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Application Proof of

Beijing RC Tech Co., Ltd.

(北京雲中融信網絡科技股份有限公司)

(the “Company”)

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

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BEIJING RC TECH CO., LTD.

北京雲中融信網絡科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares [(subject to the the [REDACTED] [REDACTED])]
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] [and the [REDACTED]])
[REDACTED] : HK\$[REDACTED] per [REDACTED]
(payable in full in Hong Kong dollars on application plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, and subject to refund)
Nominal value : RMB[1.0] per H Share
[REDACTED] : [●]

Sole Sponsor



[REDACTED]

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The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and our Company on the [REDACTED] or such later date as may be agreed by the [REDACTED] (for themselves and on behalf of the [REDACTED]) and our Company but in any event no later than [REDACTED]. The [REDACTED] will be not more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. Applicants for [REDACTED] are required to pay, on application (subject to application channel), the Maximum [REDACTED] of HK\$[REDACTED] per [REDACTED] together with brokerage of 1%, SFC transaction levy of 0.0027%, the Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the [REDACTED] should be less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and our Company on or before [REDACTED], 2026, the [REDACTED] (including the [REDACTED]) will not proceed and will lapse.

The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below as stated in this Document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of our Company at www.rongcloud.cn and the Stock Exchange at www.hkexnews.hk as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. Details of the arrangement will then be announced by us as soon as practicable. For further information, please refer to the section headed “Structure of the [REDACTED]” in this Document.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to [8:00 a.m.] on the [REDACTED]. Further details of such circumstances are set out in “ [REDACTED] — [REDACTED] arrangements and expenses — Grounds for Termination”.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The [REDACTED] are being [REDACTED] and sold to non-U.S. persons outside the United States in offshore transactions in accordance with Regulation S.

ATTENTION

We have adopted a fully electronic application process for the [REDACTED]. We will not provide printed copies of this Document to the public in relation to the [REDACTED]. This Document is available at the websites of our Company at www.rongcloud.cn and the Stock Exchange at www.hkexnews.hk. If you require a printed copy of this Document, you may download and print from the website addresses above.

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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This Document is issued by us solely in connection with the [REDACTED] and the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] to buy any security other than the [REDACTED] by this Document pursuant to the [REDACTED]. This Document may not be used for the purpose of marketing, and does not constitute, an [REDACTED] or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this Document in any jurisdiction other than Hong Kong. The distribution of this Document and the [REDACTED] and sale of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Document to make your [REDACTED] decision. We have not authorised anyone to provide you with information that is different from what is contained in this Document. Any information or representation not made in this Document must not be relied on by you as having been authorised by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors or any other person or party involved in the [REDACTED].

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SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined or explained in “Definitions” and “Glossary of Technical Terms” in this Document.

OVERVIEW

We are a provider of intelligent cloud-based instant messaging solutions, delivering reliable and scalable communication capabilities to support global digital transformation. Leveraging cloud computing and distributed network architecture, we offer a comprehensive communications cloud platform available in both PaaS and SaaS forms for developers across a wide range of applications, including Apps and mini-programs, integrating instant messaging and AI-enabled communications solutions. Developers can integrate communication functionalities into their applications through APIs and continuously utilize our communication services through paid subscriptions, enabling the instant delivery, receipt and synchronization of multimedia content such as text, images, voice messages, and video messages. Additionally, developers may further expand application capabilities through selected AI functionalities, including intelligent risk control, translation, customer service, assistants and agent interactions.

We have developed a communication technology platform centered on our AICP, which is deployed on the infrastructure of IaaS providers supported by the EverSync Communication Protocol, which is designed to enhance message synchronization and transmission efficiency, and the fourth-generation SD-CAN global acceleration network, which is designed to optimize global communication routing and reduce latency. Through standardized service interfaces, we deliver instant communication services to customers across different regions. By deeply integrating cloud-based communication technologies with interactive scenarios and selected AI functionalities, we have expanded the role of communication from traditional information transmission to intelligent interaction, providing a foundation for a wide range of smart applications, facilitating the utilization of communication data and supporting customers operations and development. As of December 31, 2025, we had cumulatively supported the communication needs of more than 250,000 applications. Our downstream application scenarios span a wide range of sectors, including social networking, entertainment, e-commerce, healthcare, sharing economy, smart transportation and internal enterprise collaboration. Additionally, we have established service capabilities in multiple markets outside Chinese Mainland and accumulated experience in supporting customers’ overseas operations and localized deployment requirements, demonstrating our ability to serve customers across different regions and application scenarios.

Our solutions are built upon our self-developed AICP, which integrates instant messaging and intelligent communication capabilities and serves as the technology base for our businesses. Based on different deployment models, application scenarios and customer requirements, we apply AICP across various solutions. Our primary customer base includes internet application developers and operators, vertical industry software developers and system integrators, and operators of overseas nationwide communication platforms. Through serving these customer groups across different application scenarios and markets, we have accumulated diversified service capabilities and project experience. Our solutions are as follows:

- **Internet Application Solutions**, which contributed the largest portion of our revenue during the Track Record Period. We deploy AICP on public cloud infrastructures provided by third-party cloud service providers offering standardized, one-stop, and multi-scenario cloud-based instant messaging solutions to internet application developers and operators across different regions. Such solutions empower applications in sectors such as social networking, entertainment, e-commerce, healthcare, and sharing economy to establish communication capabilities and access our communication services through subscription-based and usage-based models.

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- **Vertical Industry Solutions**, which are designed to address communication needs of large and medium-sized enterprises requiring private or hybrid cloud deployment. We leverage AICP to provide in-depth instant messaging solutions services tailored to vertical industry scenarios such as internal collaboration, smart office, intelligent customer service and smart transportation.
- **Overseas Nationwide Communication Solutions**, which represent an extension of our experience in communication technologies and large-scale project delivery. In response to demand in certain overseas markets for the development of large-scale nationwide social communication platforms, we have integrated our accumulated expertise in high-concurrency communication, private deployment experience, and high-security standards from internet applications and vertical industries. We tailor a Super App Framework that combines instant messaging, mini-programs, and open platforms to assist local internet communication operators in building overseas nationwide communication platforms. A nationwide communication platform project in Saudi Arabia (the “**Saudi Nationwide Communication Project**”) commenced in 2020 and delivered by us in 2024, demonstrates our capability to support the development and deployment of large-scale nationwide communication platforms. Such projects may generate revenue across different stages of the project lifecycle, including platform development, licensing and operation-related services. Building on our experience accumulated from overseas projects, we continue to explore similar opportunities in selected overseas markets.

After more than a decade of development and accumulation, we have an established and diversified customer base across telecommunications, insurance, banking, artificial intelligence, and software development industries. Such customer base forms the core asset for our sustained growth. Leveraging the comprehensive strength accumulated over our long-term development, we have received numerous awards and honors, including being recognized as “National-Level Specialized, Sophisticated and Innovative Little Giant Enterprise” (國家級專精特新“小巨人”企業) by the Ministry of Industry and Information Technology and winning the “Annual Instant Messaging Service Innovation Award” (年度即時通訊服務創新獎) from the Mobile Intelligent Terminal Technology Innovation and Industry Alliance for multiple consecutive years. We have also been honored with titles such as “2024 Outstanding Global Expansion Service Provider” (2024年度優秀出海服務商) and “2024 China Tech Go-Global: Most Commercial Potential List” (2024中國科技出海領域最具商業潛力榜). These accolades serve as proof of our technological prowess and market influence.

Financial and Operational Performance

During the Track Record Period, our financial and operating metrics reflected the development of our business and solution offerings.

Customer Quality: In 2023, 2024 and 2025, our net dollar retention rates of revenue from customers of internet application solutions stood at 87.2%, 88.4% and 93.6%, respectively. The year-on-year improvement in such rate indicates increasing revenue contribution from our existing customers of internet application solutions. In addition, our average revenue per customer of internet application solutions amounted to RMB62 thousand, RMB66 thousand and RMB94 thousand in 2023, 2024 and 2025, respectively, demonstrating enhanced customer monetization and deeper customer engagement. These metrics are particularly relevant to our internet application solutions business, which primarily generates revenue through subscription-based and usage-based models, as compared to our vertical industry solutions and nationwide communication solutions, which are largely dependent on individual customer contracts.

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Financial Performance and Margin Improvement: Backed by our core technologies, we continue to refine our solutions and services and expand their applications across different customer scenarios. We recorded revenue of RMB191.5 million, RMB167.6 million and RMB197.4 million in 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, our gross profit margins reached 63.1%, 74.7% and 80.5%, respectively, demonstrating our ability to balance scale expansion with margin improvement.

Overseas Service Capabilities: We generated a substantial portion of our revenue from outside Chinese Mainland during the Track Record Period. In 2023, 2024 and 2025, revenue generated from outside Chinese Mainland amounted to RMB77.4 million, RMB65.6 million and RMB78.3 million, respectively, representing 40.4%, 39.1% and 39.7% of our total revenue, respectively, which demonstrates our established service capabilities outside Chinese Mainland. Such revenue was primarily attributable to our internet application solutions and supplemented by our overseas nationwide communication solutions.

OUR SOLUTIONS

Our business is underpinned by a unified and self-developed AICP, which is the technical cornerstone for all our solutions. We adopt a “one-base, multi-solution” strategy, under which our AICP serves as the common technological foundation for our internet application solutions, vertical industry solutions and overseas nationwide communication solutions. Whether deployed on public cloud infrastructure or through private deployment, our solution offerings are built upon the same AICP and share a common set of communication capabilities and technology modules. As the common technology base, our AICP enables us to provide solutions across diverse scenarios without heavy cost on repetitive development, therefore increasing our profit margins. To address the diverse requirements of our customers, we commercialize our AICP through three solutions, and accordingly, our revenue is primarily derived from (i) internet application solutions, (ii) vertical industry solutions, and (iii) overseas nationwide communication solutions. Each type of solutions adopts a distinct commercial model tailored to its customer base, deployment approach and service scope. We monetize our internet application solutions primarily through subscription fees, usage-based service fees and optional service fees. Our vertical industry solutions generate revenue mainly from deployment and customization fees, software license fees, and recurring maintenance and support fees. Our overseas nationwide communication solutions generate revenue primarily from development and deployment service fees, platform license fees and recurring operation and maintenance fees.

RESEARCH AND DEVELOPMENT

R&D is critical to sustaining our technology advantage and supporting the development of innovative solutions, which enables us to meet the evolving needs of our customers. We focus on developing core intellectual properties for our solutions, while selectively licensing proven third-party intellectual properties, including open-source technologies, to accelerate time-to-market, enhance reliability and interoperability, and optimize overall cost performance.

We have developed a comprehensive technology portfolio that underpins our intelligent cloud-based communication services. Our self-developed technologies, including the EverSync Communication Protocol, SD-CAN global acceleration network, elastic cloud-native architecture and distributed processing capabilities, enable low-latency, high-stability and scalable communication services, supporting 99.99% service availability and the processing of over 190 billion messages per day. In addition, our AI capabilities are powered by an integrated MaaS platform and self-developed Memory Engine, which enable developers to efficiently deploy AI-powered applications with enhanced contextual understanding, conversational continuity and personalized user experiences.

SALES AND MARKETING

We have adopted a direct sales model, which allows us to meet market demands, regulatory frameworks, and customer profiles across different regions. For our internet application solutions, customer acquisition is largely driven by developer ecosystem outreach and self-service onboarding, while our vertical industry solutions generally involve consultative sales processes. Our overseas nationwide

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communication solutions are typically secured through project-based engagements. To maximize customer satisfaction during the sales process, we rely on our sales force to promote our solutions and services. Our sales team is organized by geography and industry to leverage our sales personnel’s local connections and industry insights.

OUR CUSTOMERS AND SUPPLIERS

Our customers differ across our solutions, reflecting the distinct business models and deployment approaches adopted for each solution. For our internet application solutions, our customers comprise internet application developers and operators who integrate our standardized SDKs and APIs into their applications to access our hosted internet communication services. For our vertical industry solutions, our customers mainly consist of industry customers requiring private or hybrid cloud deployment. For our overseas nationwide communication solutions, our customers comprise telecommunications operators and related strategic partners participating in nationwide communication initiatives in overseas markets. Revenue from the five largest customers in each year during the Track Record Period amounted to RMB55.1 million, RMB45.7 million and RMB68.3 million in 2023, 2024 and 2025, respectively, accounting for 28.8%, 27.3% and 34.6% of our revenue for each of the corresponding years, respectively. Revenue from our largest customer in each year during the Track Record Period amounted to RMB38.4 million, RMB15.6 million and RMB22.4 million in 2023, 2024 and 2025, respectively, accounting for 20.1%, 9.3% and 11.4% of our total revenue for each of the corresponding years, respectively.

During the Track Record Period, our suppliers consisted primarily of cloud infrastructure and network service providers, such as both domestic and overseas public cloud platforms and public servers, marketing and promotional partners who assisted in customer acquisition and market expansion, as well as other service providers such as property lessors for our office premises. Purchases from the five largest suppliers in each year during the Track Record Period amounted to RMB32.2 million, RMB23.9 million and RMB21.5 million in 2023, 2024 and 2025, respectively, accounting for 60.2%, 53.6% and 41.8% of our total purchase amounts for each of the corresponding years, respectively. Purchase amounts from our largest supplier in each year during the Track Record Period amounted to RMB12.6 million, RMB13.0 million and RMB9.4 million in 2023, 2024 and 2025, respectively, accounting for 23.5%, 29.1% and 18.1% of our total purchase amounts for each of the corresponding years, respectively.

To the best of our knowledge, each of our five largest customers and suppliers in each year during the Track Record Period was an Independent Third Party except Customer A and Customer F, each of which had historical ownership relationships with parties associated with our Company. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company’s issued share capital, had any interest in any of our five largest customers and suppliers in each year during the Track Record Period except Customer A and Customer F, details of whose historical relationships with our Company are disclosed under “Business — Our Customers.” As of the Latest Practicable Date, neither Customer A nor Customer F was owned by, and no interest in either of them was held by, our Company, our Controlling Shareholders or any of our connected persons.

COMPETITIVE LANDSCAPE

Our operations are subjected to China’s and global intelligent cloud-based instant messaging solutions markets, facing competition from different companies and providers. We operate in markets that are characterized by rapid technological evolution, expanding application scenarios and increasing competition.

According to Frost & Sullivan, as of December 31, 2025, there were more than 400 participants in the global intelligent cloud-based instant messaging solutions market. In terms of revenue, the top five global intelligent cloud-based instant messaging solutions providers accounted for approximately 20% of the market share in 2025. The global intelligent cloud-based instant messaging solutions market is relatively fragmented. Market participants primarily include professional intelligent cloud-based instant messaging solutions providers and integrated cloud service providers. Professional providers focus

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exclusively on intelligent cloud-based instant messaging solutions, with product design and service capabilities centered on stability, continuity, and user experience, enabling better adaptation to high-concurrency and highly interactive instant communication scenarios. In the global intelligent cloud-based instant messaging solutions market, our Group had a market share of approximately 1.1% in terms of revenue in 2025.

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success: (i) scalable product architecture and stable service capabilities enable efficient delivery of our intelligent cloud-based instant messaging solutions; (ii) a broad and diversified customer base provides sustained growth momentum and nourishment for technological innovation; (iii) forward-looking overseas market positioning and industry demand insights unlock vast development potential for international business; (iv) the deep integration of “AI + Communications” bridges the “last mile” in the commercialization and deployment of third-party large language models; and (v) seasoned management team with extensive industry experience guides our strategic development.

See “Business — Our Strengths” for details.

OUR STRATEGIES

We will continue to pursue the following strategies: (i) develop and expand our customer base through strengthening of developer ecosystem; (ii) enhance AI applications to promote further integration and upgrading of “AI + Communications”; (iii) seize opportunities in overseas nationwide communication solutions markets; and (iv) seek strategic investments and acquisitions to strengthen our communication platform capabilities and competitiveness.

See “Business — Our Strategies” for details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wang Cheng held an aggregate of approximately 36.73% of the total issued share capital of our Company, comprising:

- (i) approximately 13.81% of the total issued share capital of the Company held by him;
- (ii) approximately 17.31% of the total issued share capital of the Company held by Tianjin Rongyun by virtue of his role as the sole general partner of Tianjin Rongyun;
- (iii) approximately 5.61% of the total issued share capital of the Company held by Tianjin Yunchuang by virtue of his role as the sole general partner of Tianjin Yunchuang.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Wang Cheng, Tianjin Rongyun, and Tianjin Yunchuang will in aggregate hold approximately [REDACTED]% of the total share capital of our Company. Therefore, Mr. Wang Cheng, Tianjin Rongyun, and Tianjin Yunchuang will be deemed together as our Controlling Shareholders upon [REDACTED].

[REDACTED]

We have engaged in [REDACTED] with our [REDACTED]. For further details of the identities and background of the [REDACTED] and the principal terms of the [REDACTED], see “History, Development and Corporate Structure — [REDACTED]”.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountant’s Report as set out in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Document, including the related notes. Our consolidated financial information was prepared in accordance with the IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
REVENUE	191,455	100.0	167,620	100.0	197,354	100.0
Cost of sales	(70,602)	(36.9)	(42,382)	(25.3)	(38,420)	(19.5)
GROSS PROFIT	120,853	63.1	125,238	74.7	158,934	80.5
Other income	3,510	1.8	2,191	1.3	815	0.4
Other gains, net	1,688	0.9	1,749	1.0	1,540	0.8
Selling and marketing expenses . .	(36,274)	(18.9)	(34,770)	(20.7)	(39,440)	(20.0)
General and administrative expenses	(23,197)	(12.1)	(11,550)	(6.9)	(19,043)	(9.6)
Research and development expenses	(48,705)	(25.4)	(45,225)	(27.0)	(58,776)	(29.8)
Net impairment reversal/(losses) on financial assets	317	0.2	(1,617)	(1.0)	(4,854)	(2.5)
Finance costs	(32,922)	(17.2)	(32,865)	(19.6)	(13,051)	(6.6)
(LOSS)/PROFIT BEFORE INCOME TAX	(14,730)	(7.7)	3,151	1.9	26,125	13.2
Income tax credit	—	—	—	—	5,718	2.9
(LOSS)/PROFIT FOR THE YEAR	(14,730)	(7.7)	3,151	1.9	31,843	16.1

SUMMARY

Revenue

During the Track Record Period, we derived our revenue from providing (i) internet application solutions, (ii) vertical industry solutions, and (iii) overseas nationwide communication solutions. The following table sets forth a breakdown of our revenue by revenue streams in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Internet application solutions	126,208	65.9	127,417	76.0	132,592	67.1
Vertical industry solutions	26,814	14.0	26,773	16.0	48,082	24.4
Overseas nationwide communication solutions	38,433	20.1	13,430	8.0	16,680	8.5
Total	191,455	100.0	167,620	100.0	197,354	100.0

Our revenue increased from RMB167.6 million in 2024 to RMB197.4 million in 2025, primarily driven by a strategic expansion of our vertical industry solutions, including the revenue contribution from certain large-scale customized projects in 2025.

Our revenue decreased from RMB191.5 million in 2023 to RMB167.6 million in 2024, primarily driven by the phased transition of the Saudi Nationwide Communication Project, as the implementation and development work under an earlier stage of the project gradually approached completion in 2024 prior to the commencement of the subsequent stage of the project, under which revenue would be generated primarily through licence fees, resulting in lower revenue contribution during 2024.

Our revenue was generated both from Chinese Mainland and outside of Chinese Mainland during the Track Record Period. The following table sets forth a breakdown of our revenue by geographical region, determined based on, for internet application solutions, the location of data centers, and for vertical industry solutions and overseas nationwide communication solutions, the location of acceptance of the solutions or services, in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	114,075	59.6	102,041	60.9	119,090	60.3
Outside of Chinese Mainland . .	77,380	40.4	65,579	39.1	78,264	39.7
– Saudi Arabia	41,530	21.7	29,044	17.3	35,973	18.2
– Singapore	33,816	17.7	34,437	20.5	36,132	18.3
– Others ⁽¹⁾	2,034	1.0	2,098	1.3	6,159	3.2
Total	191,455	100.0	167,620	100.0	197,354	100.0

Note:

(1) Others include Hong Kong, Oman and the United States.

See “Financial Information — Review of Historical Results of Operations” for details.

SUMMARY

Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross profit margin by revenue stream for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
Internet application solutions	91,878	72.8	101,365	79.6	108,204	81.6
Vertical industry solutions	22,863	85.3	22,601	84.4	34,275	71.3
Overseas nationwide communication solutions	6,112	15.9	1,272	9.5	16,455	98.7
Total	120,853	63.1	125,238	74.7	158,934	80.5

Our gross profit increased from RMB120.9 million in 2023 to RMB125.2 million in 2024 and further to RMB158.9 million in 2025, while our gross profit margin increased from 63.1% in 2023 to 74.7% in 2024 and further to 80.5% in 2025. The increase in our overall gross profit margin was primarily driven by the increasing contribution from our internet application solutions, which generally carried relatively high gross profit margins due to their standardized cloud-based service model and the increase in average revenue per customer of internet application solutions, reflecting our continued focus on customers with relatively higher spending levels, and reduced server-related costs, primarily attributable to server migration to a new cloud service provider. The increase was also supported by the increasing contribution from licensing-related revenue from our Saudi Nationwide Communication Project in 2025, which carries a higher gross profit margin than the development stage of such project. The decrease in the gross profit margin of our vertical industry solutions were primarily attributable to the higher manpower requirements of certain large-scale customized projects in 2025.

