1,101,046** | **1,490,929** |
| **Net current liabilities** | **438,722** | **738,394** | **929,664** |
| **Non-current liabilities** | | | |
| Lease liabilities | 613 | – | 2,946 |
| **Total non-current liabilities** | **613** | **–** | **2,946** |
| **Net liabilities** | **403,917** | **695,849** | **888,891** |

### Property, Plant and Equipment

Our property, plant and equipment consist of (i) electronic equipment, (ii) office equipment and others and (iii) leasehold improvements.

The following table sets forth the key components of our property, plant and equipment as of the dates indicated:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | | *(RMB in thousands)* | |
| Electronic equipment | 30,007 | 39,243 | 31,789 |
| Office equipment and others | 55 | 34 | 78 |
| Leasehold improvements | 319 | – | 2,044 |
| **Total** | **30,381** | **39,277** | **33,911** |

Our property, plant and equipment increased from RMB30.4 million as of December 31, 2023 to RMB39.3 million as of December 31, 2024, primarily because we acquired more computing resources and other electronic equipment for our AI cloud computing services and research and development needs. Our property, plant and equipment decreased from RMB39.3 million as of December 31, 2024 to RMB33.9 million as of December 31, 2025, primarily because we disposed of certain equipment relating to our edge cloud computing services in order to optimize our asset portfolio and improve overall asset utilization.

### Right-of-use Assets

Our right-of-use assets consist of (i) buildings and (ii) electronic equipment. Our right-of-use assets decreased from RMB3.0 million as of December 31, 2023 to RMB2.5 million as of December 31, 2024, primarily due to (i) the depreciation charges during the relevant year; and (ii) the termination of leases for certain servers in 2023 as we no longer needed to lease those servers. Our right-of-use assets increased from RMB2.5 million as of December 31, 2024 to RMB2.8 million as of December 31, 2025 primarily due to the recognition of new office leases to support our business expansion.

### Trade Receivables

Trade receivables represent outstanding amounts due from our customers for our services performed in the ordinary course of business.

Our trade receivables increased from RMB90.9 million as of December 31, 2023 to RMB150.1 million as of December 31, 2024, and further increased to RMB168.2 million as of December 31, 2025, primarily due to the expansion of our business and the increase in our revenue from AI cloud computing services. We generally grant a credit term of one to three months to our customers of our edge cloud computing services. For our AI cloud computing services, we typically require prepayment by our customers and grant a credit term of one to two months to certain large customers.

The following table sets forth an aging analysis of our trade receivables based on the invoice date as of the dates indicated:

| | As of December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | *(RMB in thousands)* | | |
| Within one year | 90,862 | 150,130 | 168,195 |
| | 90,862 | 150,130 | 168,195 |

We maintain strict control over our outstanding receivables and have a credit control team to minimise credit risk. Overdue balances are reviewed regularly by our management. For the years ended December 31, 2023, 2024 and 2025, considering no historical debtor default events occurred and the minimal impact of the looking-forward adjustment, we believe that the expected loss rate and expected credit losses are minimal.

The following table sets forth our trade receivables turnover days for the years indicated:

| | Year ended December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| Trade receivables turnover days[(1)] | 83 | 79 | 75 |

*Note:*

(1) Calculated based on the average of the beginning and ending trade receivables balances divided by revenue for the relevant year and multiplied by 365.

Our trade receivables turnover days decreased from 83 days in 2023 to 79 days in 2024, as we maintained strict control over our trade receivables and enhanced our effort to settle such receivables within the credit terms we grant our customers. Our trade receivables turnover days decreased from 79 days to 75 days in 2024 and 2025, because our business mix shifted towards AI cloud services, which typically involve prepayments or shorter credit periods, while the proportion of edge cloud customers, which generally have longer credit periods, decreased.

As of April 30, 2026, RMB158.8 million, or 94.4%, of our total trade receivables as of December 31, 2025 had been subsequently settled.

**Prepayments, Other Receivables and Other Assets**

The current portion of our prepayments, other receivables and other assets consist of (i) prepayments to suppliers, (ii) deposits and other receivables, (iii) deferred [**REDACTED**] expenses, (iv) value-added tax recoverable and (v) loan to a related party. The non-current portion of our prepayments, other receivables and other assets consist of (i) prepayments for long-term assets and (ii) rental deposits.