See “Financial Information — Review of Historical Results of Operations” for details.

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also used adjusted profit for the year (non-IFRS measure) and adjusted profit margin for the year (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that such non-IFRS measures facilitate comparisons of operating performance from year to year. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as a substitute for analysis of, our consolidated statements of profit or loss and other comprehensive income or financial conditions as reported under IFRS Accounting Standards.

We define adjusted profit for the year (non-IFRS measure) as profit for the year by adding back share-based compensation, interest expense on redemption liabilities and [REDACTED]. We define adjusted net profit margin for the year (non-IFRS measure) as adjusted net profit (non-IFRS measure) for the year, divided by revenue for the year.

The following table reconciles our adjusted profit for the year (non-IFRS measure) presented to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standards, which is profit for the year.

SUMMARY

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(14,730)	3,151	31,843
Add back:			
Share-based compensation	1,403	1,082	4,515
Interest expense on redemption liabilities	32,132	32,219	12,589
[REDACTED]	—	—	[REDACTED]
Adjusted profit for the year			
(non-IFRS measure)	18,805	36,452	52,980
Adjusted profit margin for the year			
(non-IFRS measure)	9.8%	21.7%	26.8%

Our management considers that (i) share-based compensation, which relates to restricted stock units that we granted to our employees for their contribution to us, is non-cash in nature and does not result in cash outflow, (ii) interest expense on redemption liabilities is a non-cash item and is not indicative of our operating performance, and such redemption liabilities in relation to preferred rights granted to [REDACTED] have been cancelled in full in May 2025, and (iii) [REDACTED], which relate to this [REDACTED]. Therefore, by eliminating the impacts of such items in the calculation of such non-IFRS measures, the results could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.

Summary of Consolidated Balance Sheets

The following table sets forth a summary of our consolidated balance sheets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
ASSETS			
Total non-current assets	32,294	33,206	38,921
Total current assets	125,424	157,349	188,765
LIABILITIES			
Total non-current liabilities	457,284	488,862	6,800
Total current liabilities	84,129	80,712	63,619
NET CURRENT ASSETS	41,295	76,637	125,146
NET ASSETS	(383,695)	(379,019)	157,267

We recorded net liabilities as of December 31, 2023 and 2024 primarily due to redemption liabilities associated with our historical preferred share financing. Following the termination of the relevant redemption rights in May 2025, such liabilities were derecognized and we recorded net assets of RMB157.3 million as of December 31, 2025.

As of December 31, 2025, we had net current assets of RMB125.1 million, as compared to RMB76.6 million as of December 31, 2024, primarily due to (i) an increase of RMB9.9 million in trade receivables, (ii) an increase of RMB81.6 million in cash and cash equivalents due to proceeds from maturity of financial assets at fair value through profit or loss, along with cash inflow generated from our operating activities, partially offset by a decrease of RMB23.4 million in prepayments and other receivables.

SUMMARY

As of December 31, 2024, we had net current assets of RMB76.6 million, as compared to net current assets of RMB41.3 million as of December 31, 2023, primarily due to (i) an increase of RMB5.4 million in contract fulfilment costs reflecting our business expansion, (ii) an increase of RMB34.9 million in cash and cash equivalents, partially offset by (i) a decrease of RMB25.2 million in trade receivables, and (ii) a decrease of RMB13.5 million in prepayments and other receivables related to a decrease in amounts due from related parties.

For details of the fluctuation in key items of our consolidated balance sheets and net current assets during the Track Record Period, see “Financial Information — Selected Items from the Consolidated Balance Sheets.”

Summary of Consolidated Statements of Cash Flow

The following table is a summary of our cash flow data from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash from operating activities	30,640	65,337	20,927
Net cash (used in)/from investing activities	(36,600)	(16,789)	55,615
Net cash from/(used in) financing activities	12,021	(13,623)	5,125
Net increase in cash and cash equivalents	6,061	34,925	81,667
Cash and cash equivalents at the beginning of the year	13,893	19,954	54,879
Cash and cash equivalents at the end of the year	<u>19,954</u>	<u>54,879</u>	<u>136,546</u>

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,		
	2023	2024	2025
Gross profit margin	63.1%	74.7%	80.5%
Net (loss)/profit margin ⁽¹⁾	(7.7)%	1.9%	16.1%
Adjusted profit margin for the year (non-IFRS measure) ⁽²⁾	9.8%	21.7%	26.8%
Current ratio ⁽³⁾	1.5	1.9	3.0

Notes:

- (1) Net (loss)/profit margin is calculated using (loss)/profit for the year divided by revenue and multiplied by 100%.
- (2) Adjusted profit margin for the year (non-IFRS measure) represents adjusted profit for the year (non-IFRS measure) divided by revenue and multiplied by 100%. For details of the adjusted profit for the year (non-IFRS measure), see “Financial Information — Non-IFRS Measures.”
- (3) Current ratio is calculated using total current assets divided by total current liabilities as of the same date.

SUMMARY

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks relating to our business and industry, (ii) risks relating to doing business in the countries and regions where we operate, and (iii) risks relating to the [REDACTED], which are set out in the section headed “Risk Factors” in this Document. You should read that section in its entirety carefully before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include, but are not limited to:

- We operate in a highly competitive market. If we fail to compete effectively, our business, results of operations and financial condition could be materially and adversely affected;
- If we fail to enhance our existing solutions or develop new solutions that meet evolving customer needs and adapt to technological developments, our business and customer experience may be adversely affected;
- If we fail to maintain the compatibility of our solutions across devices, business systems and applications that we do not control, it could lead to increased integration costs and lowered customer satisfaction;
- Our substantial investments in research and development may not achieve the expected technological advancements or commercial results, which could materially and adversely affect our business, financial condition and results of operations;
- If our solutions do not achieve sufficient market acceptance, our business and competitive position will suffer;
- Real or perceived errors, defects, failures, vulnerabilities, or bugs in our solutions could diminish customer demand, harm our business and results of operations and subject us to liability;
- If we are unable to maintain and enhance our brand and increase market awareness of our company and solutions, our business, operating results and financial condition may be adversely affected; and
- If we fail to maintain and enhance the effectiveness of our direct sales and marketing efforts and cooperation with marketing and promotional partners, our business growth and expansion may be materially and adversely affected.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountant’s Report, the text of which is set out in Appendix I to this Document.

SUMMARY

[REDACTED]

All statistics in the following table are based on the assumption that the [REDACTED] are not exercised.

[REDACTED]

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the range of the [REDACTED] stated in this Document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] (assuming the [REDACTED] is not exercised).

We currently intend to apply the [REDACTED] as follows:

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to enhancing our research and development capabilities to expand and strengthen our R&D efforts, with a focus on developing and iterating our next-generation AICP and industry-intelligent applications, including AI-powered network optimization, intelligent networking, an AI-native PaaS platform and protocol-level innovations, integration with MCP and A2A protocols, and the development of industry intelligent modules that align with customer usage patterns and data-security requirements across different markets;
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for acquisitions and strategic investments including investments in ISM companies and providers and integrate such capabilities into our global IM+RTC communication network to build the “cognitive layer” and the “execution layer”, thereby strengthening our developer ecosystem, enhancing our vertical-industry applications, and reinforcing our competitiveness in the communication-platform market;

SUMMARY

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to expanding and deepening our global developer coverage and supporting the growth of new “citizen-developer” communities with a view to broadening our developer ecosystem, strengthening developer engagement and enablement capabilities, and supporting our market expansion strategy across regions and industry verticals, including investments in developer relations, community operations, technical support resources and training initiatives, with the objective of supporting broader adoption of our solution; and
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

For further information relating to our future plans and [REDACTED] from the Global Offering, see “Future Plans and [REDACTED]” in this Document.

DIVIDENDS

We have not paid or declared any dividends during the Track Record Period.

Our Company currently does not have a formal dividend policy or a fixed dividend payout ratio. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our total [REDACTED] (including [REDACTED]) will be approximately RMB[REDACTED] million, accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per share, being the mid-point of the indicative [REDACTED] range stated in this Document and the [REDACTED] is not exercised). During the Track Record Period, [REDACTED] of approximately RMB[REDACTED] million were charged to our consolidated statements of profit or loss for the years ended December 31, 2025, and approximately RMB[REDACTED] million were [REDACTED] to our consolidated balance sheets and recognized as prepaid [REDACTED] as of December 31, 2025, which are expected to be deducted from equity upon [REDACTED] as they are directly attributable to the issue of the [REDACTED] to the public. The estimated remaining [REDACTED] of approximately RMB[REDACTED] million are expected to be charged to our consolidated statements of profit or loss for the year ending December 31, 2026, and approximately RMB[REDACTED] million are expected to be deducted from equity upon [REDACTED]. Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2026.

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed “Glossary of Technical Terms” in this Document.

“Accountant’s Report”	the Accountant’s Report for the years ended December 31, 2023, 2024 and 2025, the text of which is set out in Appendix I to this Document
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong (香港會計和財務匯報局)
“Articles” or “Articles of Association”	the articles of association of our Company, conditionally adopted on December 15, 2025 with effect from the [REDACTED], and as amended from time to time, a summary of which is set out in the section headed “Summary of the Articles of Association” in Appendix III to this Document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board” or “Board of Directors”	the board of directors of our Company
“Board of Supervisors”	the board of Supervisors of our Company
[REDACTED]	the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]” in this Document
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
[REDACTED]	the [REDACTED] as named in the section headed “Directors and Parties Involved in the [REDACTED]” in this Document
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC (中央結算系統)
“China”, “Chinese Mainland” or “PRC”	the People’s Republic of China and for the purposes of this Document only, except where the context requires otherwise, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Beijing RC Tech Co., Ltd. (北京雲中融信網絡科技股份有限公司), incorporated as a limited liability company on March 18, 2015, converted into a joint stock company with limited liability on October 27, 2025
“Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Compliance Adviser”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Wang Cheng, Tianjin Rongyun and Tianjin Yunchuang. For further details, see “Relationship with Controlling Shareholders”
“Conversion of Unlisted Shares into H Shares”	the conversion of [REDACTED] Unlisted Shares in aggregate held by 14 existing Shareholders into H Shares upon completion of [REDACTED]. Such conversion of Unlisted Shares into H Shares and an application for H Shares to be [REDACTED] on the Stock Exchange has been filed with the CSRC on [●]. The CSRC issued the filing notice on [●] in respect of the [REDACTED] and the application for [REDACTED] of our H Shares on the Stock Exchange
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EIT”	the PRC enterprise income tax (企業所得稅)
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》)
“Employee Incentive Platform(s)”	Beijing Rongyao and Tianjin Yunchuang, the platforms established for the purpose of our Share Incentive Plans
“ESG”	Environment, social, and governance
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent global market research and consulting company

DEFINITIONS

“Frost & Sullivan Report”	the independent industry report prepared by Frost & Sullivan as commissioned by us
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
[REDACTED]	the [REDACTED] as named in the section headed “Directors and Parties Involved in the [REDACTED]” in this Document
[REDACTED]	the [REDACTED] and the [REDACTED]
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange as amended, supplemented or otherwise modified from time to time
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be [REDACTED] for and [REDACTED] in HK dollars, and for which an application has been made for [REDACTED] and permission to [REDACTED] on the Stock Exchange
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (香港中央結算有限公司)
	[REDACTED]
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC (香港中央結算(代理人)有限公司)
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“HKSCC Participants”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

[REDACTED]

“IFRS Accounting Standards”	IFRS Accounting Standards as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

[REDACTED]

DEFINITIONS

[REDACTED]

“PRC Legal Advisor” JunHe LLP, our legal advisor as to PRC laws

[REDACTED]

“Document” this Document being issued in connection with the [REDACTED]

“R&D” research and development

“Regulation S” Regulation S under the U.S. Securities Act

“Renminbi” or “RMB” Renminbi, the lawful currency of the PRC

“SAFE” State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

“SAMR” State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)

“SAT” State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)

“Securities and Futures Ordinance” or “SFO” the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time

“SFC” the Securities and Futures Commission of Hong Kong (香港證券期貨監察委員會)

DEFINITIONS

“Share Incentive Plan(s)”	the two share incentive plans of our Company adopted in 2017 (amended in 2019 and 2025) and in 2024, a summary of the terms of which is set out in “Appendix IV — Statutory and General Information — 5. Share Incentive Plans”
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Sole Sponsor”	The sole sponsor as named in the section headed “Directors and Parties Involved in the [REDACTED]” in this Document

[REDACTED]

“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“substantial shareholders”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tianjin Rongyun”	Tianjin Yunzhong Rongxin Network Technology Partnership (Limited Partnership) (天津雲中融信網絡科技合夥企業(有限合夥)), a limited partnership established in the PRC on January 20, 2015, one of our Controlling Shareholders
“Tianjin Yunchuang”	Tianjin Yunchuang Rongxin Network Technology Partnership (Limited Partnership) (天津雲創融信網絡科技合夥企業(有限合夥)), a limited partnership established in the PRC on November 27, 2017, one of our Employee Incentive Platforms and one of our Controlling Shareholders
“Track Record Period”	the period comprising the three financial years ended December 31, 2023, 2024 and 2025

[REDACTED]

“United States” or the “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Share(s)”	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each which is/are not listed on any stock exchange

DEFINITIONS

“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“VAT”	value-added tax

[REDACTED]

“%”	percent

Unless otherwise specified or the context otherwise requires, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder” and “substantial shareholder” in this Document shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Unless otherwise specified, certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts [REDACTED] are due to rounding.

In this Document, “” denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organizations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Document for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

GLOSSARY OF TECHNICAL TERMS

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

“5G”	the fifth-generation mobile communication technology
“AI”	artificial intelligence, a branch of computer science that develops systems capable of performing tasks that typically require human intelligence, such as perception, learning, reasoning, and decision-making
“AICP”	AI Communication Platform, the core technological base of our Group
“API”	application programming interface, a set of rules and tools that allows different software systems to communicate and interact with each other
“App(s)” or “application(s)”	application software designed to run on smartphones and other mobile devices
“A2A”	agent to agent, a protocol that enables AI agents to communicate, exchange information and coordinate actions with one another across different systems and applications
“CAGR”	compound annual growth rate
“cloud-based service”	cloud-based service refers to any service, application, or resource that is made available to customers on demand via the internet from cloud computing infrastructure, rather than being provided from a company’s own on-premise server
“CMMI”	capability maturity model integration, a process improvement framework used to assess and enhance the maturity of an organization’s software development and management capabilities
“CMMI Level 3”	a maturity level under the CMMI framework indicating that an organization has established and standardized software development and management processes that are documented, implemented and consistently followed
“EverSync Communication Protocol”	an underlying private communication protocol developed by the Company, designed to ensure reliable message delivery and signaling stability under challenging network conditions, including high concurrency and poor connectivity scenarios
“GDP”	gross domestic product, the total monetary value of all goods and services produced within a country’s borders during a specific period, commonly used to measure the size and health of a country’s economy

GLOSSARY OF TECHNICAL TERMS

“IaaS”	infrastructure as a service, a cloud computing model that provides virtualized computing resources (e.g., servers, storage, and networking) over the internet on a pay-as-you-go basis, eliminating the need for businesses to purchase and maintain physical hardware
“IM”	instant messaging, a communication service that enables near real-time exchange of text, images, voice, files, and other data between users
“ISM”	industry small model, an AI model specifically developed or fine-tuned for a particular industry, business domain or application scenario, typically using industry-specific data and knowledge to perform specialized tasks with greater efficiency and accuracy than general-purpose AI models
“ISO 27001”	a globally recognized standard for information security management
“ISO 9001”	a globally recognized standard for quality management
“ISO/IEC 27701”	a globally recognized standard for privacy information management
“JV”	joint venture
“MaaS”	Model as a Service, refers to a cloud computing service model that provides AI/Machine Learning models as on-demand, scalable, and managed services over the internet, allowing users to access, fine-tune, and deploy pre-trained models without building or maintaining the underlying infrastructure
“MaaS Platform”	a platform that integrates multiple large language models and enables developers to access AI functionalities through a unified interface developed by the Company
“MCP”	model context protocol, a standardized protocol for connecting AI models with external tools, applications and data sources, facilitating secure and structured interactions between AI systems and external services
“Memory Engine”	a self-developed module developed by the Company, designed to process and store contextual information from user interactions to support personalized communication functionalities
“MLPS”	a cybersecurity protection framework established under PRC laws and regulations that classifies information systems into different security levels and imposes corresponding security protection and compliance requirements

GLOSSARY OF TECHNICAL TERMS

“PaaS”	platform as a service, a cloud-based service that provides a pre-configured, ready-to-use platform for users to run and manage software applications without the complexity of building and maintaining the underlying infrastructure. The platform is hosted by a service provider and accessed over the internet
“RTC”	real-time communication, a technology that enables low-latency transmission of audio, video, and data between users, supporting interactive scenarios such as voice calls, video calls, and live streaming
“SaaS”	software as a service, a cloud computing model that provides users with access to software applications via the internet, eliminating the need for users to install and run the application on their own computers or infrastructure
“Scenario Learning Engine”	a module developed by the Company, designed to support scenario-based learning and application development in communication use cases
“SD-CAN”	Software-Defined Cloud Access Network, a global network infrastructure established by the Company to provide low-latency and high-stability communication acceleration services through globally distributed access nodes and intelligent routing algorithms
“SDK”	software development kit, a collection of tools, libraries, documentation, and code samples that developers use to build applications for a specific platform, system, or service
“Super App”	an application that integrates multiple functionalities and services, such as communication, content, payment and third-party services, within a unified platform
“Super App Framework”	a technology framework provided by the Company that enables customers to build applications with integrated functionalities within a unified platform
“UI”	user interface, a medium through which a user interacts with a system, enabling the exchange of information by converting internal data into a human-understandable format
“VSA”	vertical scenario application, an application developed for specific industry sectors or business scenarios, leveraging domain-specific data, knowledge and technologies to address specialized operational requirements and use case
“VSA provider”	a provider that develops and offers VSAs and related solutions for specific industries or business scenarios

FORWARD-LOOKING STATEMENTS

Certain statements in this Document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will,” “expect,” “anticipate,” “estimate,” “believe,” “going forward,” “ought to,” “may,” “seek,” “should,” “intend,” “plan,” “projection,” “forecast,” “could,” “vision,” “goals,” “objective,” “target,” “schedule,” “predict,” “project,” “aim,” “intend,” “consider,” “would,” “continue” and “outlook”) are not historical facts, but are forward-looking and may involve estimates and assumptions and are subject to risks (including the risk factors detailed in this Document), uncertainties and other factors some of which are beyond our control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- general political, market and economic conditions;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business;
- our planned projects and goals;
- our ability to control or reduce costs;
- our ability to control our risks;
- our ability to maintain good relationships with business partners;
- our business prospects and expansion plans;
- our ability to successfully implement our business plans and strategies;
- our financial condition and performance, debt levels and capital needs;
- various business opportunities that we may pursue;
- the actions and developments of our competitors;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate; and
- all other risks and uncertainties described in the section headed “Risk Factors” in this Document.

FORWARD-LOOKING STATEMENTS

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution **[REDACTED]** against placing undue reliance on any such forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this Document. Any such intentions may change in light of future developments.

All forward-looking statements in this Document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in our Shares involves significant risks. You should carefully consider all the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. The following is a description of what we consider to be material risks to us, any of which could have a material adverse effect on our business, financial condition and results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also be detrimental to our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section. The trading price of our H Shares may decline due to any of these risks, and you may lose all or part of your [REDACTED].

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate in a highly competitive market. If we fail to compete effectively, our business, results of operations and financial condition could be materially and adversely affected.

We operate in a highly competitive intelligent cloud-based instant messaging solutions market. Leveraging our AICP, we primarily provide internet application solutions, vertical industry solutions and overseas nationwide communication solutions to our customers. With the introduction of new technologies and market entrants, we expect competition to continue to intensify in the future. The principal competitive factors in our market include comprehensiveness of business portfolio, innovation capabilities, brand awareness and reputation, strength of sales and marketing efforts as well as customer reach.

Some of our competitors have greater financial, technological and other resources, greater brand recognitions, larger sales and marketing budgets and larger intellectual property portfolios. As a result, certain of our competitors may be able to respond more quickly and effectively than we can to new or evolving opportunities, technologies, standards or customer requirements. In addition, some competitors may offer solutions or services that address one or a limited number of functions at lower prices, with greater depth than our solutions or in geographies or industry verticals where we do not operate or are less established. Our current and potential competitors may develop and market new solutions or services with functionality comparable to ours, which could lead to increased pricing pressures. In addition, some of our competitors have lower prices, which may be attractive to certain customers even if those solutions or services have different or lesser functionality. Moreover, as we expand the scope of our business, we may face additional competition. If one or more of our competitors were to merge or partner with another of our competitors, the change in the competitive landscape could also adversely affect our ability to compete effectively.

If we are unable to compete effectively or maintain favorable pricing, it could lead to reduced revenues, reduced margins, increased losses or the failure of our solutions to achieve or maintain widespread market acceptance, any of which could materially and adversely affect our business, results of operations and financial condition.

RISK FACTORS

If we fail to enhance our existing solutions or develop new solutions that meet evolving customer needs and adapt to technological developments, our business and customer experience may be adversely affected.

Our ability to attract new customers and increase revenues from existing customers depends in part on our ability to enhance and improve our existing solutions and introduce new ones. The success of any enhancement or new solution depends on a number of factors, including timely completion, adequate quality testing, consistently high actual performance, market-accepted pricing levels and overall market acceptance. Enhancements and new solutions that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the broad market acceptance necessary to generate significant revenues.

If we fail to maintain the compatibility of our solutions across devices, business systems and applications that we do not control, it could lead to increased integration costs and lowered customer satisfaction.

One of the most important value propositions of our solutions is the compatibility with a wide range of devices, business systems and applications. The experience of our customers depends, in part, on our ability to integrate with their existing business systems and applications, many of which may have been developed by third-party providers. In addition, the functionality of our solutions depends on the seamless integration with our customers’ legacy on-premises hardware and communications infrastructure, such as third-party video-conferencing systems. Third-party services and products are constantly evolving, and we may not be able to modify our solutions to assure the compatibility with that of other third parties following development changes. Furthermore, third-party providers or manufacturers may, without prior notice, change the configuration or features of their services and products, restrict our access, or adversely alter the terms and conditions of use. Any of these changes could functionally limit or terminate our ability to use these third-party products and services in conjunction with ours, which could have a material negative impact on our business. If we fail to properly integrate our solutions with our customers’ existing business systems and applications, whether developed in-house or by third parties, we may be unable to offer the functionality that is expected by our customers and is essential to our solutions, which would materially and adversely affect our business, results of operations and financial condition.

Our solutions are also designed to operate across multiple operating systems, devices and software environments. Changes to such technologies or technical standards may require additional development and maintenance efforts. If we fail to adapt to such changes in a timely manner, customer experience and satisfaction may be adversely affected.

Our substantial investments in research and development may not achieve the expected technological advancements or commercial results, which could materially and adversely affect our business, financial condition and results of operations.

We invest substantial resources in research and development to enhance our existing services and develop new technologies that meet evolving customer needs and industry trends, including the integration of AI technologies into our solutions. We allocate substantial resources to enhance our existing solutions and develop new technologies that meet the evolving needs of our customers. For the years ended December 31, 2023, 2024, and 2025, our research and development expenses amounted to RMB48.7 million, RMB45.2 million and RMB58.8 million, respectively, accounting for approximately 27.2%, 33.8% and 37.8% of our operating expenses, for each of the corresponding periods. The industry in which we operate is subject to rapid technological changes and is evolving quickly in terms of technological innovation. We need to invest significant resources, including financial and human resources, in research and development in order to make our solutions innovative and competitive and keep abreast with the development of the industry such as the further integration of AI technology. As a result, we expect that our research and development expenses may continue to increase.

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Furthermore, development activities are inherently uncertain, costly and time-consuming, and we may encounter technical, operational or commercialization difficulties in developing or launching new technologies and solutions. Our research and development efforts may fail to achieve the expected technological advancements, commercial acceptance or financial returns, and our substantial investments in research and development may not generate corresponding benefits. Given the fast pace with which the technology has been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. New technologies in our industry could render our platform, our solutions that we are developing or expect to develop in the future obsolete, not commercially viable or unattractive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenues, profitability and market share.

If our solutions do not achieve sufficient market acceptance, our business and competitive position will suffer.

To meet our customers’ rapidly evolving demands, we invest substantial resources in research and development to enhance our solutions, as well as in improving our platform. When we develop or acquire new or enhanced solutions, we typically incur expenses and expend resources upfront to develop, market, promote and sell the new offerings. Therefore, when we develop or acquire and introduce new or enhanced solutions, they must achieve high levels of market acceptance in order to justify the amount of our investment in developing and bringing them to market. Our new solutions, or enhancements and changes to our existing solutions, could fail to attain the expected market acceptance for many reasons, including, among others:

- Failure to predict market demand accurately in terms of functionality and a failure to supply solutions that meet this demand in a timely manner;
- Defects, errors, or disruptions;
- Negative publicity about our platform’s performance or effectiveness;
- Changes in the legal or regulatory requirements, or increased legal or regulatory scrutiny, adversely affecting our platform;
- Emergence of competitors that achieve market acceptance before we do;
- Delays in releasing enhancements to our platform to the market; and
- Introduction or anticipated introduction of competing solutions by our competitors.

If our new solutions, or any enhancements, do not achieve adequate acceptance in the market, or if solutions developed by others achieve greater acceptance in the market, our business and competitive position could be harmed.

Real or perceived errors, defects, failures, vulnerabilities, or bugs in our solutions could diminish customer demand, harm our business and results of operations and subject us to liability.

Our customers use our solutions to manage important aspects of their businesses, and any errors, defects, failures, vulnerabilities, bugs or other performance problems of our solutions could hurt our reputation and may damage our customers’ businesses. Our solutions and the underlying infrastructure are highly technical and complex. There can be no assurance that our solutions will not now or in the future contain undetected errors, defects, bugs, or vulnerabilities, which may cause temporary service outages for some customers. Certain errors in our software code may not be discovered until after the code has been released. Any error, defect, bug, or vulnerability discovered in our code after release could result in damage to our reputation, loss of customers, loss of revenues, or liability for damages, any of which could adversely affect our business and financial results. We implement bug fixes and upgrades as part of our regularly scheduled operation maintenance, which may lead to system downtime. Even if we are able to

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implement the bug fixes and upgrades in a timely manner, any history of defects, or the loss, damage or inadvertent release of confidential customer data, could cause our reputation to be harmed, and customers may elect not to purchase or renew their agreements with us and subject us to warranty claims or other liabilities. The costs associated with any material defect or error in our solutions or other performance problems may be substantial and could materially and adversely affect our results of operations.

If we are unable to maintain and enhance our brand and increase market awareness of our company and solutions, our business, operating results and financial condition may be adversely affected.

We must maintain and enhance the “RongCloud” (融雲) brand identity and increase market awareness of intelligent cloud-based instant messaging solutions generally and our solutions in order to remain competitive. Our ability to attract new customers, retain existing customers and increase usage of our solutions depends in part on our marketing efforts, industry reputation and ability to differentiate our solutions from competing offerings. These efforts require substantial expenditures, and we anticipate that they will increase as our market becomes more competitive and as we expand into new markets. Investments in brand promotion, market education and customer acquisition may not generate the expected benefits or increased revenues. Even if such efforts result in additional revenues, such revenues may not be sufficient to offset the associated costs. If we fail to maintain and enhance our brand recognition and market position, our business, operating results and financial condition could be materially and adversely affected.

If we fail to maintain and enhance the effectiveness of our direct sales and marketing efforts and cooperation with marketing and promotional partners, our business growth and expansion may be materially and adversely affected.

Our business growth depends in part on the effectiveness of our direct sales and marketing efforts. Our future success requires continuing to develop and maintain a successful sales and marketing team that identifies and closes a significant portion of new sales opportunities. We also need to enhance our ability to cross-sell and up-sell additional features and solutions for existing customers. If our direct sales efforts are not successful as anticipated, or any of our promotion or marketing activities violate certain applicable laws or regulations, we may be unable to meet our revenue growth targets.

We also cooperate with various third-party marketing and promotional partners for purposes such as marketing campaigns, customer outreach, traffic acquisition and business promotion. Our ability to maintain effective cooperation relationships with such partners may affect our brand exposure, customer acquisition efficiency and business expansion. If we fail to maintain effective cooperation with such partners, if such partners are unable to continue to support our marketing and promotional activities, or if the effectiveness of such cooperation declines, our ability to attract new customers, expand our market presence and grow our business could be materially and adversely affected.

In addition, revenue generated from certain of our overseas nationwide communication solutions is largely dependent on individual customer contracts. The timing, scale, scope and commercial terms of such contracts may vary significantly among customers and are often subject to customer procurement decisions, contract negotiations, implementation arrangements, acceptance procedures and other customer-specific requirements. As a result, the timing of contract execution, service delivery, customer acceptance and revenue recognition may be less predictable. Any delay in the procurement process, contract execution, implementation or acceptance procedures of such customer contracts may adversely affect our revenue growth, cash flows and operating results.

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We rely on certain third-party cloud infrastructure and network service providers to operate our business, and any interruption, degradation or unavailability of such services could adversely affect our business and customer experience.

We rely on certain third-party cloud infrastructure and network service providers, to support the operation of our platform and solutions. Customers need to be able to access our platform at any time, without interruption or degradation of performance, and we provide some customers with service-level commitments with respect to uptime. Any limitation on the capacity of our cloud infrastructure or other could impede our ability to onboard new customers or expand the usage of our existing customers, host our solutions or serve our customers, which could adversely affect our business, financial condition and results of operations. We may also incur significant costs for using alternative providers or taking other actions in preparation for, or in response to, events that damage the third-party hosting services we use.

Furthermore, these third-party service providers may not continue to be available to us on commercially reasonable terms, or at all. If we lose our right to use any of these service providers, it could lead to significant increase in our expenses or otherwise result in a delay or disruption in our solutions until equivalent technology is developed by us, or obtained from another third party, and integrated into our solutions. If performance of the third parties that we work with proves unsatisfactory, or if any of them violates their contractual obligations to us, we may need to replace such third-party service providers and/or take other remedial actions, which could result in additional costs and materially and adversely affect our offerings to customers. Moreover, the financial condition of our third-party service providers may deteriorate over the course of our contract term, which may also impact the ability of such third-party service providers to continue providing their services to us.

We rely on certain third-party technology providers and services, and any interruption, degradation or unavailability of such services could adversely affect our solutions.

We rely on certain third-party technology providers and services to supplement selected functionalities of our solutions. For example, we procure certain ancillary technology services and functionalities from third-party providers, including content screening services, beauty enhancement technologies and large AI model services. Any interruption, degradation, unavailability or adverse change in the services provided by such third parties could affect the performance, functionality or competitiveness of our solutions.

In addition, such third-party providers may modify their technologies, service terms, pricing structures or access conditions, discontinue certain services, or otherwise fail to meet our expectations or business requirements. If any of these events occur, we may need to identify, integrate and migrate to alternative providers, which could require significant time, costs and technical resources and may result in service disruptions or delays in product development and deployment.

Furthermore, as certain AI-related functionalities incorporated into our solutions are supported by third-party large language models, any limitation on the availability, performance, pricing or commercial terms of such models may affect our ability to provide or further enhance related functionalities. If we are unable to maintain stable relationships with these third-party technology providers or secure suitable alternatives on commercially reasonable terms, our solutions, customer experience, business, results of operations and financial condition could be materially and adversely affected.

Our reliance on a limited number of suppliers for certain essential solutions and services could adversely affect our ability to manage our business effectively and subsequently harm our business.

We rely on a limited number of suppliers for certain essential solutions and services to operate our network and provide solutions to our customers. During the Track Record Period, we are subjected to a certain level of concentration risk as we procured a significant portion of our solutions and services, such as network and bandwidth, server and storage and internet data center services from our major suppliers. In each of 2023, 2024 and 2025, our top five suppliers accounted for approximately 60.2%, 53.6% and 41.8% of our total purchases for the respective year. Purchases from our largest supplier in each year during the Track Record Period accounted for approximately 23.5%, 29.1% and 18.1% of our total purchases for the respective year. We may experience delays in delivery as a result of natural disasters, increased demand in the industry or our suppliers' lacking sufficient qualifications to supply the servers or other solutions or services.

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Our reliance on these suppliers exposes us to risks, including reduced control over costs and constraints based on the then current availability, terms, and pricing of these solutions and services. We generally do not have any long-term contracts guaranteeing supply with these suppliers. If our supply of certain solutions and services is disrupted or delayed, there can be no assurance that additional supplies or services can serve as adequate replacements or that supplies will be available on terms that are favorable to us, if at all. Moreover, even if we can identify adequate replacements on substantially similar terms, our business could be adversely affected until those efforts were completed. Any disruption or delay in the supply of solutions and services may cause delay or other constraints on our operations that could damage our customer relationships.

If we fail to maintain relationships with our major customers or if our major customers significantly reduce their purchases from us, our business, financial condition and results of operations may be materially and adversely affected.

Our customers differ across our solutions, reflecting the distinct business models and deployment approaches adopted for each solution. Revenue from our five largest customers in each year during the Track Record Period amounted to RMB55.1 million, RMB45.7 million and RMB68.3 million in 2023, 2024 and 2025, respectively, accounting for 28.8%, 27.3% and 34.6% of our revenue for each of the corresponding years, respectively. Revenue from our largest customer in each year amounted to RMB38.4 million, RMB15.6 million and RMB22.4 million in 2023, 2024 and 2025, respectively, accounting for 20.1%, 9.3% and 11.4% of our total revenue for each of the corresponding years, respectively.

Our major customers may reduce their purchases from us, terminate or elect not to renew their business relationships with us, experience financial difficulties, change their procurement policies, or switch to alternative service providers or internal solutions. In addition, some of our customer engagements are project-based or subject to evolving business needs and budget arrangements, and therefore the demand from our major customers may fluctuate from period to period. We cannot assure you that we will be able to maintain stable business relationships with our major customers or continue to generate revenue from them at historical levels in the future.

Further, our major customers may have relatively strong bargaining power and may request more favorable commercial terms, including pricing, payment arrangements or service requirements. If we fail to maintain satisfactory relationships with our major customers, if any of our major customers significantly reduces or terminates their business relationship with us, or if we are unable to replace lost business from such customers in a timely manner, our business, financial condition and results of operations could be materially and adversely affected.

If we are unable to successfully expand the adoption of our solutions across additional application scenarios and customer use cases, our business, prospects and growth momentum may be materially and adversely affected.

Our solutions are designed to address diversified communication and collaboration needs across a broad range of application scenarios. As demand for intelligent communication and interaction capabilities continues to evolve, we may seek to further expand the adoption of our solutions into additional application scenarios and customer use cases in the future. We cannot assure you, however, that we will be able to successfully maintain such expansion momentum.

Expanding into additional application scenarios and customer use cases involves risks and challenges. Our lack of experience in certain application scenarios may make it more difficult for us to accurately identify customer needs, adapt our products and services to evolving market demands, or effectively allocate resources. In addition, we may encounter competitors with greater resources, more established customer relationships or stronger market positions in such application scenarios, which may intensify competition and adversely affect our ability to expand our business.

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Changes in global and regional economic, political, social and geopolitical conditions in jurisdictions outside Chinese Mainland where our customers, projects or infrastructure resources are located may adversely affect our business, financial condition and results of operations.

A substantial part of our assets and operations are located in the PRC. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from Chinese Mainland accounted for approximately 59.6%, 60.9% and 60.3% of our total revenue, respectively. We also derive a portion of our revenue from customers and projects associated with jurisdictions outside Chinese Mainland and utilize data center and cloud infrastructure resources located in multiple jurisdictions. Accordingly, our business, financial condition and results of operations could also be influenced by the political, economic and social conditions in such jurisdictions. Economic growth in each of our geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations. Furthermore, certain jurisdictions from which we derive revenue or in which our customers, projects or infrastructure resources are located, particularly in the Middle East, may be subject to heightened geopolitical tensions, regional conflicts, political instability, regulatory uncertainties, economic sanctions or security risks. Any deterioration in regional conditions or escalation of geopolitical events in such markets could disrupt our business operations, customer relationships, project delivery, cross-border operations or expansion plans, which may materially and adversely affect our business, financial condition and results of operations.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We are subject to various laws and regulations concerning data security and privacy. Recently, the governments worldwide have placed increasing emphasis on privacy and data protection regulations. The Chinese government, in particular, has implemented a series of laws, regulations and policies to safeguard personal data. We must comply with applicable laws and regulations throughout the entire life cycle of personal information, including its collection, storage, use, processing, transmission, provision, disclosure and deletion. Failure to comply with the increasingly stringent data and personal information protection laws in the PRC, as well as evolving data security and privacy regulations in other jurisdictions where we operate or plan to operate, could result in significant legal and regulatory penalties, reputational damage, and adverse effects on our business, financial condition, and results of operations.

As data privacy laws and industry standards continue to evolve globally, we will need to implement and maintain robust internal controls, compliance mechanisms, and risk management policies. Ensuring compliance with these requirements may require substantial resources, personnel, and capital investment. The unauthorized access, loss or misuse of data and personal information, whether by our company or our partners, could lead to significant consequences, including increased cybersecurity expenditures, regulatory investigations, enforcement actions, fines, litigation, indemnification obligations, remediation costs, and operational disruptions. In addition, defending against potential legal claims arising from such incidents may result in further financial and reputational exposure. Even unsubstantiated concerns raised by customers, employees, or third-parties regarding our handling of data and personal information could harm our reputation and undermine trust in our brand, which may, in turn, negatively impact our business prospects and market perception.

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

We have implemented various cybersecurity measures, but such measures may not detect, prevent or control all attempts to compromise our systems, including but not limited to, distributed denial-of-service attacks, viruses, Trojan horses, malicious software, break-ins, phishing attacks, third-party manipulation, security breaches, employee misconduct or negligence or other attacks, risks, data leakage and similar disruptions that may cause service interruptions or jeopardize the security of data stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, there can be no assurance that we will be able to anticipate, or implement adequate measures to protect against these attacks. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liabilities, our reputation and business would be harmed and we could sustain substantial revenue loss from loss of sales and customer dissatisfaction.

Failure to adequately protect, maintain and enforce our intellectual property and confidential information could erode our competitive advantages, increase costs and harm our brand and operating results.

We rely on a combination of patents, copyrights, trademarks, trade secrets, and other proprietary rights to protect our technologies, solutions, and brand assets. As of the Latest Practicable Date, we had 56 registered trademarks, 69 registered computer software copyrights and two registered art works copyrights, 41 authorized patents, and 23 registered domain names in China. These intellectual property assets are crucial to safeguarding our AICP and other self-developed technologies. However, legal protections and contractual measures may not fully prevent unauthorized use, copying, or disclosure of our intellectual property. Many of our core innovations such as proprietary algorithms, design files, process parameters, and datasets are protected primarily as trade secrets. Securing this information is challenging, especially considering employee mobility, remote work dynamics, and the need to share sensitive data with suppliers, manufacturing partners, consultants, and joint development partners. We cannot guarantee that our employees, contractors, vendors, or partners will fully comply with confidentiality, IP assignment, or usage restrictions, or that these obligations will be enforceable in all jurisdictions.

Misappropriation and counterfeiting, especially in online spaces, could also present risks. Look-alike solutions, copied content, and the misuse of our names, logos, brand images, and characters can proliferate on e-commerce and social platforms. Policing such infringements, pursuing takedowns, and engaging in domain name disputes or administrative/civil actions is time-consuming, costly, and often produces uncertain outcomes. Even when actions are successful, damages may be limited, and infringers may re-emerge. The differences in IP regimes and evidentiary standards between various markets could further complicate enforcement and delay effective relief.

Our pending patent applications may not be granted, may be granted with narrower claims than anticipated, or may face opposition, re-examination, or invalidation by third-parties. In addition, the ongoing maintenance, renewal, and recorded of our issued patents are essential for their protection. Any lapse, missed fee, defect in chain of title, or ambiguity in our joint development or licensing arrangements could weaken our IP protection. If we are unable to prevent third-parties from using technologies, designs, or brand assets that are identical or substantially similar to ours, or if we must allocate significant resources to monitor and enforce our IP, our market differentiation, pricing power, partner confidence, and market share could be adversely affected, leading to increased operating costs and managerial distraction.

RISK FACTORS

We may be involved in litigation brought by third-parties claiming infringement by us of their intellectual property rights, which could be time-consuming and would cause us to incur substantial costs.

We operate in fields characterized by dense and rapidly evolving patent landscapes. We may face allegations that our technologies, designs, processes, content or data practices infringe patents, copyrights, trademarks, mask works or misappropriate trade secrets owned by competitors, non-practicing entities or other rightsholders. Adverse outcomes could include injunctions or import bans, recalls, product holds, mandatory feature removals, significant damages, attorneys’ fees, destruction of inventory, and requirements to pay past and ongoing royalties or accept licenses on unfavorable terms.

Defending or prosecuting IP disputes is inherently uncertain, expensive and time-consuming, and may divert the attention of our management and engineers, require intrusive discovery into our confidential information, and generate adverse publicity. Future matters could be similar or more complex. Even allegations that lack merit can be costly to resolve and may prompt customers to delay purchases, require contractual safeguards, or select alternative suppliers. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our use of open source software could negatively affect our ability to sell our solutions and subject us to possible litigation.

Our solutions and platform incorporate open source software, and we expect to continue to incorporate open source software in our solutions and platform in the future. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions and platform. We cannot be certain that we have not incorporated open source software in our solutions or platform in a manner that is inconsistent with policies to regulate the use and incorporation of open source software. When we utilize open source software in our solutions in certain ways, the applicable open source licenses may subject us and our customers to certain requirements, including requirements that we and our customers offer the solutions that incorporate the open source software for no cost, make available source code for modifications or derivative works that are based on, incorporate or use the open source software, and license such modifications or derivative works under the terms of applicable open source licenses. We may receive notices alleging that our usage of other unlicensed open source software does not comply with the applicable license, or such usage requires us to obtain a commercial license. If it were determined that we had not complied with the conditions of one or more of these open source licenses, or if we are unable to successfully negotiate an acceptable commercial license, we and our customers could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined or otherwise prohibited from offering, providing or deploying solutions that contained the open source software, and be required to comply with onerous conditions or restrictions on these solutions. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering our respective solutions and platforms, and to re-engineer our solutions or platforms or discontinue offering our solutions in the event re-engineering cannot be accomplished in a timely manner. Any of the foregoing could require us and our customers to devote additional research and development resources to re-engineer our solutions or platforms, harm our reputation, or result in customer dissatisfaction, and may adversely affect our business, operating results and financial condition.