The following table sets forth the key components of our prepayments, other receivables and other assets as of the dates indicated.

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (RMB in thousands) | | |
| Current Portion: | | | |
| Prepayments to suppliers | 1,492 | 686 | 8,460 |
| Deposits and other receivables | 675 | 3,448 | 2,414 |
| Deferred [**REDACTED**] expenses | – | – | [REDACTED] |
| Value-added tax recoverable | 289 | 243 | 1,050 |
| Loan to a related party | 23,000 | 23,736 | – |
| **Subtotal** | **25,456** | **28,113** | **13,613** |
| Non-current Portion: | | | |
| Prepayments for long-term assets | – | – | 4,965 |
| Rental deposits | 1,142 | – | 1,299 |
| **Subtotal** | **1,142** | **–** | **6,264** |
| **Total** | **26,598** | **28,113** | **19,877** |

We recorded prepayments, other receivables and other assets of RMB26.6 million as of December 31, 2023, primarily reflecting a loan that we provided to a related party of RMB23.0 million at an annual interest rate of 3.2%, aiming to optimize the use of available cash and generate interest income. The loan and accrued interest were fully settled in January 2025. Our prepayments, other receivables and other assets stayed relatively stable at RMB26.6 million and RMB28.1 million as of December 31, 2023 and 2024, respectively. Our prepayments, other receivables and other assets decreased from RMB28.1 million as of December 31, 2024 to RMB19.9 million as of December 31, 2025 primarily due to a decrease in loan to a related party of RMB23.7 million following the settlement of such loan on January 23, 2025.

As of April 30, 2026, RMB14.2 million, or 71.2%, of our total prepayments, other receivables and other assets as of December 31, 2025 had been subsequently settled.

**Financial Assets at FVTPL**

Our financial assets at FVTPL represent wealth management products provided by reputable asset management companies and commercial banks. Our financial assets at FVTPL decreased from RMB90.5 million as of December 31, 2023 to RMB16.8 million as of December 31, 2024, as we redeemed the wealth management products upon their maturity and reduced purchase of such products. Our financial assets at FVTPL increased significantly from RMB16.8 million as of December 31, 2024 to RMB137.3 million as of December 31, 2025, primarily due to the allocation of idle funds into certain wealth management products.

We monitor and control the investment risks associated with our portfolio with a comprehensive set of internal policies and guidelines. To control our risk exposure, we generally invest in relatively low-risk financial products while ensuring sufficient working capital to meet business needs, operating activities, R&D and capital expenditures, taking into account a number of factors including the general market conditions, risk control, credit of the issuing financial institution, our own working capital conditions, duration of the investment and the expected return from the investment. Our finance department proposes, analyzes and evaluates potential investments in wealth management products, benchmarking these products against the interest rates of bank financial products available on the market. The purchase of relevant wealth management products is subject to the necessary approvals from our chief financial officer before any investment. Upon the [**REDACTED**], our investment in wealth management products will be subject to compliance with Chapter 14 of the Listing Rules.

**Pledged Deposits**

We recorded pledged deposits of RMB1.5 million, RMB17.6 million and RMB13.2 million as of December 31, 2023, 2024 and 2025, respectively. Our pledged deposits primarily reflect our deposits at banks as security to guarantee the settlement of bills we issued to suppliers.

**Trade and Bills Payables**

Our trade and bills payables increased from RMB35.4 million as of December 31, 2023 to RMB95.4 million as of December 31, 2024, primarily driven by (i) the expansion of our business; and (ii) increased bill settlement between us and certain suppliers, which typically entail longer settlement periods. Our trade and bills payables decreased from RMB95.4 million as of December 31, 2024 to RMB79.8 million as of December 31, 2025 primarily due to our efforts to optimize supplier payment terms and manage trade and bills payables. During the Track Record Period, our suppliers typically granted us a credit term of within 45 days for our trade payables and 180 days for our bills payables.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *(RMB in thousands)* | | |
| Within 1 year | 35,383 | 95,352 | 79,829 |
| **Total** | **35,383** | **95,352** | **79,829** |

The following table sets forth the turnover days of our trade and bills payables for the years indicated:

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Trade and bills payables turnover days[(1)] | 39 | 49 | 46 |

*Note:*

(1) Calculated based on the average of the beginning and ending trade and bills payables balances, divided by cost of sales for the relevant year, multiplied by the 365.