Our success depends on the continued contribution of our core management and research personnel, and any loss of key talent may disrupt our innovation capabilities and adversely affect our business.

Our success is deeply reliant on the continued contributions of our core management team and technical personnel. Given the technology-driven nature of our business, the loss of key talent could significantly disrupt our innovation capabilities and adversely affect our long-term business prospects. To maintain our competitive edge and effectively execute our business strategy, it is essential for us to attract, retain, and motivate highly skilled engineers, researchers, and technical leaders. These individuals are critical to the continued development of our AICP, which are the technology base of our business. Many

RISK FACTORS

of our key executives and core employees possess specialized experience and expertise, the value of which is far-reaching and difficult to replace, given the high barriers to entry in intelligent cloud-based instant messaging solutions markets. Their unique skills are crucial for driving the ongoing technological advancements that differentiate our solutions in the marketplace.

External factors, such as intense competition for talent, rising labor costs, and shifts in workforce dynamics, are beyond our control and could exacerbate the challenge of retaining our most valuable employees. The competitive market for skilled professionals may drive up compensation costs, including cash and stock-based incentives, and in times of market volatility, the retention value of stock-based compensation may diminish.

Our dependence on a strong management team presents another significant risk. If one or more members of our core management team were unable or unwilling to continue their roles, the cost of replacement would be substantial, both in terms of time and resources. Finding qualified replacements who can swiftly integrate into our company and lead our operations may prove challenging. Furthermore, should key members of our management team move to competitors or establish their own ventures, the impact could be significant, and there is no guarantee that we will be able to fully enforce our contractual rights to retain them.

Moreover, if we fail to effectively recruit, train, and retain the talent necessary to support our research and development and technological innovation efforts, or if attrition outpaces our ability to fill critical positions, we risk a slowdown in our innovation velocity, which could compromise service delivery and customer satisfaction. Such outcomes could have a material and adverse impact on our business, financial condition, and future growth potential.

We may fail to optimize the prices for our solutions, and any adverse trend in pricing will impact our revenues and results of operations.

We charge our customers under different pricing models depending on the nature of our solutions and services. For our internet application solutions, we generally adopt subscription-based and usage-based pricing models, while pricing for our vertical industry solutions and overseas nationwide communication solutions is generally determined with reference to project scope, customization requirements, deployment model and service content. We may not be able to maintain or improve the pricing of our solutions and services, which are influenced by various factors, including market demand, customer requirements, competitive dynamics and industry conditions.

One of the challenges to our pricing is that certain costs incurred in providing our solutions, including cloud resources, server resources and other third-party services, may fluctuate from time to time. As a result, we may incur increased costs that we may be unable or unwilling to pass through to our customers, which could adversely affect our business, results of operations and financial condition. Furthermore, as competitors introduce new solutions or services that compete with ours or reduce their prices, we may be unable to attract new customers or retain existing customers based on our historical pricing. Moreover, large enterprises, which are a primary focus of our business, may demand substantial price concessions leveraging their significant bargaining power. In addition, large enterprises and customers with relatively high usage demand and spending levels, which represent an important customer group of our business, may demand price concessions or more favorable commercial terms due to their bargaining power. As a result, in the future we may fail to increase our pricing levels, or may even be required or choose to reduce our prices or change our pricing model, which could materially and adversely affect our business, results of operations and financial condition.

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We serve various levels and types of state-owned enterprises in China. Conducting business with state-owned enterprises can involve complexity that requires extra outlay of financial and managerial resources in order to comply with related laws and regulations.

We have targeted and will continue to target more sales efforts on China’s state-owned enterprises. The procurement process for state-owned enterprises is in many ways more challenging than contracting in the private sector. We must comply with laws and regulations relating to the formation, administration, performance and pricing of contracts with state-owned enterprises. These laws and regulations may impose additional costs on our business or prolong or complicate our sales efforts, and failure to comply with these laws and regulations or other applicable requirements could lead to claims for damages from our customers, penalties, termination of contracts and other adverse consequences. Any such damages, penalties, disruptions or limitations in our ability to do business with state-owned enterprises could have a material adverse effect on our business, results of operations and financial condition. In addition, sales to China’s state-owned enterprise often involve open tendering processes, where we face intense competition and pricing pressure and may thus suffer increased operating expenses and lowered profit margins. If we cannot succeed in our competitive tenders, our customer base may decrease, and our brand image and reputation may be adversely affected. State-owned enterprises often require highly specialized contract terms that may differ from our standard arrangements, and often impose compliance requirements that are complicated, require preferential pricing, terms and conditions, or are otherwise time-consuming and expensive to satisfy. Compliance with these special standards or satisfaction of such requirements could complicate our efforts to obtain business or increase the costs of doing so. Even if we do meet these special standards or requirements, the increased costs associated with providing our solutions to state-owned enterprises could harm our margins.

We may not be successful in implementing our business plans and strategies effectively or at all, which could materially and adversely affect our business, financial condition and results of operations.

Our business plans and strategies are based on certain assumptions about future market developments, customer needs, and technological advancements. We have formulated plans to focus research and development efforts on our “AI + Communications” solutions and technologies, which is critical to our global business expansion. For details, see “Business — Our Strategies” in this Document. However, there can be no assurance that we will be able to successfully execute these strategies or achieve the expected outcomes. Our ability to grow and maintain profitability depends on factors such as the successful development of our solutions, market conditions, regulatory changes, and the execution of our strategic initiatives. If we fail to implement our business plans and strategies effectively, or if market conditions change in ways that are unfavorable to our operations, our business, financial condition, and results of operations could be materially and adversely affected.

From time to time we may evaluate and potentially consummate strategic alliances, investments or acquisitions, which could require significant management attention, disrupt our business and adversely affect our financial results.

We may enter into strategic alliances or investments, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These alliances and investments could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third-parties suffers negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, if appropriate opportunities arise, we may acquire additional businesses, platforms, assets or technologies that we believe can expand and strengthen our solutions and customer coverage, as well as our technology and service capabilities. Future acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. Acquired assets or businesses may not generate the financial results we expect.

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Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. It may also pose the risk that we may be exposed to successor liability relating to the actions by an acquired company and its management before and after the acquisition. The due diligence that we conduct in connection with an acquisition or investment may not be sufficient to discover unknown liabilities, and any contractual guarantees or indemnities that we receive from the sellers of the target companies and/or their shareholders may not be sufficient to protect us from, or compensate us for, actual liabilities. Moreover, the costs of identifying and consummating investments may be significant. In addition to possible shareholders’ approval, we may also have to obtain approvals and licenses from relevant government authorities for the investments and to comply with any applicable PRC laws and regulations — especially the outbound direct investment by PRC entities is required to be approved by or filed with the Ministry of Commerce of the PRC, National Development and Reform Commission of the PRC or their local branches and the foreign exchange bank, which could result in delays and increased costs. Additionally, if the management team or key employees of an acquired company fail to perform as expected, this may adversely affect the business performance of such acquired company and, in turn, have a material adverse effect on our business, financial condition and results of operations.

We are subject to various risks relating to third-party payments.

During the Track Record Period, to our best knowledge, certain of our customers (the “**Relevant Customers**”) engaged third-party payors (the “**Third-party Payors**”) to settle their payments with us under the relevant service agreements, whereby the contractual counterparty and the actual payor were not the same entity (the “**Third-party Payment Arrangements**”). For the years ended December 31, 2023, 2024 and 2025, the number of Relevant Customers adopting Third-party Payment Arrangements amounted to approximately 132, 91 and 67, respectively. The aggregate amount settled under Third-party Payment Arrangements amounted to RMB8.1 million, RMB9.1 million and RMB7.7 million, respectively, representing 2.9%, 3.7% and 3.9% of our total payments received for the provision of our solutions and services during the corresponding years. Third-party Payors involved primarily included (i) persons or entities affiliated with the Relevant Customers including Relevant Customers’ subsidiaries or affiliated entities, legal representatives, business operators, shareholders or employees; and (ii) independent third parties designated by the Relevant Customers to make payments on their behalf. See “Business — Third Party Payment Arrangements” for more details. We cannot guarantee that in the future, we will not be subject to potential disputes, claims or liabilities in relation thereto, which may adversely affect our reputation and business.

Misconduct, fraud, or other unethical behavior by our employees, contractors, or third-party partners may expose us to legal, operational, and reputational risks.

We rely on the integrity and professionalism of our employees, customers, and external partners including suppliers, and system integrators to operate our business in compliance with applicable laws, internal policies, and contractual obligations. However, we cannot assure you that all such individuals or entities will always act in accordance with our standards.

Misconduct may include fraud, bribery, embezzlement, unauthorized disclosure of confidential information, falsification of records, theft of assets, misuse of company resources, or violation of applicable anti-corruption, export control, or data privacy laws. Such behavior may occur within our internal operations or in dealings with third-parties such as customers, regulators, or vendors. Our internal control measures, compliance procedures, and audit mechanisms may not be effective in all cases. In particular, in overseas markets or remote deployment sites where we rely heavily on local partners, third-party contractors, or project-specific staffing, our visibility and control may be limited. If any employee or partner engages in unethical behavior, we may be subject to investigations, contractual disputes, regulatory penalties, or civil or criminal liability. In addition, such incidents may result in reputational harm, internal disruption, loss of customer trust, or financial loss, especially if sensitive data, confidential technology, or customer information is compromised. Any failure to detect, prevent, or appropriately respond to misconduct could materially and adversely affect our business operations, financial condition, and brand reputation.

RISK FACTORS

We may from time to time be subject to claims, disputes, lawsuits and other legal and administrative proceedings.

From time to time, we are or may be a party to various litigation claims, legal or arbitral proceedings, government, and regulatory inquiries and/or proceedings, including, but not limited to, intellectual property, fraud, unfair business practices, product liability, employee related claims, breach of contract claims and securities actions. Additionally, alleged non-compliance and breaches of laws and regulations may also lead to litigation, legal proceedings, government, and regulatory inquiries and/or proceedings. We may also initiate legal proceedings against business partners for material breach of contractual obligations, third-parties engaged in intellectual property infringement or trade secret misappropriation, current or former employees involved in fraudulent or corrupt activities, as well as any party whose unlawful acts materially and adversely impact our substantive rights, business operations, or corporate reputation. Any negative publicity arising from such proceedings, claims, litigation or disputes, regardless of the accuracy of such negative publicity, could damage our reputation and brand.

Defending these proceedings and/or addressing such negative publicity can be time consuming and result in significant ongoing expenditures and the diversion of our management’s time and attention from the day-to-day operation of our business, which could have a negative impact on our business operations. Due to the inherent uncertainty of the litigation process, there is no guarantee that we will succeed in defending ourselves against such claims or proceedings, or that the management’s assessment of the materiality of these matters, including the accounting provisions made in connection therewith, will be consistent with the ultimate outcome of such claims or proceedings. Unfavorable outcomes or developments relating to any proceedings, such as judgments for monetary damages, penalty fees, injunctions, product recalls or denial or revocation of licenses or permits, could have a material adverse effect on our business, prospects, and financial condition. Our failure to successfully defend or settle any litigation, legal or arbitral proceedings or to assess accurately the materiality of a claim could result in liabilities that, to the extent not covered or only partially covered by our insurance, could have a material and adverse effect on our business, financial condition, and prospects.

Negative publicity, whether substantiated or not, may harm our reputation and adversely affect our business and prospects.

Our business performance and customer relationships are closely tied to our reputation in the industry. Any negative publicity, whether resulting from actual or alleged product defects, service failures, employee misconduct, data security concerns, regulatory inquiries, or association with third-parties, may damage public perception of our brand and credibility, even if such claims are unfounded or unrelated to our core operations. In the era of instant online communication and global media coverage, such incidents may be amplified across social media platforms or industry forums, especially in the case of government customers or high-profile deployments. If we are unable to respond effectively to adverse public narratives, restore stakeholder confidence, or correct misinformation in a timely manner, our ability to retain customers, win new business, or attract partners may be materially and adversely affected.

We may not have sufficient insurance coverage to cover our business risks.

Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. Our current insurance coverage may not be sufficient to prevent us from any loss and we cannot assure you that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or if the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

RISK FACTORS

We might experience work stoppage, labor shortage and other labor related matters which may disrupt our normal operation and cause delay in delivery to our customers or drive up our labor cost, which may adversely affect our reputation and results of operations.

In 2023, 2024 and 2025, we incurred employee benefit costs recognized as cost of sales of RMB35.2 million, RMB20.2 million and RMB8.3 million, respectively. Labor shortages or workforce disruptions can also pose significant risks to our daily operations. Inadequate staffing levels or the inability to attract and retain skilled workers may result in service delivery delays and increased labor costs.

We cannot guarantee we would not face any labor-related issues, including labor disputes, strikes, or the inability to attract and retain qualified workers, which may lead to work stoppages or labor shortages and significantly impact our ability to meet customer demands. Furthermore, such labor-related matters could incur additional costs associated with resolving labor disputes, hiring temporary staff, or implementing contingency plans to mitigate the impact of labor shortages. These additional expenses, coupled with potential revenue losses from delayed deliveries, may negatively affect our profitability and overall results of operations. Our reputation for reliability and timely delivery is crucial to maintaining and expanding our customer base. Any delays in service delivery could potentially harm our reputation and result in customer dissatisfaction, which could lead to potential loss of business. Any negative impact on our reputation may lead to decreased customer loyalty, reduced sales, and ultimately, adverse effects on our financial performance.

We may be subject to risks associated with international trade restrictions, export controls and technology-related regulatory measures, which could adversely affect our business, financial condition and results of operations.

International trade policies, export control regulations, sanctions regimes and other technology-related regulatory measures continue to evolve globally. Certain jurisdictions have imposed or may in the future impose restrictive measures targeting high-technology products, cloud infrastructure, semiconductors, artificial intelligence technologies, software or cross-border technology cooperation. Such measures may increase regulatory uncertainty and adversely affect the global technology supply chain and business environment.

We rely on various third-party technologies, cloud infrastructure services, hardware, software and other technology-related products and services in the operation of our business. There can be no assurance that future changes in international trade policies, export controls, sanctions or other regulatory measures will not restrict, delay or otherwise adversely affect our ability, or the ability of our suppliers, service providers or business partners, to access or provide technologies, solutions or services necessary for our business operations.

Any such restrictions, supply disruptions, regulatory developments or increases in compliance costs could adversely affect our ability to maintain or expand our business operations, develop or deploy solutions, or serve our customers in a cost-effective manner, which could materially and adversely affect our business, financial condition and results of operations.

Failure to obtain, renew or maintain required licenses, approvals and permits, or to comply with applicable regulatory requirements, may adversely affect our business.

We are required to obtain various licenses, approvals, and permits from government authorities in all the jurisdictions where we operate, including both domestic and international markets. In addition to these requirements, our business must comply with a broad spectrum of laws and regulations in each jurisdiction, which may evolve over time. Regulatory frameworks can change, leading to the introduction of new laws or modifications to existing ones, including re-interpretations or updates to current requirements.

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As we expand our operations in existing and new markets, we may become subject to additional laws and regulations relating to telecommunications, data protection, cybersecurity, technology services and other regulatory requirements. Compliance with such requirements may require additional resources, increase our operating costs and subject us to greater regulatory scrutiny. Regulatory frameworks may evolve over time, and laws and regulations may be interpreted or enforced differently across jurisdictions.

Additionally, government authorities may exercise discretionary powers, and regulatory bodies may interpret laws differently across regions. Any failure to obtain, renew or maintain the licenses, approvals, permits or registrations required for our operations, or to comply with applicable regulatory requirements, could result in fines, penalties, business restrictions, suspension of operations, reputational damage or other adverse consequences.

If we fail to secure, renew, or retain the necessary licenses and certifications, especially those required for international markets, our business operations, expansion prospects, and financial condition could be materially impacted.

Any reduction or termination of our government grants and preferential tax treatment could adversely affect our financial condition.

We have historically benefited from various forms of government support, including industrial policy grants provided by local government authorities. These forms of financial and policy support have contributed positively to our operating results and cash flows during the Track Record Period. However, such government support is subject to periodic review, administrative discretion, and policy changes at both the central and local levels. Many of the grants or tax benefits we receive are contingent upon our continued compliance with specific eligibility criteria, including technological qualifications, research and development investment intensity, headcount thresholds, or regional contribution assessments. We cannot assure you that we will continue to meet such requirements in future periods, especially as our business model, operational scale, or geographic footprint evolves.

Furthermore, preferential policies may be suspended, reduced, or restructured due to changes in fiscal priorities, policy orientation, or macroeconomic conditions. In some jurisdictions, local governments may face budget constraints or apply more stringent scrutiny over incentive programs, particularly for cross-border enterprises or high-growth technology firms. If we are no longer eligible for certain grants or tax benefits, or if existing policies are withdrawn or curtailed, we may experience a corresponding increase in our effective tax rate, higher cost of doing business, or reduced funding for research and development. Such developments could adversely affect our financial condition, profitability, and investment capacity.

We have granted and may grant new awards, which may dilute the shareholding interests of our Shareholders and increase our share-based compensation expenses.

We adopted the Share Incentive Plans during the Track Record Period. See “Appendix IV — Statutory and General Information — 5. Share Incentive Plans.” In 2023, 2024 and 2025, we recorded share-based compensation of RMB1.4 million, RMB1.1 million and RMB4.5 million, respectively. To further incentivize our employees, we may adopt other new equity incentive plans and award additional equity incentives in the future. Issuance of Shares with respect to our equity incentive plan may dilute the shareholding of our existing Shareholders. In addition, any future grants may result in additional share-based compensation expenses, which could adversely affect our results of operations.

RISK FACTORS

Failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds or other PRC labor related regulations may subject us to fines and other legal or administrative sanctions.

Companies operating in the PRC are required to contribute to a number of social insurance premiums, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of employees in mainland China. According to applicable PRC laws and regulations, employers must open social insurance registration accounts and housing provident fund accounts and contribute to social insurance premiums and housing provident fund for the benefits of their employees.

If any of the relevant authorities determine that we have not made adequate social insurance contributions and housing provident funds for our employees in accordance with applicable laws and regulations, we may be ordered to pay the outstanding amounts within a specified time frame. During the Track Record Period, we and certain of our PRC subsidiaries failed to make adequate contribution to social insurance and housing provident funds for certain employees. According to the Notice of the General Office of the State Council on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rates (國務院辦公廳關於印發《降低社會保險費率綜合方案》的通知) and the Notice of the General Office of the State Administration of Taxation on Prudently and Orderly Carrying Out Work Related to the Collection and Administration of Social Insurance Contributions (國家稅務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知), it is not allowed to collect the historical social insurance arrears of enterprises in a centralized manner without authorization.

Our PRC Legal Advisor is of the view that the likelihood that the relevant authorities would proactively initiate collective action to recover shortfalls and that we would be subject to material administrative penalties is remote in the absence of employee’s complaints, provided that there are no significant changes in current policies, regulations, local government supervision, and law enforcement requirements related to social insurance and housing provident fund and based on the following reasons: (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from relevant government authorities requiring us to pay shortfalls or the penalties with respect to social insurance or housing provident funds; (ii) we had not been subject to any administrative penalties with respect to social insurance or housing provident funds; (iii) based on the confirmation from relevant authority of us, we have not been subject to any material or pending investigations, disputes or administrative penalties regarding the social insurance or housing provident fund, we have not been required by the relevant authority to pay for the shortfalls of social insurance and housing provident fund, and the relevant authority has not been aware of any circumstances involving ongoing disputes, or litigation of us related to labor, social insurance or housing provident fund; and (iv) we undertake that, to the extent we and our PRC subsidiaries are ordered by the relevant government authorities to pay the shortfall of the social insurance and/or housing provident fund or make rectifications, we will proactively take actions and perform obligations as so ordered within the prescribed period.

Although we have not been subject to any administrative penalties, there is no assurance that our historical and current practices with respect to the contribution of social insurance plans and housing provident fund will at all times satisfy the government authorities in mainland China. In the event of any such non-compliance, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so.

In addition, as the interpretation and implementation of the Labor Contract Law, the Social Insurance Law and other labor related regulations are evolving, we cannot assure you that our employment practice do not and will not violate labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations, we cannot assure that such risks we may be exposed to will not adversely affect our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any lawsuits, legal proceedings or complaints.

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Increasing focus on ESG matters by regulators and other stakeholders may impose additional compliance requirements and operational costs on us.

In recent years, ESG issues have been attached more importance by regulatory authorities, investors, business partners, and the general public. The evolving and more stringent ESG laws or regulations may increase our operating and compliance costs. This may include additional efforts to adjust our business strategies, and rearrange resources to more efforts on ESG disclosure, ESG reporting, and internal oversight. Accordingly, there can be no assurance that our efforts to promote responsible business practices and improve our ESG policies will meet all evolving stakeholder expectations or shield us from ESG-related risks. If we fail to meet the evolving expectations on ESG issues, it may affect our reputation, reduce our investor confidence, or diminish our access to capital markets. For more information about our ESG policies and practices, please see “Business — Environmental, Social and Governance.”

We face certain risks relating to our leased properties.

As of December 31, 2025, our six leased properties in China had not been registered or filed with the relevant land and real estate administration bureaus in the PRC. As advised by our Company’s PRC Legal Adviser, while the lack of registration will not affect the validity of the lease agreements, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease.

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations.

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate or plan to operate. We may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws if our compliance processes or internal control systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material adverse effect on our reputation, business, financial condition and results of operations. If any of our subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal control policies, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws or regulations, which may result in penalties, fines or sanctions and in turn adversely affect our reputation, business, financial condition and results of operations.

We face risks related to natural disasters, health epidemics and other outbreaks of contagious diseases.

Our business could be adversely affected by natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, terrorism or other force majeure events beyond our control. These events may disrupt our research and development, manufacturing and commercialization activities and business operations, all of which could adversely affect our business, results of operations, financial condition and prospects. In particular, these natural disasters, outbreaks of contagious diseases and other adverse public health developments could severely disrupt our business operations by damaging our technology infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations.

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RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES AND REGIONS WHERE WE OPERATE

Any downturn in regional or global economy, or deterioration of geopolitical environment could affect our business, financial condition and results of operations.

The growth of the regional and global economy has slowed in recent years. It remains uncertain whether, and for how long, the regional and global economic downturn will persist. There are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world’s leading economies. The continued uncertainty and potential escalation of China-U.S. trade frictions further undermine global supply chain stability, potentially compelling enterprises to restructure trade routes and elevating compliance costs. Concurrently, the spread of geopolitical conflicts and terrorism threats in specific regions have triggered significant volatility in energy and commodity markets. Regional economic conditions are sensitive to global economic conditions, changes in domestic economic and political policies as well as the expected overall economic growth rate.

It is unclear that whether these challenges and uncertainties will be effectively managed or resolved and what effects they may have on the global political and economic conditions in the long term. Any economic downturn or slowdown or negative business sentiment could have an indirect potential impact on our industry. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs. As a result, our business operations and financial performance may be adversely affected.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third-parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

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It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of the telecom industry and affect our business, financial condition and results of operations.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

We are a company incorporated under the laws of the PRC, and a substantial part of our assets, subsidiaries and all of our Directors and senior management, are located in China. As a result, it may be complex for investors to effect services of process upon us, or our Directors or senior management who reside in China. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in mainland China only if the jurisdiction has a treaty with mainland China or if the jurisdiction has been otherwise deemed by the courts of mainland China to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, mainland China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of certain foreign jurisdictions, and enforcement in mainland China of judgments of a court in these jurisdictions may consequently be difficult.

On July 14, 2006, the Supreme People’s Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), or the 2006 Arrangement. Under the 2006 Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. On January 18, 2019, the Supreme People’s Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between the PRC court and Hong Kong court. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People’s Court of the PRC and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement will, upon its effectiveness, supersede the 2006 Arrangement.

Certain of our foreign exchange transactions are subject to regulatory requirements over foreign currency conversion.

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we would have sufficient foreign exchange to meet our foreign exchange needs. For example, under the PRC current foreign exchange regulation system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange (the “SAFE”); however, we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or their local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be affected. Moreover, non-compliance with any applicable foreign exchange regulations could subject us to administrative penalties and fines, and could affect our business and reputation.

RISK FACTORS

Our offshore subsidiary may be treated as a resident enterprise for PRC tax purposes.

Under Enterprise Income Tax Law (“EIT Law”) and the Regulation on the Implementation of the Enterprise Income Tax Law of China (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of China with “de facto management bodies” located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or Circular 82, specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated under the laws of foreign countries or territories and that have PRC enterprises or enterprise groups as their primary controlling shareholders, will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in China; (iii) key properties, accounting books, company seal, and minutes of board meetings and shareholders’ meetings are located or kept within China; and (iv) at least half of the directors with voting rights or senior management reside within China. The State Administration of Taxation of the PRC, or State Taxation Administration (“SAT”), has subsequently provided further guidance on the implementation of Circular 82.

Although our offshore subsidiary, may have substantive business operations in the countries or regions where they located, as our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, they could be subject to the EIT at 25% on their global income, except that the dividends they receive from our PRC subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes “dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise.” Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a “PRC resident enterprise” for such purposes. The EIT on our offshore subsidiaries’ global income could significantly increase our tax burden and affect our cash flows and profitability.

Our operations are subject to, and may be affected by, changes in tax laws and regulations in the countries and regions where we operate.

The PRC EIT Law imposes a tax rate of 25% on business enterprises. Our Company and certain PRC subsidiaries of our Group are entitled to preferential tax treatment. See “Financial Information — Key Components of Our Results of Operations — Income Tax Expense” for details. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

Non-PRC Holders of our H Shares may be subject to PRC income tax obligations.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor’s jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise.

RISK FACTORS

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementing rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the Ministry of Finance (“MOF”) of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises [REDACTED] on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of [REDACTED] shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your [REDACTED] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Several jurisdictions in which we operate impose restrictions on foreign ownership of businesses. Changes in relevant laws and regulations or policies could affect our business, financial condition and results of operations.

Foreign investors are subject to restrictions on foreign ownership in certain industries in several jurisdictions where we operate. The governments of these jurisdictions in which we operate may re-evaluate or amend the relevant laws and regulations or policies, and changes in the laws and regulations or policies, including their application or interpretation, could require us to remove or amend our existing arrangements or reduce our voting or economic interests in any existing or future subsidiaries and associates in these jurisdictions. Any such removal, amendment or reduction could affect our ability to successfully implement our business strategies and operate in the relevant jurisdictions. Furthermore, we cannot assure you that our subsidiaries or associates will be able to comply with any new restrictions on foreign ownership because compliance may be affected by whether other shareholders are considered domestic or foreign investors, as determined in accordance with the applicable laws and regulations. If foreign ownership restrictions are determined to have been violated, penalties could be imposed and relevant licenses or agreements could be cancelled or voided. Any of these events could affect our business, financial condition and results of operations.

RISK FACTORS

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for the Shares and the liquidity and market price of our Shares may be volatile.

Prior to the [REDACTED], there has been no public market for our H Shares. The initial [REDACTED] for the H Shares was the result of negotiations between us and the Sole Sponsor (for themselves and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the market price for our H Shares following the [REDACTED]. We cannot assure you that an active trading market for our H Shares will develop or be sustained after the [REDACTED] or that the market price of our H Shares will not decline below the [REDACTED]. The market price for our H Shares may be highly volatile and subject to wide fluctuations in response to a number of factors, some of which are beyond our control.

The trading price of the Shares may be volatile, which could result in substantial losses to you.

The trading price of our H Shares may be volatile and could fluctuate significantly due to factors beyond our control. Such factors include, but are not limited to, variations in our revenue, earnings and cash flow, changes in our operating results, changes in analysts’ estimates, perceptions of our industry and regulatory developments in the PRC and elsewhere. The securities markets have from time-to-time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our H Shares.

Additionally, under PRC law, all existing Shareholders (including [REDACTED]) are restricted from disposing of any of their Shares within the first 12 months following the [REDACTED]. This lock-up period may affect the liquidity and trading volume of our H Shares shortly after the [REDACTED]. These factors, independent of our actual business performance, could contribute to substantial price volatility and potential losses for [REDACTED] in our H Shares.

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

The [REDACTED] of our H Shares in the [REDACTED] may be higher than the net tangible book value per H Share immediately prior to the [REDACTED]. As a result, [REDACTED] of our H Shares in the [REDACTED] may experience immediate dilution in net tangible book value. In addition, we may need to raise additional funds in the future and may issue additional Shares or securities convertible into Shares. [REDACTED] of our H Shares may experience further dilution in the net tangible book value per Share if we issue additional Shares or securities in the future.

Future sales or perceived sales of substantial amounts of our H Shares could adversely affect the market price and dilute shareholder holdings.

The market price of our H Shares and our ability to raise capital at favorable terms could be negatively impacted by the future sale of substantial amounts of our H Shares in the public market, especially if sold by our Directors, executive officers, or largest Shareholders, or if we issue new shares or share-linked securities. The perception of such sales or issuances could also exert downward pressure on our share price. Additionally, if we issue additional securities in the future, our existing Shareholders may experience dilution in their holdings.

We may issue new shares under any current or future share incentive schemes, further diluting Shareholder interests. These newly issued shares or share-linked securities could carry rights and privileges that take precedence over those of our H Shares. Certain shares held by our largest Shareholders are subject to lock-up periods starting from the date our Shares commence trading on the Hong Kong Stock Exchange. We cannot guarantee that they will not sell shares at that time or in the future. Such sales, or the potential for these shares to enter the market, could negatively affect the prevailing market price of our H Shares.

RISK FACTORS

Additionally, [REDACTED] who [REDACTED] to shares in the [REDACTED] may not be subject to any disposal restrictions on their H Shares, and they may have existing arrangements or agreements to sell part or all of their H Shares immediately after the [REDACTED] for various legal, regulatory, business, or market reasons. These sales, especially if occurring in a short period after the [REDACTED], could exert downward pressure on the market price and create substantial volatility in the trading volume of our H Shares.

The interests of our Controlling Shareholders may conflict with the best interests of our other shareholders.

Immediately upon completion of the [REDACTED], without taking into account any Shares issued under the [REDACTED], our Controlling Shareholders will hold an aggregate of approximately [31.22] % of our total issued share capital, giving them substantial control over our business and corporate decisions. This concentrated ownership allows our Controlling Shareholders to exercise significant influence over matters requiring Shareholder approval, including the election of directors, mergers, business combinations, asset acquisitions or disposals, issuance of additional Shares or other equity securities, dividend payments, and overall corporate strategy.

This level of control may lead our Controlling Shareholders to make decisions that serve their interests but are not necessarily aligned with those of our minority Shareholders. Additionally, this concentration of ownership may deter, delay, or prevent a change in control of our Company, which could otherwise provide Shareholders an opportunity to sell their shares at a premium. Such actions could negatively affect the market price of our H Shares and limit the influence of other Shareholders on the Company’s governance and future direction.

Additionally, our Shares held by our Controlling Shareholders are subject to certain lock-up periods. For details, see “[REDACTED]” in this Document. However, there is no assurance that after the restrictions of the lock-up periods expire, our Controlling Shareholders will not dispose of any Shares. Sale of substantial amounts of our Shares in the public market, or the perception that these sales may occur, may materially and adversely affect the prevailing market price of our H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there is no assurance of future dividend payments.

Our Board has discretion as to whether to distribute dividends. The amount of dividends we have paid in the past is not indicative of our future dividend policy or dividend amounts. The declaration and payment of dividends will be at the discretion of our Board and will depend on various factors, including our business prospects, financial performance, cash flow, capital requirements and the terms of our financing arrangements. There can be no assurance that we will declare and pay dividends in the future in any amount.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return to our Shareholders. For further details on our plans to use [REDACTED] from the [REDACTED], see “Future Plans and [REDACTED]” in this Document. However, our management will have discretion as to the actual application of our [REDACTED]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the [REDACTED] from this [REDACTED].

RISK FACTORS

Certain facts, forecast and other statistics in this Document obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecasts, and other statistics included in this Document are derived from various publicly available government and official sources. While our Directors believe these sources to be appropriate and have taken reasonable care in obtaining and reproducing the information, we cannot guarantee the accuracy, quality, or reliability of the underlying source materials. This data has not been independently verified by us or any other parties involved in the [REDACTED] and no representation is given as to their accuracy.

Additionally, we cannot assure our [REDACTED] that this information has been compiled on a basis or with the same level of accuracy as similar data presented elsewhere. Therefore, prospective [REDACTED] are advised to carefully consider the weight and importance they place on such facts and statistics when evaluating this Document.

Our forward-looking statements are subject to uncertainties, and future results could differ materially from those expressed or implied.

This Document contains forward-looking statements about our business based on management’s current beliefs, assumptions, and information available at the time. Forward-looking statements are identified by terms such as “aim,” “anticipate,” “believe,” “could,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “will,” and similar expressions. These statements reflect management’s views on future events, operations, liquidity, and capital resources; however, they are inherently subject to risks, uncertainties, and assumptions.

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results could differ significantly from those suggested by these forward-looking statements. Factors beyond our control and future business decisions could impact outcomes, many of which are discussed in the “Risk Factors” section of this Document.

In light of these uncertainties, forward-looking statements should not be considered assurances of specific plans or objectives, and prospective [REDACTED] are cautioned not to place undue reliance on them. All forward-looking statements in this Document are qualified by these cautionary statements. Subject to ongoing disclosure obligations under the Listing Rules or Hong Kong Stock Exchange requirements, we do not intend to publicly update or revise forward-looking statements due to new information, future events, or other factors.

Prospective [REDACTED] should rely solely on this Document and not on media reports when making investment decisions.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional media coverage regarding us, our business, our industry and the [REDACTED] subsequent to the date of this Document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. Our Company, the Sole Sponsor, [REDACTED], any of our and their respective directors, officers, representatives, employees, advisers or any other persons or parties involved in the [REDACTED] make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, our Company, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of our and their respective directors, officers, representatives, employees, advisers or any other persons or parties involved in the [REDACTED] disclaim responsibility for it, and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer’s executive directors must be ordinarily resident in Hong Kong.

Currently, all of our executive Directors reside in the PRC and for the foreseeable future will not be ordinarily resident in Hong Kong. Our Group’s business operations, management headquarters, senior management and assets are primarily conducted and located in the PRC, and it would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong, or to appoint additional executive Directors solely for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules, primarily on the basis that, as our headquarters, business operations, senior management and assets are located in the PRC, our management is best able to attend to its function by being based in the PRC.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to, among others, the following conditions:

- (i) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorised to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Mr. Ren Jie, our executive Director, and Ms. Tsui Ka Yan (“Ms. Tsui”), our joint company secretary;
- (ii) both of our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. Pursuant to Rule 3.20 of the Listing Rules, each of our Directors has provided his/her respective mobile phone numbers, office phone numbers, facsimile numbers (if available) and/or email addresses (if available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavour to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile numbers, office phone numbers, facsimile numbers (if available) and/or email addresses (if available) and remain reachable by the Stock Exchange through the authorized representatives;
- (iii) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Rainbow Capital (HK) Limited as the Compliance Adviser, who will act as an additional channel of communication with the Stock Exchange. The Compliance Adviser will have access at all times to our authorized representatives, our Directors, senior management, and other officers of our Company. We shall also ensure that such persons will promptly provide such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

our Company, our authorized representatives, Directors, senior management, other officers, and the Compliance Adviser of our Company, and will keep the Compliance Adviser fully informed of all communications and dealings between us and the Stock Exchange.

- (iv) meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Adviser.

JOINT COMPANY SECRETARIES

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

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

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, it further sets out the factors that the Stock Exchange will consider in assessing an individual’s “relevant experience”:

- (i) length of employment with the issuer and other issuers and the roles he/she played;
- (ii) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulations in Hong Kong, he/she also needs to have experience relevant to our Company’s operations, a nexus to our Board and a close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company’s business and affairs as company secretary.

We have appointed Mr. Song Wei (宋巍) (“**Mr. Song**”) and Ms. Tsui as our joint company secretaries. Ms. Tsui is a member of The Hong Kong Chartered Governance Institute and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. Mr. Song, however, does not possess the qualifications set out in Rule 3.28 of the Listing Rules. We believe that Ms. Tsui, by virtue of her experience as company secretaries of four other Hong Kong listed companies, is capable of discharging her functions as a joint company secretary.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

We therefore believe that it would be in the best interests of our Company to appoint Ms. Tsui as a joint company secretary. For further details, see the section headed “Directors and Senior Management — Joint Company Secretaries” for their biographies.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Song as our joint company secretary on the condition that Mr. Song will be assisted by Ms. Tsui as our joint company secretary for a fixed period of time, but in any case will not exceed three years from the [REDACTED] (the “**Waiver Period**”). By virtue of his experience in corporate secretarial practice and corporate governance, Ms. Tsui, in our Directors’ opinion, is a qualified and suitable person to render assistance to Mr. Song so as to enable him to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties. In addition, Mr. Song will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the Waiver Period. Our Company will further ensure that Mr. Song has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer [REDACTED] on the Stock Exchange.

Such waiver will be revoked immediately if and when Ms. Tsui ceases to provide such assistance, or our Company commits any material breaches of the Listing Rules during the Waiver Period. Before the expiry of such Waiver Period, we will liaise with the Stock Exchange to enable it to assess the then experience of Mr. Song and whether he, having had the benefit of Ms. Tsui’s assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Director

Mr. Wang Cheng (汪鉞)	Room 402, Unit 2 Wanhe No. 8 Wangjing Chaoyang District Beijing PRC	Chinese

Ms. Dong Han (董晗)	Room 202, Unit 2 Building B4 (Building 8) Fuxi Avenue No. 1 Courtyard Qingheyong East Road Chaoyang District Beijing PRC	Chinese

Mr. Ren Jie (任傑)	Room 1002, Unit 1 Building 5 Hengda Jiangwan Dan Dian West Road Chaoyang District Beijing PRC	Chinese

Mr. Cen Yu (岑裕)	Room 1201 Building 104 Pingleyuan Community Chaoyang District Beijing PRC	Chinese

Non-executive Directors

Mr. Tang Zujia (唐祖佳)	Room 7A11B Jinhong Kaixuan City Xin'an Sub-district Bao'an District Shenzhen Guangdong PRC	Chinese

Ms. Huang Shuo (黃燦)	Room 2106, Unit 1 Building 1 Lido No. 1 Chaoyang District Beijing PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. Zhou Fan (周凡)	Room 1205 Building 70 No. 1539 Shuanglong Avenue Jiangning District Nanjing Jiangsu PRC	Chinese
Independent non-executive Directors		
Mr. Sun Kai (孫凱)	Room 801, Unit 1 Building 8, Area 1 Caoqiao Xinyuan Fengtai District Beijing PRC	Chinese
Mr. Wang Wenbo (王文博)	Flat A, 3/F Block 15, HKUST Senior Staff Quarters I University Road Sai Kung, NT Hong Kong	Chinese (Hong Kong)
Mr. Ye Lingwei (葉凌偉)	Unit 1-1 Building 212 No. 65 Longning Road Yubei District Chongqing PRC	Chinese
Ms. Zhang Yi (張翼)	Unit B4 No. 5 Chaoyang Park West Road Chaoyang District Beijing PRC	Chinese

For details with respect to our Directors, see “Directors and Senior Management” in this Document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Zero2IPO Capital Limited

Unit 1506B, 15/F International Commerce Centre
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Industry Consultant

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Compliance Adviser

Rainbow Capital (HK) Limited

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Receiving Bank

[●]

CORPORATE INFORMATION

Registered Office	Room 040 1st Floor, Building 7 Qinghe Maofang Road (Qinghe Supply Station) Haidian District Beijing, PRC
Headquarters and Principal Place of Business in the PRC	6th Floor Building 1, Donghuang Building Yard 16, Guangshun South Street Chaoyang District Beijing, PRC
Principal Place of Business in Hong Kong	31/F, Tower 2 Times Square 1 Matheson Street Causeway Bay Hong Kong
Company’s Website	<u>www.rongcloud.cn</u> <i>(Information contained on this website does not form part of this Document)</i>
Joint Company Secretaries	Mr. Song Wei (宋巍) 6th Floor Building 1, Donghuang Building Yard 16, Guangshun South Street Chaoyang District Beijing, PRC Ms. Tsui Ka Yan (崔嘉欣) 31/F, Tower 2 Times Square 1 Matheson Street Causeway Bay Hong Kong
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CORPORATE INFORMATION

Remuneration Committee

Mr. Ye Linwei (葉凌偉) (*Chairperson*)
Mr. Wang Cheng (汪鉞)
Mr. Sun Kai (孫凱)

Nomination Committee

Mr. Sun Kai (孫凱) (*Chairperson*)
Mr. Wang Cheng (汪鉞)
Mr. Wang Wenbo (王文博)

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INDUSTRY OVERVIEW

The information and statistics set out in this section have been extracted, in part, from various official government sources and a market research report prepared by Frost & Sullivan (the “F&S Report”) and commissioned by us. We believe that these sources are appropriate sources for such information and statistics and reasonable care has been exercised by us in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and ensuring no material omission of the information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. Neither our Company nor any of the Relevant Persons (which, for the purpose of this paragraph, excludes Frost & Sullivan) has independently verified the information and statistics from official government sources, and no representation is given as to its accuracy.