Our trade and bills payables turnover days increased from 39 days in 2023 to 49 days in 2024, primarily as a result of increased use of bill settlement between us and certain suppliers, which typically entail longer settlement periods. Our trade and bills payables turnover days remained relatively stable at 49 days and 46 days in 2024 and 2025, respectively.

As of April 30, 2026, RMB53.0 million, or 66.4%, of our trade and bills payables as of December 31, 2025 had been subsequently settled.

### Other Payables and Accruals

Our other payables and accruals consist of (i) accrued salaries, wages and benefits, (ii) tax payables, (iii) other payables, (iv) accrued [**REDACTED**] expenses and (v) loan from a related party. The following table sets forth the key components of our other payables and accruals as of the dates indicated:

| | As of December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | | (RMB in thousands) | |
| Accrued salaries, wages and benefits | 14,379 | 26,891 | 29,000 |
| Tax payables | 761 | 2,627 | 6,856 |
| Other payables | 390 | 1,249 | 6,122 |
| Accrued [**REDACTED**] expenses | – | – | [**REDACTED**] |
| Loan from a related party | 2,103 | 2,700 | – |
| **Total** | **17,633** | **33,467** | **43,154** |

Our other payables and accruals rose from RMB17.6 million as of December 31, 2023 to RMB33.5 million as of December 31, 2024, mainly due to higher accrued salaries, wages and benefits as we expanded our business, particularly in AI cloud computing, which led to increases in the number of our employees and their salary levels and bonuses. Our other payables and accruals as of December 31, 2023 was also attributable to loan from a related party of RMB2.1 million, which was non-trade in nature and non-interest bearing. The amount was fully settled in March 2025. Our other payables and accruals increased from RMB33.5 million as of December 31, 2024 to RMB43.2 million as of December 31, 2025, primarily due to the increase of RMB 4.9 million in other payables as a result of an increase in advances from customers for our AI cloud computing services, and the increase of RMB 4.2 million in tax payables due to an increase in value-added tax payables in line with our business expansion.

As of April 30, 2026, RMB40.8 million, or 94.5%, of our total other payables and accruals as of December 31, 2025 had been subsequently settled.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations, equity financing and bank borrowings. After the [**REDACTED**], we intend to finance our future capital requirements through cash generated from our business operations and bank borrowings, together with the net proceeds from the [**REDACTED**]. We do not anticipate any changes to the availability of financing to fund our operations in the future.

We had cash and cash equivalents of RMB45.8 million, RMB114.0 million and RMB194.6 million as of December 31, 2023, 2024 and 2025, respectively.

### Cash Flows

The following table sets forth our cash flows for the years indicated.

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | | (RMB in thousands) | |
| Operating cash flows before movements in working capital | (26,193) | (40,339) | (109,771) |
| Changes in working capital | (9,249) | (961) | (25,775) |
| Cash used in operations | (35,442) | (41,300) | (135,546) |
| Net cash flows used in operating activities | (35,442) | (41,300) | (135,546) |

| | Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | (RMB in thousands) | | |
| Net cash flows generated from/(used in) investing activities | (66,428) | 83,987 | (103,267) |
| Net cash flows generated from financing activities | 37,585 | 24,824 | 325,792 |
| Net increase/(decrease) in cash and cash equivalents | (64,285) | 67,511 | 86,979 |
| Cash and cash equivalents at the beginning of the year | 109,054 | 45,772 | 113,987 |
| Effect of foreign exchange rate changes | 1,003 | 704 | (6,370) |
| **Cash and cash equivalents at the end of the year** | 45,772 | 113,987 | 194,596 |

***Net Cash Flows Used In Operating Activities***

Our net cash used in operating activities primarily represented our loss before tax for the years adjusted by: (i) non-cash and non-operating items; and (ii) changes in working capital.