GLOBAL INTELLIGENT CLOUD-BASED INSTANT MESSAGING SOLUTIONS MARKET

Definition and Overview of Global Cloud-Based Communications Services Market

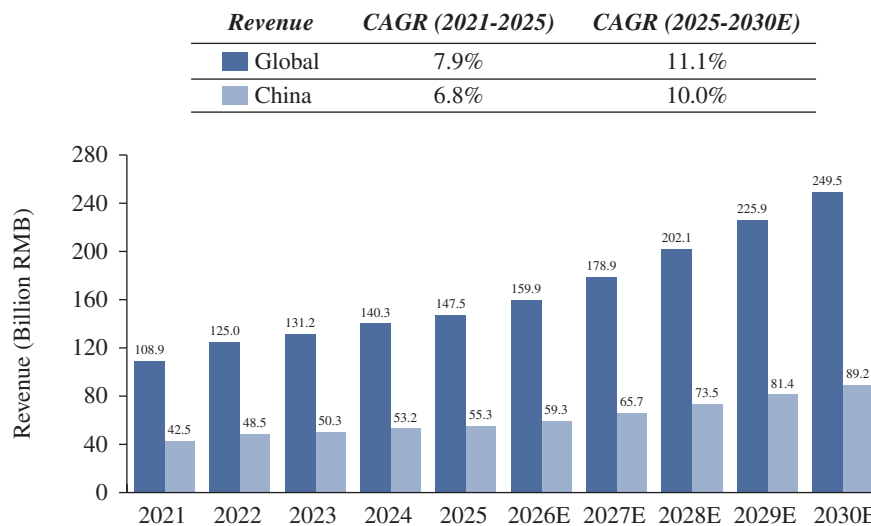
Cloud-based communications services refer to communication services and solutions delivered through cloud-based infrastructures and software platforms. By leveraging the advantages of cloud computing technologies, including elastic scalability, flexible deployment, high reliability, simplified operation and maintenance, and global service coverage, cloud-based communications services enable organizations to rapidly integrate communication capabilities into business systems and applications, improve operational efficiency, enhance customer engagement, and deliver superior user experiences.

The global cloud-based communications services market has evolved alongside the broader development of cloud computing, mobile Internet and enterprise digitalization. In the early stages, cloud-based communications services primarily focused on providing standardized communication infrastructure capabilities, allowing enterprises to replace costly and complex self-built communication systems with scalable cloud-based services. As digital transformation accelerated across industries, communication platforms gradually evolved from basic communication tools into critical digital infrastructure supporting customer engagement, business operations and enterprise collaboration. In recent years, the rapid advancement of AI technologies has further accelerated the evolution of cloud-based communications services. Communication platforms are increasingly integrating intelligent capabilities such as AI-powered translation, automated interaction, intelligent routing, content moderation, intelligent risk management and intelligent assistance, enabling communication systems to evolve from traditional information transmission tools into intelligent interaction platforms.

From 2021 to 2025, the global market size of cloud-based communications services market in terms of revenue increased from RMB108.9 billion to RMB147.5 billion, representing a CAGR of 7.9%. By 2030, the global market size of cloud-based communications services market in terms of revenue is expected to reach RMB249.5 billion, growing at a CAGR of 11.1% from 2025 to 2030. From 2021 to 2025, the market size of cloud-based communications services market in China in terms of revenue increased from RMB42.5 billion to RMB55.3 billion, representing a CAGR of 6.8%. By 2030, the market size of cloud-based communications services market in China in terms of revenue is expected to reach RMB89.2 billion, growing at a CAGR of 10.0% from 2025 to 2030. The cloud-based communications services market remains highly fragmented, with a large number of market participants offering diversified communications services and solutions across different customer groups, application scenarios and geographic markets.

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Market Size of Cloud-Based Communications Services Market (Global and China), 2021-2030E



Source: International Telecommunication Union; Ministry of Industry and Information Technology; Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

Among various cloud-based communications services, intelligent cloud-based instant messaging solutions have emerged as one of the key communication infrastructure categories. As enterprises increasingly require real-time, stable and intelligent interactions with users, employees and business partners, instant messaging capabilities are being widely adopted across social networking, interactive entertainment, enterprise collaboration, customer engagement, e-commerce, healthcare, finance and other digital service scenarios. By combining cloud-based deployment, distributed communication architectures and intelligent communication capabilities, intelligent cloud-based instant messaging solutions enable enterprises and developers to rapidly establish scalable, secure and highly reliable communication systems, thereby reducing development complexity and operational costs while enabling enterprises to deliver increasingly intelligent, personalized and real-time user interactions.

Definition and Overview of Global Intelligent Cloud-Based Instant Messaging Solutions Market

Intelligent cloud-based instant messaging solutions refer to cloud-based communication platforms with intelligent communication capabilities built on cloud computing and distributed network architectures that provide instant messaging solutions in the form of PaaS and SaaS. Cloud-based instant messaging solutions primarily refer to the provision of instant messaging capabilities through standardized communication service interfaces based on cloud-based deployment. Market participants typically deliver services to support functions such as user access and account management, channel management, message transmission and synchronization, cross-regional and weak-network optimization, as well as basic security controls. These solutions help customers rapidly build stable and reliable instant messaging capabilities in scenarios such as social networking, interactive entertainment, and enterprise collaboration, thereby reducing the technical barriers and operation and maintenance costs associated with building communication systems in-house. Moreover, intelligent cloud-based instant messaging solutions further extend AI-powered capabilities such as intelligent risk control, intelligent translation, intelligent customer service, intelligent assistants, and interactions with intelligent agents.

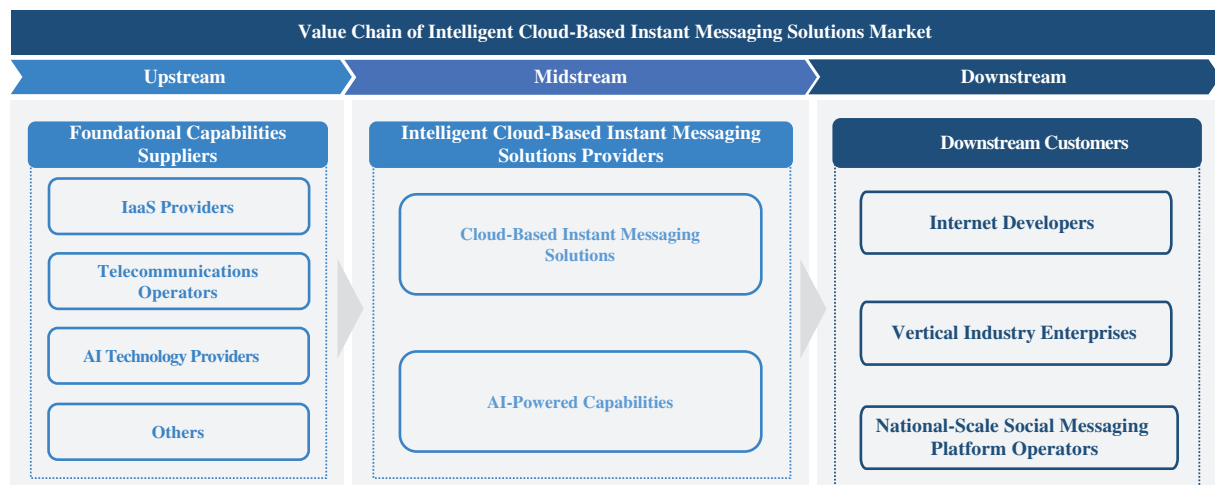
The core features of intelligent cloud-based instant messaging solutions lie in the cloudification of instant messaging capabilities and the deep integration of communication with AI technologies. Instant messaging capabilities are transformed into standardized service interfaces through cloud-based delivery, thereby lowering development and implementation barriers. Moreover, AI technologies are deeply embedded into communication scenarios, driving the evolution of instant messaging from traditional information transmission to intelligent interaction and providing foundational infrastructure for efficient, intelligent and personalized interactions across a wide range of application scenarios.

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Value Chain of Global Intelligent Cloud-Based Instant Messaging Solutions Market

The upstream primarily consists of foundational capability suppliers, including IaaS providers, telecommunications operators, AI technology providers, among others. The midstream includes intelligent cloud-based instant messaging solutions providers, which offer cloud-based instant messaging solutions and AI-powered capabilities, and provide integrable instant messaging capabilities to various Internet developers and vertical industry enterprises. The downstream customers of intelligent cloud-based instant messaging solutions providers can be categorized into three groups including Internet developers, vertical industry enterprises and national-scale social messaging platform operators.

- (i) **Internet developers.** This group primarily refers to Internet developers who register on public cloud platforms and purchase instant messaging capabilities through subscription-based or usage-based pricing models. These users typically complete onboarding and configuration through online self-service processes. While this group represents a large user base, Internet developers generally have relatively small business scale and payment volume, making them an important foundational customer segment for intelligent cloud-based instant messaging solutions providers;
- (ii) **Vertical industry enterprises.** Vertical industry enterprises emphasize the deep integration of instant messaging capabilities with their business processes, covering application scenarios such as internal collaboration, business operations, and external customer services. These customers have higher requirements for system stability, security, and scalability, and often require private or hybrid cloud deployments, customized functional configurations, and long-term technical support. Therefore, vertical industry enterprises constitute the core customer group for intelligent cloud-based instant messaging solutions providers;
- (iii) **National-scale social messaging platform operators.** This category mainly refers to customers in certain overseas markets that are responsible for the establishment and operation of large-scale social communication platforms serving nationwide users. They typically require the platforms to possess stable and sustainable operational capabilities, while integrating diversified functions such as payment systems, identity authentication systems, and content management. Such operators generally require highly customized development capabilities, end-to-end solution delivery, as well as long-term operation and maintenance support, and therefore represent a strategic customer segment for intelligent cloud-based instant messaging solutions.



Source: Frost & Sullivan Analysis

INDUSTRY OVERVIEW

AI Empowering Intelligent Cloud-Based Instant Messaging Solutions

Traditional cloud-based communication solutions mainly focus on integrating communication capabilities, standardizing and interfacing basic services such as short message services (“SMS”) to lower the adoption threshold for enterprises, but offer limited interactivity and intelligence. With the development of mobile Internet, demand for instant messaging solutions has grown rapidly, driving demand for more advanced instant messaging capabilities such as real-time chat, group interaction and enterprise collaboration. In recent years, with the rapid development of AI technologies, the industry has gradually evolved toward intelligent communication platforms, providing intelligent instant messaging capabilities for a wide range of application scenarios.

AI-empowered instant messaging capabilities. By deeply integrating instant messaging with AI capabilities such as natural language processing, multimodal understanding, knowledge retrieval and content generation, intelligent instant messaging can embed intent recognition, semantic understanding, intelligent translation and automated responses into messaging channels. This enables natural language interactions among users, enterprise systems, knowledge bases and intelligent agents, and gradually evolves into foundational intelligent interaction infrastructure.

Closed-loop enhancement of AI. Intelligent cloud-based instant messaging solutions carry high-frequency, multimodal and highly contextual interaction data, which can be continuously fed back into model training and optimization, and in turn enhance communication scenarios with more intelligent solutions, thereby forming a self-reinforcing closed loop among data, models and scenarios. AI continuously absorbs new dialogue patterns, business contexts and industry knowledge, improving the system’s ability to understand and interpret scenarios, endowing instant messaging with stronger contextual awareness and decision-making capabilities.

Modularization of “AI + Communication”. As large-model ecosystems continue to evolve, cloud-based instant messaging solutions package communication capabilities together with multiple large language models into unified AI platform capabilities and expose them via standard interfaces. Developers can flexibly use diverse AI capabilities such as intelligent dialogue, content generation and semantic analysis, and deploy them in public cloud or private cloud environments. Therefore, “AI + communication” is gradually evolving from customized project delivery into scalable and standardized capabilities.

New paradigms of scenario applications built by conversational AI. Conversational AI is reshaping application paradigms across a wide range of business scenarios through the combination of third-party large language models, multimodal interaction, and tool invocation capabilities. Conversational AI breaks away from script- and rule-based response models, enabling natural language to serve as a unified interaction entry point for inquiry handling, process guidance, and task execution in scenarios such as customer service, marketing, government services, and office collaboration. Moreover, by deeply integrating with enterprise business systems, knowledge bases and operational data, conversational AI can continuously learn and optimize dialogue strategies and decision paths, improving service efficiency and user experience while driving the intelligent transformation of business processes.

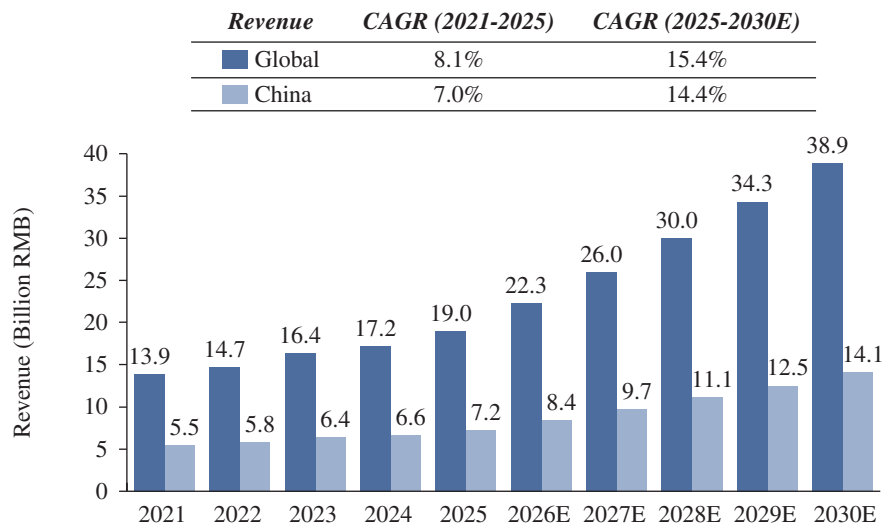
Market Size of Global Intelligent Cloud-Based Instant Messaging Solutions Market

In recent years, driven by global digital transformation, the global intelligent cloud-based instant messaging solutions market has grown rapidly. From 2021 to 2025, the global market size of intelligent cloud-based instant messaging solutions market in terms of revenue increased from RMB13.9 billion to RMB19.0 billion, with a CAGR of 8.1%. Looking ahead, the continuous expansion of downstream application scenarios is expected to further propel market growth. By 2030, the global market size of intelligent cloud-based instant messaging solutions market in terms of revenue is expected to reach RMB38.9 billion, growing at a CAGR of 15.4% from 2025 to 2030.

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From 2021 to 2025, the market size of intelligent cloud-based instant messaging solutions market in China in terms of revenue increased from RMB5.5 billion to RMB7.2 billion, with a CAGR of 7.0%. By 2030, the market size of intelligent cloud-based instant messaging solutions market in China in terms of revenue is expected to reach RMB14.1 billion, growing at a CAGR of 14.4% from 2025 to 2030.

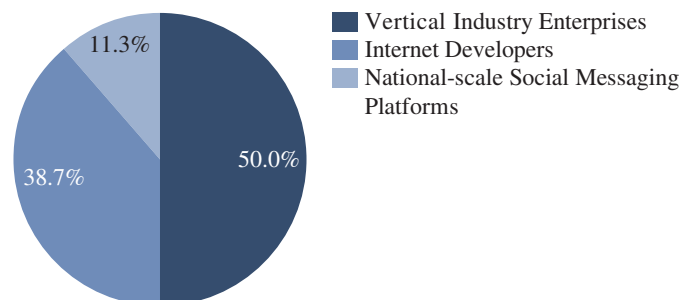
Market Size of Intelligent Cloud-Based Instant Messaging Solutions Market (Global and China), 2021-2030E



Source: International Telecommunication Union; Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

The downstream customers of the global intelligent cloud-based instant messaging solutions market can be broadly categorized into vertical industry enterprises, Internet developers, and national-scale social messaging platforms. Driven by the trend of global industrial digitalization, vertical industry enterprises have become the primary downstream customers of intelligent cloud-based instant messaging solutions providers. In 2025, vertical industry enterprises, Internet developers, and national-scale social messaging platforms accounted for approximately 50.0%, 38.7%, and 11.3% of the global intelligent cloud-based instant messaging solutions market in terms of revenue, respectively.

Market Size of Intelligent Cloud-Based Instant Messaging Solutions Market by Downstream (Global), 2025



Source: Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

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Market Drivers of Global Intelligent Cloud-Based Instant Messaging Solutions Market

Deepening digital transformation. Ongoing digitalization is driving the development of the intelligent cloud-based instant messaging solutions market. Online customer acquisition, service and operations are becoming the norm for enterprises, creating demand for consultation, collaboration and feedback capabilities. Compared with self-built communication systems that are costly and difficult to iterate, the deployment of intelligent cloud-based instant messaging solutions allows enterprises to embed mature instant communication and collaboration capabilities into their own systems at lower cost and within a shorter implementation cycle.

Expansion of application scenarios. Demand for cloud-based instant messaging solutions in core scenarios such as in-app interaction, social entertainment and enterprise collaboration is growing rapidly, becoming an important driver of the intelligent cloud-based instant messaging solutions market.

- **In-app messaging replacing traditional SMS and email.** With the widespread adoption of mobile Internet and the shift in user interaction habits, traditional SMS and email have become increasingly inadequate in meeting the growing demands of online businesses due to limitations in timeliness, interactivity, content richness, and cost efficiency. In contrast, in-app instant messaging enables low-latency, multimedia, and continuous conversational interactions within a unified application environment. It can also be deeply integrated with user behaviour data, membership systems, and operational strategies, forming a more efficient closed loop for user reach and service delivery. Therefore, whether for transaction notifications, service reminders, or user engagement scenarios, in-app messaging demonstrates higher reachability and user participation, and is gradually becoming the primary communication channel between enterprises and users.
- **High-interaction needs.** The rapid development of social networks, communities, online gaming, and interactive entertainment has significantly increased communication frequency among users and diversified interaction formats. New organizational forms such as large-scale groups, channel-based communities, and multi-layered topic spaces continue to emerge, placing higher demands on real-time performance, system capacity, and flexible scalability of communication capabilities. Meanwhile, the growing usage of rich media content, including emojis, short videos, files, and mini-programs, has increased the load on message storage, transmission, delivery and management systems. As the complexity requirements for communication capabilities in social and interactive applications continue to rise, the development and maintenance costs of self-built systems have escalated, prompting enterprises to shift toward mature and scalable cloud-based instant messaging solutions, thereby driving sustained market expansion.
- **Enterprise digital workplace.** Amid the ongoing advancement of enterprise digital transformation, instant messaging has become a foundational capability for internal communication and collaboration. It is increasingly integrated with workflow management, project collaboration, and document-sharing systems, forming a working model that connects information exchange with business processes. Compared with traditional email, communication through instant messaging offers advantages in timeliness, interactivity, and workflow continuity, significantly improving collaboration efficiency and response speed. As enterprises expand in scale and cross-regional collaboration becomes more prevalent, demand for cloud-based instant messaging solutions that are stable, scalable, and highly secure continues to grow.

Integration of AI and communication. The development of large language models and generative AI has transformed communication from a single information conduit into an intelligent service entry point. The integration of AI and communication enables intent understanding, automated responses, real-time multilingual translation and intelligent risk control, significantly enhancing user experience and security. Meanwhile, interaction data generated during communication, subject to user authorization and applicable data protection requirements, may be used for model training, further strengthening scenario

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capabilities. In addition, the deep fusion of AI and communication has given rise to new product forms such as conversational intelligent customer service and intelligent agent collaboration platforms, which have become important technological drivers for the industry’s continuous growth.

Expansion of developer base. The global software development ecosystem is undergoing structural changes. The number of professional developers continues to increase, and enterprises are more inclined to build digital systems through in-house development or co-development, resulting in stable demand for highly reliable third-party communication capabilities. Meanwhile, new paradigms such as low-code, visual development and natural language programming are enabling many non-professional developers to build applications and extend functionalities, further stimulating demand for standardized communication functionality.

Future Opportunities of Global Intelligent Cloud-Based Instant Messaging Solutions Market

Accelerated development of conversational AI solutions. Conversational AI is expected to sustain rapid growth driven by technological advancement and deeper application adoption. From 2021 to 2025, the global market size of the conversational AI solution market in terms of revenue expanded from RMB32.1 billion to RMB85.4 billion, with a CAGR of 27.7%. By 2030, the global market size of the conversational AI solution market in terms of revenue is expected to reach RMB296.2 billion, growing at a CAGR of 28.2% from 2025 to 2030. Additionally, the market size of the conversational AI solution market in China in terms of revenue has experienced rapid growth, increasing from RMB4.1 billion in 2021 to RMB13.2 billion in 2025, with a CAGR of 34.0%. By 2030, the market size of the conversational AI solution market in China in terms of revenue is expected to reach RMB59.6 billion, growing at a CAGR of 35.2% from 2025 to 2030. As technologies such as large language models, multimodal understanding, long-term memory, and tool invocation continue to evolve, conversational AI will progressively upgrade into an intelligent interaction hub capable of understanding business context, handling complex tasks, and participating in decision support. Its application is expected to further expand across high-frequency scenarios including customer service, marketing and customer acquisition, operational management, and office collaboration. Moreover, with the widespread adoption of enterprise digitalization and instant messaging capabilities, conversational AI is being increasingly deeply integrated with industry systems, knowledge bases, and process engines, forming human-AI collaboration models in vertical sectors such as finance, government services, healthcare, education, and e-commerce. As enterprises continue to invest in vertical industry solutions, platform tools, and developer ecosystems, conversational AI is expected to cover a broader range of application scenarios and give rise to more diversified commercialization models.

Integration of IM, RTC and AI. As application scenarios become increasingly diverse, customers show a stronger preference for integrated solutions that deliver messaging, audio and video, and AI capabilities on a unified platform. Intelligent cloud-based instant messaging solutions providers integrate instant messaging, real-time audio and video, and AI capabilities under a unified architecture, achieving synergies in access methods and operations and maintenance, thereby significantly reducing customers’ integration and maintenance costs. Meanwhile, an integrated architecture enables the aggregation of cross-scenario interaction data, providing unified support for intelligent risk control, operational analytics, and personalized optimization, thereby expanding value-added service opportunities. Solution providers that take the lead in transforming from single-capability providers into integrated platform providers are expected to gain a more pronounced competitive advantage in the evolving market landscape.