In 2025, our net cash used in operating activities was RMB135.5 million, which was primarily attributed to (i) our loss before tax of RMB222.9 million, as adjusted by non-cash and non-operating items, primarily consists of fair value losses on convertible redeemable preferred shares of RMB88.3 million, depreciation of items of property, plant and equipment of RMB18.6 million and share-based payment expenses of RMB13.1 million; and (ii) changes in working capital, which primarily consist of (a) increase in trade receivables of RMB18.0 million and (b) a decrease in trade and bills payables of RMB15.6 million.

In 2024, our net cash used in operating activities was RMB41.3 million, which was primarily attributed to (i) our loss before tax of RMB293.5 million, as adjusted by non-cash and non-operating items, primarily consists of fair value losses on convertible redeemable preferred shares of RMB221.8 million and depreciation of property, plant and equipment of RMB17.2 million; and (ii) changes in working capital, which primarily consist of (a) increase in trade and bills payables of RMB60.0 million and (b) increase in other payables and accruals of RMB15.2 million, partially offset by increase in trade receivables of RMB59.3 million.

In 2023, our net cash used in operating activities was RMB35.4 million, which was primarily attributed to (i) our loss before tax of RMB189.4 million, as adjusted by non-cash and non-operating items, primarily consisting of fair value losses on convertible redeemable preferred shares of RMB145.0 million and depreciation of property, plant and equipment of RMB10.0 million; and (ii) changes in working capital, which primarily consist of (a) increase in pledged deposits of RMB1.5 million and (b) increase in trade receivables of RMB18.3 million, partially offset by increase in trade and bills payables of RMB8.0 million.

***Net Cash Flows From/(Used In) Investing Activities***

In 2025, our net cash flows used in investing activities were RMB103.3 million, primarily attributed to (i) purchases of financial assets at FVTPL of RMB393.9 million and (ii) placement of time deposits of RMB46.9 million. This was partially offset by (i) redemption of financial assets at FVTPL of RMB275.5 million and (ii) proceeds from maturity of time deposits of RMB48.6 million.

In 2024, our net cash flows from investing activities were RMB84.0 million, primarily consisting of redemption of financial assets at FVTPL of RMB552.4 million. This was partially offset by (i) purchases of financial assets at FVTPL of RMB475.2 million and (ii) purchases of time deposits of RMB53.5 million.

In 2023, our net cash flows used in investing activities were RMB66.4 million, primarily attributable to (i) purchases of time deposits of RMB180.5 million and (ii) purchases of items of property, plant and equipment of RMB24.6 million. This was partially offset by proceeds from maturity of time deposits of RMB140.5 million.

### *Net Cash Flows From Financing Activities*

In 2025, our net cash flows generated from financing activities were RMB325.8 million, primarily attributed to (i) proceeds from issuance of convertible redeemable preferred shares of RMB328.9 million and (ii) additions of interest-bearing bank borrowings of RMB110.5 million. This was partially offset by repayment of interest-bearing bank borrowings of RMB104.0 million.

In 2024, our net cash flows from financing activities were RMB24.8 million, primarily attributable to receipt of loans from bank of RMB104.0 million. This was partially offset by (i) repayment of loans from bank of RMB73.5 million and (ii) payments for lease liabilities of RMB4.8 million.

In 2023, our net cash flows from financing activities were RMB37.6 million, primarily attributable to receipt of loans from bank of RMB51.5 million. This was partially offset by (i) repayment of loans from bank of RMB9.0 million and (ii) payments of lease liabilities of RMB6.4 million.

## NET CURRENT LIABILITIES

The following table sets forth selected information from our current assets and liabilities as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | *(unaudited)* |
| **Current assets** | | | | |
| Trade receivables | 90,862 | 150,130 | 168,195 | 367,395 |
| Cash and cash equivalents | 45,772 | 113,987 | 194,596 | 151,494 |
| Financial assets at fair value through profit or loss | 90,471 | 16,765 | 137,348 | 114,505 |
| Prepayments, other receivables and other assets | 25,456 | 28,113 | 13,613 | 36,776 |
| Time deposits | 68,952 | 36,019 | 34,267 | 32,729 |
| Pledged deposits | 1,529 | 17,638 | 13,246 | 13,915 |
| **Total current assets** | **323,042** | **362,652** | **561,265** | **716,814** |
| **Current liabilities** | | | | |
| Convertible redeemable preferred shares | 662,414 | 895,692 | 1,286,710 | 1,256,321 |
| Trade and bills payables | 35,383 | 95,352 | 79,829 | 255,737 |
| Interest-bearing bank borrowings | 43,500 | 74,000 | 80,494 | 95,494 |
| Other payables and accruals | 17,633 | 33,467 | 43,154 | 43,848 |
| Lease liabilities | 2,834 | 2,535 | 742 | 1,668 |
| **Total current liabilities** | **761,764** | **1,101,046** | **1,490,929** | **1,653,068** |
| **Net current liabilities** | **438,722** | **738,394** | **929,664** | **936,254** |

Our net current liabilities increased from RMB929.7 million as of December 31, 2025 to RMB936.3 million as of April 30, 2026, primarily due to (i) an increase in trade and bills payables of RMB175.9 million primarily due to the increase in our revenue from AI cloud computing services and (ii) a decrease in cash and cash equivalents of RMB43.1 million as we spent more cash to support our business expansion, particularly on our AI cloud service business, partially offset by an increase in trade receivables of RMB199.2 million primarily attributable to the expansion of our business and the increase in our revenue from AI cloud computing services.

Our net current liabilities increased from RMB738.4 million as of December 31, 2024 to RMB929.7 million as of December 31, 2025, primarily due to (i) an increase in convertible redeemable preferred shares classified as current liabilities of RMB391.0 million due to changes in fair value of such shares; and (ii) an increase in other payables and accruals of RMB9.7 million due to the increase in other payables and tax payables, partially offset by (i) an increase in cash and cash equivalents of RMB80.6 million and (ii) an increase in financial assets at FVTPL of RMB120.6 million.

Our net current liabilities increased from RMB438.7 million as of December 31, 2023 to RMB738.4 million as of December 31, 2024, primarily due to (i) an increase in convertible redeemable preferred shares of RMB233.3 million due to changes in fair value of such shares; (ii) a decrease in financial assets at fair value through profit or loss of RMB73.7 million; and (iii) an increase of trade and bills payables of RMB60.0 million in line with our business expansion, partially offset by (i) an increase of trade receivables of RMB59.3 million and (ii) an increase of RMB68.2 million in cash and cash equivalents.

We expect to improve our net current liabilities position with the following measures: (i) increasing our revenue as we expect demand from our key customers to continue to increase and as we scale up our AI cloud computing services; (ii) continuously monitoring and collecting outstanding trade receivables as they become due; and (iii) raising additional equity financing for stable financial resources. In addition, our net current liability position during the Track Record Period was largely due to the issuance of convertible redeemable preferred shares. As the convertible redeemable preferred shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**], such shares will be re-classified from liabilities to equity upon then, and we would achieve a net asset position.

## INDEBTEDNESS

The following table sets forth the components of our indebtedness as of the dates indicated:

| | As of December 31, | | | As of April 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | *(unaudited)* |
| **Current** | | | | |
| Convertible redeemable preferred shares | 662,414 | 895,692 | 1,286,710 | 1,256,321 |
| Interest-bearing bank borrowings | 43,500 | 74,000 | 80,494 | 95,494 |
| Lease liabilities | 2,834 | 2,535 | 742 | 1,668 |
| Loan from a related party | 2,103 | 2,700 | – | – |
| **Non-current** | | | | |
| Lease liabilities | 613 | – | 2,946 | 3,985 |
| **Total** | **711,464** | **974,927** | **1,370,892** | **1,357,468** |

### Convertible Redeemable Preferred Shares

From March 2021 to August 2025, we had received several rounds of investments, pursuant to which we have issued convertible redeemable preferred shares. Our convertible redeemable preferred shares amounted to RMB662.4 million, RMB895.7 million, RMB1,286.7 million and

RMB1,256.3 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively, reflecting changes in fair values of such shares. For further details on the convertible redeemable preferred shares, see note 24 to the Accountants' Report in Appendix I to this document.