Upgrade from messaging infrastructure to intelligent conversation hubs. Driven by the rapid evolution of large language models and natural language processing technologies, instant messaging capabilities are transitioning from traditional information transmission functions to foundational infrastructure that supports intelligent dialogue and collaboration. Breakthroughs in large language models in areas such as intent recognition, semantic understanding, and multi-turn dialogue management enable functionalities including automated replies, information extraction, and intelligent Q&A, thereby significantly improving communication efficiency and decision-making quality. As user interaction data continues to accumulate across multiple industry scenarios, cloud-based instant messaging solutions are increasingly becoming a critical entry point connecting user behaviour, business processes, and knowledge

INDUSTRY OVERVIEW

systems. This positions instant messaging as a high-value hub for user operation analytics, service automation, and intelligent interactive experiences, driving cloud-based instant messaging solutions to evolve from basic communication modules into intelligent service centers.

Deepening applications in vertical industry scenarios. In vertical industries such as finance, healthcare, education, and government services, an increasing number of core business processes are being moved online, placing higher demands on message delivery speed, stability, and security. Key workflows including identity verification, document transmission, business notifications, and online collaboration rely on reliable instant messaging capabilities as underlying support. Different industry scenarios exhibit significant variations in conversation structures, role-based permissions, multi-device collaboration, and data retention requirements. As a result, cloud-based instant messaging solutions are no longer purely standardized capabilities, but instead require customization and extensibility aligned with specific industry characteristics. As communication capabilities become more deeply embedded into business processes, intelligent cloud-based instant messaging solutions are further strengthening their role as foundational infrastructure across vertical industries, driving sustained market expansion and creating new growth opportunities.

Demand for localized communication platforms. Demand in overseas markets for intelligent cloud-based instant messaging platforms with strong localization capabilities continues to rise. Enterprises in different regions tend to adopt cloud-based instant messaging solutions that better align with local user habits, network environments, and service models, to achieve more stable user experiences, faster response times, and product support that better fits regional operational characteristics. Localized communication platforms possess advantages in areas such as language adaptation, interaction patterns, network optimization, and service delivery, enabling them to more closely address local market needs. Intelligent cloud-based instant messaging solutions providers that combine global capabilities with region-specific product offerings and delivery models are expected to gain significant growth opportunities in overseas markets.

Entry Barriers of Global Intelligent Cloud-Based Instant Messaging Solutions Market

Technological barrier. The intelligent cloud-based instant messaging solutions market is highly technology-intensive, requiring continuous R&D investment and expertise in network transmission mechanisms, system performance and service quality. Leading players have typically accumulated substantial experience in instant messaging capability construction, optimizing performance under weak network conditions, system scheduling and large-scale concurrent processing, enabling them to maintain stable and smooth communication experiences under complex network environments. However, new entrants generally lag in instant messaging capability construction, system optimization and stability assurance, resulting in significant technological barriers to entry.

Experience barrier. Global communication network structures are highly complex, and different countries vary significantly in network quality, bandwidth allocation, protocol compatibility and compliance requirements. Through long-term cross-border network deployment and service operations, leading players have accumulated extensive know-how in network scheduling and performance optimization, enabling them to maintain stable and consistent communication quality across multiple regions. New entrants often lack experience in addressing cross-regional network differences, making it difficult to deliver stable services on a global scale.

Product barrier. Intelligent cloud-based instant messaging solutions serve a broad range of industry customers, whose communication requirements vary significantly. Leading players typically expand their feature suites over long service cycles and develop comprehensive capability matrices covering cloud-based instant messaging solutions, AI value-added services and customized industry solutions. New entrants lack continuous product accumulation and customer feedback loops, resulting in limited feature coverage and challenges in addressing complex, multi-industry and multi-scenario application requirements.

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Brand barrier. Customers of intelligent cloud-based instant messaging solutions place a high premium on the brand reputation and long-term track record of their service providers. Leading players are often the preferred choice for customers due to their stable service performance and strong reputation among developers and enterprise customers. However, new entrants lack brand reputation and commercial validation and therefore face significant challenges in building customer trust in a field where reliability is critical, which in turn increases the difficulty of market entry and expansion.

Competitive Landscape of Global Intelligent Cloud-Based Instant Messaging Solutions Market

As of December 31, 2025, there were more than 400 participants in the global intelligent cloud-based instant messaging solutions market. In terms of revenue, the global top five intelligent cloud-based instant messaging solutions providers accounted for approximately 20% in 2025. The global intelligent cloud-based instant messaging solutions market is relatively fragmented. Market participants primarily include professional intelligent cloud-based instant messaging solutions providers and integrated cloud service providers. Professional providers focus exclusively on cloud-based instant messaging solutions, with product design and service capabilities centered on stability, continuity, and user experience, enabling better adaptation to high-concurrency and highly interactive instant communication scenarios. In the global intelligent cloud-based instant messaging solutions market, in terms of revenue in 2025, our Group ranked first among all Chinese professional intelligent cloud-based instant messaging solutions providers, with a market share of 1.1%.

Top 3 Chinese Professional Providers of Intelligent Cloud-Based Instant Messaging Solutions in the Global Market, in terms of Revenue, 2025

Ranking	Company Name	Listing Status	Headquarter	Revenue (Billion RMB)	Market Share (%)
1	Our Group	-	Beijing City, China	0.20	1.1%
2	Company A ⁽¹⁾	Not listed	Zhejiang Province, China	0.16	0.8%
3	Company B ⁽²⁾	Not listed	Beijing City, China	0.14	0.7%

Note:

- (1) Company A is a company established in 2009, engaging in the provision of enterprise digital intelligence services and cloud-based instant messaging solutions.
- (2) Company B is a company established in 2022, engaging in the provision of cloud-based instant messaging solutions.

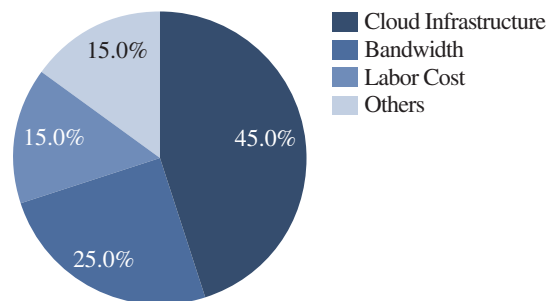
Source: Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

Cost Structure of Global Intelligent Cloud-Based Instant Messaging Solutions Market

In the global intelligent cloud-based instant messaging solutions market, the major costs include cloud infrastructure, bandwidth resources, and labor cost. Cloud infrastructure represents the largest cost component, accounting for approximately 45.0% in 2025. Bandwidth resources and labor costs accounted for approximately 25.0% and 15.0% of the total costs, respectively.

INDUSTRY OVERVIEW

Cost Structure of Intelligent Cloud-Based Instant Messaging Solutions Market (Global), 2025



Source: Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [REDACTED], we engaged an independent market research consultant, Frost & Sullivan, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB730,000. Founded in 1961, Frost & Sullivan is an independent global consulting firm that conducts industry research and prepares industry report on a wide range of industries, among other services. The information from Frost & Sullivan disclosed in this Document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent’s information and expressions against those of others: (i) detailed primary research, which involved discussing the status of the industry with leading industry participants and industry experts; and (ii) secondary research, which involved reviewing published sources including reports of market participants, independent research reports and data based on Frost & Sullivan’s own research database.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) global economy is likely to maintain steady growth in the next decade; (ii) global social, economic and political environment is likely to remain stable in the forecast period; and (iii) market drivers such as deepening digital transformation, expansion of application scenarios, integration of AI and communication, expansion of developer base, among others.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

REGULATORY OVERVIEW

THE PRC LAWS, REGULATIONS AND POLICIES

We are subject to various PRC laws, rules and regulations that affect many this section sets out summaries of certain aspects of PRC laws and regulations, which are relevant to our business operations.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The establishment, operation and management of companies in China is governed by the Company Law of the PRC (《中華人民共和國公司法》), as amended in 1999, 2004, 2005, 2013, 2018 and 2023, or the Company Law. According to the Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The Company Law applies to both PRC domestic-funded companies and foreign-invested companies. On December 30, 2019, the Ministry of Commerce of the PRC, or the MOFCOM, and the State Administration for Market Regulation, or the SAMR, promulgated the Measures for the Reporting of Foreign Investment Information (effective from January 1, 2020) (《外商投資信息報告辦法》), repealing the Provisional Administrative Measures on Establishment and Modifications (Filing) for Foreign Investment Enterprises (《外商投資企業設立及變更備案管理暫行辦法》). Where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-funded enterprises shall report investment information to commerce departments. On September 6, 2024, MOFCOM and the National Development and Reform Commission, or the NDRC, promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the 2024 Negative List, which became effective on November 1, 2024. Fields that were not included in the 2024 Negative List shall be regulated according to the principle of equal treatment of domestic and foreign investments. A foreign-invested enterprise’s investment in China shall comply with the relevant provisions of the 2024 Negative List.

On March 15, 2019, the National People’s Congress of the PRC, or the NPC, approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), or the Foreign Investment Law, and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020 and replaced three previous major laws on foreign investments in China, namely, the Sino-foreign Equity Joint Venture Law (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Law (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法》), together with their respective implementing rules. Pursuant to the Foreign Investment Law, “foreign investments” refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

REGULATIONS RELATING TO OVERSEAS INVESTMENT

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, an investor shall, in overseas investment, undergo the formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and implemented on October 6, 2014, “overseas investment” means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any

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other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. When an overseas enterprise invested by an enterprise conducts overseas reinvestment, the enterprise shall report to the commerce departments after completing the overseas legal procedures.

Pursuant to the Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the State Administration of Foreign Exchange, or the SAFE, on July 13, 2009 and implemented on August 1, 2009 and the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by the SAFE on February 13, 2015, implemented on June 1, 2015 and was partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

REGULATIONS RELATING TO INFORMATION SECURITY AND PERSONAL INFORMATION PROTECTION

Information security

The Decision of the Standing Committee of the National People's Congress on Preserving Computer Network Security (《全國人民代表大會常務委員會關於維護互聯網安全的決定》) enacted by the Standing Committee of the National People's Congress, or the SCNPC, on December 28, 2000 and amended on August 27, 2009, provides that, among other things, the following activities conducted through the internet, if constituting a criminal act under the PRC laws, are subject to criminal punishment: (i) hacking into a computer system relating to state affairs, national defense or cutting-edge science and technology; (ii) intentionally inventing and spreading destructive programs such as computer viruses to attack the computer system and the communications network, thus damaging the computer system and the communications networks; (iii) violating state regulations, discontinuing the computer network or the communications service without authorization; (iv) leaking state secrets; (v) using the internet to market fake and substandard products or to carry out false publicity for any commodity or service; or (vi) infringing intellectual property rights through the internet.

On December 13, 2005, the Ministry of Public Security issued the Provisions on Technical Measures for Internet Security Protection (《互聯網安全保護技術措施規定》), which took effect on March 1, 2006. These regulations, among other things, require internet service providers and organizations that use interconnection to implement and guarantee the functioning of technical measures for internet security protection, like technical measures for preventing any matter or act that may endanger network security, e.g., computer viruses, invasion or attacks to or destruction of the network, require all internet access service providers to take measures to keep a record of and preserve user registration information.

According to the Regulations of the People's Republic of China on the Security Protection of Computer Information System (《中華人民共和國計算機信息系統安全保護條例》), which were issued by the State Council on February 18, 1994 and amended on January 8, 2011, securing computer information systems includes safeguarding the computer and its related and supporting sets of equipment and facilities (including network), the operating environment and information and ensuring the normal performance of computer functions, so as to maintain the safe operation of computer information systems.

On June 22, 2007, the Ministry of Public Security, National Administration of State Secrets Protection, State Council Information Office (subsequently abolished) and State Cryptography Administration jointly promulgated the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》), under which the security protection of an information system may be classified into five grades. Companies operating or using information systems

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shall protect the information systems. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures with the competent authority. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures with the competent authority.

Pursuant to the State Security Law of the PRC (《中華人民共和國國家安全法》), which was promulgated by the SCNPC on February 22, 1993 and last amended on July 1, 2015, the State shall develop network and information security assurance system, enhance network and information security assurance capabilities, strengthen innovative research and development and application of network and information technologies and realize the security and controllability of network and information core technologies, critical infrastructure and information systems and data in key areas; the State shall also enhance network management, prevent, deter and punish network criminal acts such as cyber-attacks, network intrusion, network theft and illegal spread of harmful information in order to safeguard the sovereignty, security and development interests of the state cyberspace.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), or the Cyber Security Law, which became effective on June 1, 2017, and stipulated that network operators shall comply with laws and regulations and fulfil their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures to safeguard the safe and stable operation of the networks. It was amended by a decision of the Standing Committee of the National People’s Congress on October 28, 2025, with the amendments scheduled to take effect on January 1, 2026. The revised law further strengthens legal liabilities and refines requirements concerning cybersecurity, data security, and personal information protection.

On September 15, 2018, the Ministry of Public Security issued the Provisions on Internet Security Supervision and Inspection by Public Security Organs (《公安機關互聯網安全監督檢查規定》), or the Inspection Regulations, which took effect on November 1, 2018. Pursuant to the Inspection Regulations, public security authorities shall conduct supervision and inspection on the network operators that provide the following services: (1) internet connection, internet data centers, content distributions and domain name services; (2) internet information services; (3) public internet access services; and (4) other internet services. The inspection may relate to whether the network operators have fulfilled the cyber security obligations, such as to formulate and implement cybersecurity management systems and operational procedures, determine the person responsible for cybersecurity, and to take technical measures to record and retain user registration information and online log information etc.

On July 30, 2021, the State Council promulgated the Regulations for Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), or the CII Regulations, which became effective on September 1, 2021, referring “critical information infrastructures” as important network facilities and information systems in important industries and domains including public telecommunications, information services, energy sources, transportation, as well as those that may seriously endanger national security, national economy, people’s livelihood, or public interests in the event of damage, loss of function, or data leakage. The CII Regulations provide specific requirements for the responsibilities and obligations of the critical information infrastructure operators. Pursuant to the CII Regulations, the relevant government authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth therein and further identifying the critical information infrastructure in the related industries in accordance with such rules. The relevant authorities must also notify operators of the determination as to whether they are categorized as critical information infrastructure operators.

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》) promulgated by the SCNPC on June 10, 2021, which became effective on September 1, 2021, or the Data Security Law, data processing activities (including the collection, storage, use, processing, transmission, provision and disclosure of data) shall be carried out in accordance with the provisions of laws and regulations, a whole-process data security management system should be established and improved, data security

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education and training should be organized and carried out, and corresponding technical measures and other necessary measures should be taken to ensure data security. The use of the internet and other information networks to carry out data processing activities shall fulfill the aforementioned data security protection obligations based on the network security hierarchical protection system. Processors of important data should specify the person responsible for data security and management agencies to implement data security protection responsibilities.

Pursuant to the Cyber Security Review Measures (《網絡安全審查辦法》) promulgated by the Cyberspace Administration of China, or the CAC, MIIT and certain authorities on April 13, 2020, lastly amended on December 28, 2021 and implemented on February 15, 2022, operators of critical information infrastructure purchasing network products and services, and online platform operators carrying out data processing activities that affect or may affect national security, shall conduct cyber security review. In addition, an online platform operator in possession of more than one million users’ personal information must report to the cyber security review office for a cyber security review if it intends to list its securities abroad. Additionally, relevant governmental authorities in the PRC may initiate cybersecurity review if they determine an internet platform operator’s network products or services or data processing activities affect or may affect national security.

On July 7, 2022, the CAC promulgated the Data Outbound Transfer Security Assessment Measures (《數據出境安全評估辦法》) (the “Measures”), which became effective on September 1, 2022. The Measures outline the requirements and procedures for security assessments on cross-border transfer of important data or personal information collected within the PRC. On March 22, 2024, the Provisions on Promoting and Regulating Cross-border Data Transfer (《促進和規範數據跨境流動規定》), and the Provisions on Cross-border Data Transfer, was proposed by the CAC and became effective, aiming to further regulate and facilitate the legal and orderly transfer of data. The Provisions on Cross-border Data Transfer clarify the circumstances where compliance requirements (such as data outbound transfer security assessment, the execution of personal information outbound transfer standard contract or personal information protection certification) are waived, and the circumstances where such compliance requirements shall be performed, in response to the confusion of various enterprises in practice. According to the Provisions on Cross-border Data Transfer, data processors are subject to security assessments conducted by the CAC prior to any cross-border transfers of important data and personal information, if falling under any of the following circumstances: (i) where the critical information infrastructure operator intends to provide important data or personal information overseas; (ii) where the data processor other than critical information infrastructure operators intends to provide important data overseas; (iii) where the data processor other than critical information infrastructure operators provides personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals to overseas recipients accumulatively since January 1 of any given calendar year. The Guide to Applications for Security Assessment Outbound Data Transfers (Third Edition) (《數據出境安全評估申報指南(第三版)》), promulgated and came into effect on June 27, 2025 by the CAC, further clarifies the scope of application, application method and process for security assessments for data outbound transfers.

On September 24, 2024, the CAC promulgated the Regulations on the Administration of Network Data Security (《網絡數據安全管理條例》“Regulations on MNDS”), which became effective on January 1, 2025. The Regulations on MNDS provide that network data processors conducting cyber data processing activities that affect or may affect national security shall undergo a national security review in accordance with relevant national regulations. In addition, the Regulations on MNDS introduce several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is processed. It also establishes broader contractual requirements for data sharing between data processors.

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On September 11, 2025, the CAC promulgated the Administrative Measures on Reporting of Cybersecurity Incidents (《國家網絡安全事件報告管理辦法》), which came into effect on November 1, 2025. These Measures stipulate that network operators that build and operate networks or provide services through networks within the territory of PRC shall report cybersecurity incidents in accordance with the specified procedures and timelines.

On December 6, 2025, the CAC released the draft of the Network Data Security Risk Assessment Measures for public comment (《網絡數據安全風險評估辦法》徵求意見稿), with the feedback deadline being January 5, 2026. These Measures aim to establish a systematic network data security risk assessment mechanism. According to the draft, network data processors processing important data may be required to conduct risk assessments annually in the future, while entities processing general data are encouraged to perform assessments at least once every three years.

Personal information protection

The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) also sets forth the principle of protecting personal information collected through internet, stipulating that network operators shall follow the principles of legality, rationality and necessity in collecting and using personal information, explicitly indicate the purposes, means and scope of collecting and using information, and obtain the consent of the persons whose information is collected.

According to Decision of the SCNPC on Strengthening Information Protection on Networks (《全國人民代表大會常務委員會關於加強網絡信息保護的決定》) adopted on December 28, 2012, the state protects electronic information by which individual citizens can be identified and which involves the individual privacy of citizens. Network service providers and other enterprises and institutions shall, when gathering and using electronic personal information in business activities, adhere to the principles of legality, rationality and necessity, explicitly state the purposes, manners and scopes of the collection and use of information, and obtain the consent of those from whom information is collected, and shall not collect and use information in violation of laws and regulations and the agreement between both sides; strictly keep the electronic personal information collected in business activities confidential and may not divulge, alter, damage, sell, or illegally provide others with such information; take technical and other necessary measures to ensure information security and prevent the leakage, damage, or loss of personal electronic information collected in business activities; and take remedial measures immediately when information leakage, damage or loss occurs or may occur. All organisations and individuals shall not obtain electronic personal information of citizens by theft or any other illegal means and shall not sell or illegally provide others with electronic personal information of citizens.

On December 29, 2011 the MIIT issued the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which was effective since March 15, 2012, and sets forth that an internet information service provider shall not collect any personal information on a user or provide any such information to third parties without the user’s consent. It must expressly inform the user of the method, content and purpose of the collection and processing of such user’s personal information and shall only collect information to the extent necessary to provide its services. An internet information service provider is also required to properly maintain users’ personal information, and in case of any leak or likely leak of such information, it must take immediate remedial measures and, in the event of a serious leak, report to the telecommunications regulatory authority immediately.

On July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》), which took effect on September 1, 2013, to regulate the collection, use and security of users’ personal information like users’ name, date of birth, identity card number, address, telephone number, account number, passwords and other information with which the identity of the user can be distinguished independently or in combination with other information, as collected by telecommunications service operators and internet information service providers in the process of providing services. Specifically, i) the users’ personal information shall

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not be collected without prior consent; ii) the personal information shall not be used for any other purpose other than providing service; iii) the personal information shall be kept strictly confidential; and iv) a series of detail measures shall be taken to prevent any divulge, damage, tamper or loss of personal information of users.

Pursuant to the Criminal Law of the PRC (《中華人民共和國刑法》), or the Criminal Law, issued by SCNPC on March 14, 1997, which became effective on October 1, 1997, and was latest amended on December 29, 2023, any internet service provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and regulations and refuses to rectify upon orders, shall be subject to criminal penalty for the consequences arising from: (i) any dissemination of illegal information on a large scale; (ii) any severe effect due to the leakage of the user’s information; (iii) any serious loss of criminal evidence; or (iv) other severe situation. Any individual or entity that (a) sells or provides personal information to others in a way violating the applicable laws, or (b) steals or illegally obtains any personal information, shall be subject to criminal penalty in severe situation.