**Interest-bearing Bank Borrowings**

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our interest-bearing bank borrowings were RMB43.5 million, RMB74.0 million, RMB80.5 million and RMB95.5 million, respectively. During the Track Record Period, our interest-bearing bank borrowings were primarily used for our day-to-day operations and managing our cash flow. Such borrowings were unsecured, with annual interest rates ranging from 2.20% to 2.85%. As of April 30, 2026, we had committed unutilized banking facilities of RMB84.9 million.

Loan agreements in respect of our borrowings during the Track Record Period contained standard covenants that restricted us on, among others, the use of borrowed funds and we are required to notify and/or obtain prior written consent from the banks upon, among others, occurrence of merger, acquisition, split-up, investment in a joint venture, change of business scope, sale or disposal of material assets, corporate reorganization, significant external investments, undertaking of additional debt financing, material litigation or winding-up or bankruptcy or reduction in registered capital. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we had not breached any material covenant under the loan agreements, nor defaulted on any loan repayment.

**Lease Liabilities**

We lease properties to operate our business and our lease liabilities primarily relate to the lease of our office premises and electronic equipment. Our lease liabilities decreased from RMB3.4 million as of December 31, 2023 to RMB2.5 million as of December 31, 2024, primarily attributable to (i) the payment made during the relevant year and (ii) the termination of leases for certain servers in 2023 as we no longer need such servers due to the establishment of our platform. Our lease liabilities subsequently increased from RMB2.5 million as of December 31, 2024 to RMB3.7 million as of December 31, 2025, primarily because we entered into new lease agreements and relocated certain office premises. Our lease liabilities increased from RMB3.7 million as of December 31, 2025 to RMB5.7 million as of April 30, 2026, as we entered into new lease agreements in line with our business expansion.

**Loan from a related party**

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we recorded loan from a related party of RMB2.1 million, RMB2.7 million, nil and nil, respectively. Loan from a related party was non-trade in nature, non-interest-bearing and repayable on demand. The loan from a related party was fully repaid on March 6, 2025.

Except as disclosed above, as of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or contingent liabilities. Our Directors confirmed that since April 30, 2026 and up to the Latest Practicable Date, there had not been any material change in our indebtedness.

**Contingent Liabilities**

As of the Latest Practicable Date, we did not have any material contingent liabilities.

## RELATED PARTY TRANSACTIONS

During the Track Record Period, our transactions with related parties were non-trade in nature. As of December 31, 2023, 2024 and 2025, we had RMB2.1 million, RMB2.7 million and nil amount due to a related party, respectively. In addition, as of December 31, 2023, 2024 and 2025, we had RMB23.0 million, RMB23.7 million and nil amount due from a related party, respectively.

Our Directors are of the view that each of the related party transactions set out in note 30 to the Accountants' Report in Appendix I was conducted on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

## KEY FINANCIAL RATIOS

The following table sets forth a summary of our key financial ratios for the years indicated.

| | As of/Year ended December 31, | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Revenue growth rate(1) | 25.3% | 55.7% | 38.1% |
| Net loss margin(2) | (52.8)% | (52.6)% | (28.9)% |
| Adjusted net loss margin (non-HKFRS measure)(3) | (10.3)% | (11.0)% | (13.6)% |
| Current ratio(4) | 0.4 | 0.3 | 0.4 |

*Notes:*

(1) Represents the difference between the revenue for the year indicated and the revenue for the prior year, divided by the revenue for the prior year, and multiplied by 100%.

(2) Represents net loss divided by revenue for the years indicated, and multiplied by 100%.

(3) Represents adjusted net loss (non-HKFRS measure) divided by revenue for the years indicated, and multiplied by 100%.

(4) Represents current assets divided by current liabilities as of the dates indicated.

## CAPITAL EXPENDITURES

Our capital expenditures primarily consist of expenditures for fixed assets, which include property, plant and equipment and right-of-use assets, specifically servers, computer equipment, office equipment and furniture, and leasehold improvements and buildings. We recorded capital expenditures of RMB24.6 million, 27.8 million and 28.3 million in 2023, 2024 and 2025, respectively.

During the Track Record Period, we funded our capital expenditure mainly from cash generated from our operating activities, bank borrowings and equity financing. We expect to incur additional capital expenditures in 2026 primarily for purchase of property, plant and equipment for the performance of services and our research and development functions. We expect to finance such capital expenditures through operating cash flows and bank borrowings. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

## CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we did not have any material commitments.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

## FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks, mainly including foreign currency risk, credit risk and liquidity risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on our financial performance. For further details of our financial risks, see note 34 to the Accountants' Report in Appendix I to this document.

## DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. During the Track Record Period, we did not make any dividend payment. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors our Directors consider relevant. Any declaration and payment as well as the amount of dividends will be subject to our Memorandum of Association and Articles of Association and the Cayman Companies Act. As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of net liabilities or accumulated losses does not necessarily restrict us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that our Company satisfies the solvency test set out in the Cayman Companies Act.

## WORKING CAPITAL CONFIRMATION

Taking into account our available resources including cash and cash equivalents, time deposits, pledged deposits, operating cash flows, bank borrowings, the available banking facilities and the estimated net [**REDACTED**] available to us from the [**REDACTED**], our Directors are of the view, and the Joint Sponsors concur, that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

During the Track Record Period and up to the Latest Practicable Date, we primarily funded our cash requirements from cash from operations, debt financing and [**REDACTED**] we received from [**REDACTED**] Investments. Our cash burn refers to the aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures, and (iii) lease payment. Our historical cash burn rate was RMB5.5 million, RMB6.2 million and RMB13.9 million for each of the years ended December 31, 2023, 2024 and 2025. As of April 30, 2026, our cash balance was RMB350.9 million, including cash and cash equivalents RMB151.5 million, financial assets at fair value through profit or loss RMB114.5 million and unutilised banking facilities RMB84.9 million, as they represent available liquidity to fund our operations. Assuming that the average cash burn rate going forward will be RMB13.9 million, similar to the cash burn rate level for year ended December 31, 2025, we estimate that our cash balance is sufficient for us to operate for approximately 25.2 months without [**REDACTED**] or, if we take into account [**REDACTED**] of the estimated net [**REDACTED**] from the [**REDACTED**] (assuming HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and no exercise of the [**REDACTED**]), [**REDACTED**] months or, if we also take into account the estimated net [**REDACTED**] from the [**REDACTED**], [**REDACTED**] months. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings. We have no immediate plan for future financing after the [**REDACTED**] taking into account our available cash and cash equivalents and net proceeds from the [**REDACTED**] and based on our cash burn rate.

In addition, our net current liability position during the Track Record Period was largely due to the issuance of convertible redeemable preferred shares. As the convertible redeemable preferred shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**], such shares will be re-classified from liabilities to equity upon then, and we would achieve a net asset position. We are of the opinion that no cash payment is expected for the settlement of such convertible redeemable preferred shares within twelve months after December 31, 2025.

## DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

## [REDACTED]

The [**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**], including [**REDACTED**] for the [**REDACTED**], will be approximately HK$[**REDACTED**] million (including (i) [**REDACTED**] of approximately HK$[**REDACTED**] million and (ii) [**REDACTED**] related expenses of approximately HK$[**REDACTED**] million, which consist of fees and expenses of legal advisors and Reporting Accountant of approximately HK$[**REDACTED**] million and other fees and expenses of approximately HK$[**REDACTED**] million), representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and no exercise of the [**REDACTED**]). Among the total [**REDACTED**], an estimated amount of approximately HK$[**REDACTED**] million is expected to be expensed through the statement of profit or loss and the remaining amount of approximately HK$[**REDACTED**] million is expected to be recognized directly as a deduction from equity upon the [**REDACTED**].

## UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II to this document for the unaudited [**REDACTED**] statement of adjusted net tangible assets of our Group, and is set out therein to illustrate the effect of the [**REDACTED**] on the net tangible assets of our Group attributable to the equity holders of our Company as of December 31, 2025 as if the Global [**REDACTED**] taken place on December 31, 2025.

## NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

## DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.