In addition, the Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate of the PRC on Several Issues Concerning the Application of Law in Handling Criminal Cases of Infringing Personal Information (《最高人民法院•最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), issued on May 8, 2017 and effective on June 1, 2017, clarified certain standards for the conviction and sentencing of criminals in relation to personal information infringement, and clarified several concepts regarding the crime of “infringement of citizens’ personal information” stipulated by Article 253A of the Criminal Law, including “citizen’s personal information”, “providing citizen’s personal information” and “illegally obtaining citizen’s personal information by other methods”.

On May 28, 2020, the National People’s Congress of the PRC approved the Civil Code of the PRC (《中華人民共和國民法典》), or the Civil Code, which came into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain the personal information of others when necessary and ensure the safety of such personal information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally buy or sell, provide or make public the personal information of others.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) has come into effect on September 1, 2021, which provides the requirements on establishing a sound data security management system when business operators carry out data processing activities and the relevant legal liabilities accruing from failure to perform the data security protection obligations stipulated by the requirements thereof.

On August 20, 2021, the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), or the Personal Information Protection Law was promulgated by the SCNPC and became effective on November 1, 2021. The Personal Information Protection Law provides for various requirements on personal information protection, including the legal basis for data collection and processing, requirements on data localization and cross-border data transfer, requirements for consent of personal data collection and processing, and requirements on processing sensitive personal information. The Personal Information Protection Law also provides that the customers shall be entitled to opt out of the information recommendation or commercial marketing to individuals conducted by means of automated decision-making, or to be provided simultaneously with options not specific to individuals’ characteristics.

On February 22, 2023, the CAC issued the Measures on the Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), or Personal Information Outbound Transfer Standard Contract Measures, which came into effect on June 1, 2023, and provide for circumstances where personal information processors may transfer personal information abroad by entering into a standard contract, and stipulated detailed compliance requirements.

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The Measures on the Certification for the Outbound Transfer of Personal Information (《個人信息出境認證辦法》) were jointly issued by the CAC and the State Administration for Market Regulation and became effective from January 1, 2026. As a key implementation rule under the Personal Information Protection Law, these Measures establish a certification mechanism for outbound data transfers. They apply specifically to processors who are not Critical Information Infrastructure Operators and meet certain volume thresholds for transferring non-sensitive or sensitive personal information, providing an alternative compliance pathway alongside the security assessment and standard contract approaches.

On February 12, 2025, the CAC issued the Administrative Measures for Compliance Auditing of Personal Information Protection (《個人信息保護合規審計管理辦法》), or the Measures on Compliance Audits, which came into effect on May 1, 2025. According to the Measures on Compliance Audits, “personal information protection compliance audits” means the examination and evaluation of whether the personal information processing activities by the personal information processors comply with laws and administrative regulations, and personal information processors who process the personal information of more than 10 million people shall conduct personal information protection compliance audits at least once every two years. Furthermore, the Measures on Compliance Audits enumerate the key focus when conducting “personal information protection compliance audits”.

The Measures for the Security Management of Facial Recognition Technology Applications (《人臉識別技術應用安全管理辦法》) were jointly issued by the CAC and the Ministry of Public Security, effective from June 1, 2025. These Measures impose stringent requirements on processing facial information, which is classified as sensitive personal information. Key obligations include obtaining individuals’ separate consent, stipulating that facial information should generally be stored locally within the recognition devices, and prohibiting the use of facial recognition as the sole method of identity verification. Processors storing the facial information of 100,000 individuals or more are required to file a record with the provincial-level or higher cyberspace administration.

REGULATIONS IN RELATION TO DIVIDEND DISTRIBUTION

In accordance with the Company Law of the PRC (《中華人民共和國公司法》), and the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), foreign-invested-enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company, including foreign-invested enterprise, is required to set aside as general reserves at least 10% of its after-tax profit, until the cumulative amount of such reserves reaches 50% of its registered capital, and shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

REGULATIONS RELATING TO TAXATION

Enterprise income tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), or the EIT Law Implementation Regulations, enterprises and other organizations with PRC-sourced income shall pay enterprise income tax. Under the EIT Law, enterprises are categorized into resident and non-resident enterprises. Resident enterprises, which are established in China, or which is established under the law of a foreign country (region) but has de facto management body inside China, are subject to the uniform 25.0% enterprise income tax rate for their global income. It is also provided that the enterprise income tax shall be levied at the reduced rate of 20.0% for qualified “small meagre-profit enterprises” and the enterprise income tax shall be levied at the reduced rate of 15.0% for “high and new technology enterprises” in key industries supported by the PRC government. In certain circumstances, the enterprise income tax may be exempted or reduced, or preferential enterprise income tax may be granted.

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According to the Notice of the Ministry of Finance of the PRC, or the MOF, and the State Taxation Administration, or the SAT, on Implementation of Inclusive Tax Relief Policy for Small Low-profit Enterprises (《財政部、國家稅務總局關於實施小微企業普惠性稅收減免政策的通知》), during the period from January 1, 2019 to December 31, 2021, the annual taxable income of small low-profit enterprises that is not more than RMB1 million is subject to the preferential income tax rate of 20% followed by a 75% exemption. According to the Announcement on Implementation of Income Tax Incentives for Small Low-Profit Enterprises and Individually-owned Businesses (《關於實施小微企業和個體工商戶所得稅優惠政策的公告》) and the Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small Low-Profit Enterprises and Individually-owned Businesses (《國家稅務總局關於落實支持小型微利企業和個體工商戶發展所得稅優惠政策有關事項的公告》), during the period from January 1, 2021 to December 31, 2022, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million is subject to the preferential income tax rate of 20% followed by an 87.5% exemption. According to the Notice of the MOF and the SAT on the Income Tax Policies to Small Low-Profit Enterprises and Individually-owned Businesses (《財政部、國家稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》), which shall be in force from January 1, 2023 to December 31, 2024, and the Notice of the MOF and the SAT on the Relevant Tax and Fee Policies for Further Supporting the Development of Small Low-Profit Enterprises and Individually-owned Businesses (財政部、稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告), which shall be in force from January 1, 2023 to December 31, 2027, for the annual taxable income of a small low-profit enterprise, the portion not exceeding RMB1 million is subject to the preferential income tax rate of 20% followed by an 75% exemption.

Pursuant to the Measures for the Administration of the Accreditation of High-Tech Enterprises (Revised in 2016) (《高新技術企業認定管理辦法(2016修訂)》), which was promulgated by the Ministry of Science and Technology, the MOF and the SAT on January 29, 2016 and came into effect from January 1, 2016, high and new technology enterprises, which are accredited pursuant to these measures, may apply for entitlement to the tax preferential policies pursuant to the relevant provisions of the EIT Law and EIT Law Implementation Regulations. According to EIT Law and EIT Law Implementation Regulations, the income tax for high and new technology enterprises the industry of which is supported by the State will be at a reduced tax rate of 15%.

Dividend tax

According to the Agreement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) which was issued on August 21, 2006, the 5% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident company if such Hong Kong resident company directly holds at least 25% of the equity interests in the PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Circular of the SAT on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) which took effect on February 20, 2009, all of the following requirements shall be satisfied in order to enjoy the preferential tax rates provided under the tax agreements: (i) the tax resident that receives dividends should be a company as provided in the tax agreement; (ii) the equity interests and voting shares of the PRC resident company directly owned by the tax resident reach the percentages specified in the tax agreement; and (iii) the equity interests of the Chinese resident company directly owned by such tax resident at any time during the twelve months prior to receiving the dividends reach the percentage specified in the tax agreement. On February 3, 2018, the SAT issued the Notice on Certain Issues regarding “Beneficial Owners” in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》) which took effect on April 1, 2018, providing clearer guidelines and adopting comprehensive assessment approaches on determining whether a company can be qualified as a beneficial owner.

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Pursuant to the Administrative Measures for Convention Treatment for Non-resident Taxpayers (《非居民納稅人享受協定待遇管理辦法》) promulgated by the SAT on October 14, 2019 and became effective on January 1, 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of “self-assessment, claiming benefits, retention of the relevant materials for future inspection”. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and subject to subsequent administration by tax authorities.

Value-added tax

The Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), or the Value-added Tax Law, was promulgated by the SCNPC on December 25, 2024 and came into effect on January 1, 2026. According to the Value-added Tax Law, all enterprises and individuals engaged in the sale of goods, services, intangible assets, real estate, and the importation of goods within the territory of the PRC are the taxpayers of value-added tax, or the VAT. The VAT tax rates generally applicable are simplified as 13%, 9%, 6% and 0%, and the VAT tax rate applicable to the small-scale taxpayers is 3%.

REGULATION RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with Law (《關於依法從嚴打擊證券違法活動的意見》), or the Opinions. The Opinions emphasized the need to strengthen the administration over illegal securities activities, and the need to strengthen the supervision over overseas listings by Chinese companies. Effective measures, such as promoting the construction of relevant regulatory systems will be taken to deal with the issues and risks relating to China-based companies listed overseas, and cybersecurity and data privacy protection requirements, among other things. The Opinions and any relevant implementation rules to be enacted may subject us to additional compliance requirement in the future.

On February 17, 2023, the China Securities Regulatory Commission, or the CSRC, released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), or the Overseas Listing Trial Measures, and five supporting guidelines, which became effective on March 31, 2023. According to the Overseas Listing Trial Measures, (i) domestic companies that seek to offer or list securities overseas, either directly or indirectly, should fulfill the filing procedure and report relevant information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (ii) if the issuer meets both of the following conditions, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a domestic company: (a) any of the total assets, net assets, revenues or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer’s audited consolidated financial statements for the same period; (b) its major operational activities are carried out in China or its main places of business are located in China, or the senior managers in charge of operation and management of the issuer are mostly Chinese citizens or are domiciled in China; and (iii) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and where an issuer makes an application for listing in an overseas market, the issuer shall submit filings with the CSRC within three business days after such application is submitted.

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Further, according to the Overseas Listing Trial Measures, an overseas offering or listing must not be undertaken if any of the following circumstances apply: (i) if the intended securities offering or listing is specifically prohibited by laws, administrative regulations or relevant state rules; (ii) if the intended securities offering or listing may constitute a threat to or endangers national security as determined by competent authorities under the Council in accordance with law; (iii) if, in the past three years, the PRC domestic companies or their controlling shareholders or actual controllers have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy; (iv) the PRC domestic companies are currently under investigation for suspected criminal offenses, or for suspected major violations, and no conclusion has yet been made thereof; or (v) if there are material ownership disputes over equity held by the domestic company’s controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

According to the supporting guidelines of the Overseas Listing Trial Measures, the issuer (in the event of a direct overseas offering and listing) or its designated major PRC domestic operating entity (in the event of an indirect overseas offering and listing), shall make a timely report to the CSRC and update its CSRC filing within three business days after the occurrence of any of the following material events, if any of them occurs before the completion of the offering and/or listing: (i) any material change to principal business, licenses or qualifications of the issuer; (ii) any material change to equity structure or a change of control of the issuer; and (iii) any material change to the offering and listing plan.

In addition, pursuant to the Overseas Listing Trial Measures, an overseas listed company shall file with the CSRC within three business days after the completion of its follow-on offering on the same market, and an overseas listed company shall file with the CSRC within three business days after its application of its offering and listing on a different market. If an overseas listed company purchase PRC domestic entities’ assets through a single or multiple acquisitions, share swaps, shares transfers or other means, and such purchase constitutes direct or indirect listing of PRC domestic assets, a filing with the CSRC is also required. In addition, an overseas listed company is required to report to the CSRC the occurrence of any of the following material events within three business days after the occurrence and announcement thereof: (i) a change of control of the listed company; (ii) the investigation, sanction or other measures undertaken by any foreign securities regulatory agencies or relevant competent authorities in respect of the listed company; (iii) a change of listing status or listing board; and (iv) the voluntary or mandatory delisting of the listed company. If there is any material change of the principal business of the listed company after the overseas offering and listing so that the listed company is no longer required to file with the CSRC, it shall file a specific report and a legal opinion issued by a domestic law firm to the CSRC within three business days after the occurrence hereof.

On February 24, 2023, the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) was promulgated, or the Provision on Confidentiality, which became effective on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses documents and materials involving state secrets and working secrets of state organs, or Relevant Documents and Materials, to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses Relevant Documents and Materials through its overseas listing subjects, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall complete the corresponding procedures pursuant to the relevant provisions of the State. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and out-of-country transfers shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

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REGULATIONS RELATING TO THE H-SHARE FULL CIRCULATION

“Full circulation” means [REDACTED] and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》), or the Guidelines for the Full Circulation, which was revised on August 10, 2023.

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation.

On December 31, 2019, the China Securities Depository and Clearing Co., Ltd. or the CSDC, and the Shenzhen Stock Exchange, or the SZSE jointly announced the Measures for Implementation of H-share “Full Circulation” Business (《H股“全流通”業務實施細則》), or the Measures for Implementation. The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

In order to fully promote the reform of H-share full circulation and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, the Guide of China Securities Depository and Clearing Corporation Limited Shenzhen Branch to the Program for “Full Circulation” of H-shares (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》), which was promulgated by CSDC Shenzhen Branch on September 20, 2024, and amended on June 27, 2025, specifies the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, and other relevant matters. In February 2020, China Securities Depository and Clearing (Hong Kong) Limited, or CSDC (Hong Kong) also promulgated the Guide of CSDC (Hong Kong) to the Program for “Full Circulation” of H-shares (《中國證券登記結算(香港)有限公司H股“全流通”業務指南》), which was amended on September 20, 2024, to specify the relevant escrow, custody, agent service, arrangement for settlement and delivery, risk management measures and other relevant matters.

According to the Measures for Implementation and the Guide of CSDC Shenzhen Branch to the Program for “Full Circulation” of H-shares, shareholders who apply for H-share Full Circulation, or the Participating Shareholders, shall complete the cross-border transfer registration for conversion of relevant domestic unlisted shares into H Shares before dealing in the shares, i.e., CSDC as the nominal shareholder, deposits the relevant securities held by Participating Shareholders at CSDC (Hong Kong), and CSDC (Hong Kong) will then deposit the securities at Hong Kong Securities Clearing Company Limited, or the HKSCC, in its own name, and exercise the rights to the securities issuer through HKSCC, while HKSCC Nominees as the ultimate nominal shareholder is listed on the register of shareholders of H-share listed companies.

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According to the Guide of CSDC Shenzhen Branch to the Program for “Full Circulation” of H-shares, H-share listed companies shall be authorized by Participating Shareholders to designate the only domestic securities company, or the Domestic Securities Company to participate in the transaction of converted H shares. The specific procedure is as follows:

Participating Shareholders submit trading orders of the converted H-shares through the Domestic Securities Company, which transmits the orders to the Hong Kong Securities Company designated by the Domestic Securities Company through Shenzhen Securities Communications Co., Ltd.; and Hong Kong Securities Company conducts corresponding securities transactions in the Hong Kong market in accordance with the aforementioned trading orders and the rules of the Stock Exchange.

According to the Guide of CSDC Shenzhen Branch to the Program for “Full Circulation” of H-shares, upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Participating Shareholders, will all be conducted separately.

REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in China are the Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), most recently amended on August 5, 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

According to the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas listing. Domestic company shall, within 15 working days after the end of its public offering overseas, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the funds shall be consistent with the public disclosure documents.

On February 13, 2015, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), or the SAFE Circular 13, which took effect on June 1, 2015 and was amended on December 30, 2019. In accordance with the SAFE Circular 13, the banks will review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment directly, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

On March 30, 2015, SAFE issued the Notice by the State Administration of Foreign Exchange on Reforming the Mode of Management of Settlement of Foreign Exchange Capital of Foreign-Funded Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19, which took effect on June 1, 2015 and the Notice by the State Administration of Foreign Exchange of Repealing or Invalidating Five Regulatory Documents on Foreign Exchange Administration and Clauses of Seven Regulatory Documents on Foreign Exchange Administration (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》) and the Notice by the

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State Administration of Foreign Exchange of Repealing and Invalidating 15 Regulatory Documents on Foreign Exchange Administration and Adjusting Clauses of 14 Regulatory Documents on Foreign Exchange Administration on March 30, 2015 (《國家外匯管理局關於廢止和失效15件外匯管理規範性文件及調整14件外匯管理規範性文件條款的通知》) which, among other things, amend certain provisions of SAFE Circular 19. SAFE further issued the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) on June 9, 2016 with immediate effect, or the SAFE Circular 16. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

On October 23, 2019, SAFE issued the Notice by the State Administration of Foreign Exchange Regarding Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), and last amended on December 4, 2023 by the Notice by the State Administration of Foreign Exchange of Further Deepening Reform and Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the 2024 Negative List and the target investment projects are genuine and in compliance with laws. According to the Notice by the State Administration of Foreign Exchange Regarding Optimizing Foreign Exchange Administration to Support Foreign Business Development (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

REGULATIONS RELATED TO LEASING PROPERTIES

Pursuant to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the Standing Committee of the National People’s Congress, or the SCNPC, on July 5, 1994 and most recently amended on August 26, 2019 and came into effect on January 1, 2020, a written lease contract shall be entered into between the lessor and the lessee for leasing a property. The contract shall include the terms and conditions such as the term, purpose and price of leasing and liability for maintenance and repair, as well as other rights and obligations of both parties. The contract shall be filed for registration and record with the real estate administration department.

The Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) were promulgated by Ministry of Housing and Urban-Rural Development on December 1, 2010, and became effective on February 1, 2011. These measures set out specific rules for commercial house leasing. Houses may not be leased in any of the following circumstances: (i) the house is an illegal structure; (ii) the house fails to meet mandatory engineering construction standards with respect to safety and disaster preventions; (iii) the house usage is changed in violation of applicable regulations; and (iv) other circumstances prohibited by laws and regulations. The lessor and the lessee shall register and file with the local competent authority within thirty days after entering into the lease contract. Noncompliance with such registration and filing requirements shall, if the violator is an individual, be subject to a fine of not more than RMB1,000, and if the violator is an entity, to a fine of RMB1,000 to RMB10,000, provided that they fail to rectify within required time limits.

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The lease contract shall also comply with the provisions of the Civil Code of the PRC (《中華人民共和國民法典》). Pursuant to the Civil Code, the contents of a lease contract generally include terms such as the name, quantity and purpose of the leased property, lease term, rent as well as time limit and method for its payment, and maintenance of the leased property. An owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the laws. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee’s possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

Patents in the PRC are principally protected under the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and effective on April 1, 1985, and last amended on October 17, 2020 and effective on June 1, 2021, and its implementation rules, which was last amended on December 11, 2023 and effective on June 20, 2024. Novelty, inventiveness and practicality are three essential ingredients of an invention patent or a utility model patent in the PRC. Any design for which a patent is granted shall not be attributed to the existing design. The protection period is 20 years for an invention patent, 10 years for a utility model patent and 15 years for a design patent whose application date is after June 1, 2021 (included) or 10 years for a design patent whose application date is before May 31, 2021 (included), commencing from their respective application dates.

Copyright

Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and effective on June 1, 1991, and last amended on November 11, 2020 and effective on June 1, 2021, or the Copyright Law, and its related implementing regulations, are the principal laws and regulations governing copyright related matters. The Copyright Law provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright of their works. The “work” under the Copyright Law shall refer to ingenious intellectual achievements in the fields of literature, art and science that can be presented in a certain form, which includes but not limited to written works, oral works and computer software. Pursuant to the Copyright Law, the regulations for the protection of computer software shall be established separately by the State Council.

Pursuant to the Regulation on Computer Software Protection (《計算機軟件保護條例》) promulgated on June 4, 1991 by the State Council and last amended on January 30, 2013 and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated on April 6, 1992 and last amended by the National Copyright Administration on February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Trademark

Trademark Law of the PRC (《中華人民共和國商標法》) was issued by the SCNPC on August 23, 1982 and became effective on March 1, 1983, and was last amended on April 23, 2019 and became effective on November 1, 2019. The regulation on the implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were issued by the State Council on August 3, 2002 and became effective on September 15, 2002, and were amended on April 29, 2014 and became effective on May 1, 2014. Registered trademarks are protected under the Trademark Law of the PRC and related rules and regulations. The Trademark Office of National Intellectual Property Administration handles trademark

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registrations and grants a protection term of ten years commencing from the registration date to registered trademarks. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of this trademark may be rejected. Trademark registrations are effective for a renewable ten-year period commencing from the day after the expiry date of the last period of validity, unless otherwise revoked or failed to complete the renewal formalities.

Domain name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), which was issued by the MIIT on August 24, 2017, and came into effect on November 1, 2017, MIIT is responsible for managing internet network domain names of China. The principle of “first-to-file” is adopted for domain name services. A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name, and verify the authenticity and completeness of the domain name registration information.

REGULATIONS RELATING TO LABOUR AND SOCIAL INSURANCE

Labor

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), or the Labor Law, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), or the Labor Contract Law of the PRC, and Regulation on the Implementation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), or the Implementation Regulations on Labor Contract Law.

The Labor Law was promulgated by the SCNPC on July 5, 1994 and was last amended on December 29, 2018 (the latest revised version became effective from December 29, 2018). The Labor Contract Law was promulgated by the SCNPC on June 29, 2007 and was amended on December 28, 2012 (the latest revised version became effective from July 1, 2013). The Regulation on the Implementation of the Labor Contract Law of the PRC were promulgated and became effective on September 18, 2008. These laws and regulations together stipulate the employment contracts, settlement of labor dispute, labor remuneration, protection of occupational safety and healthcare, social insurance and welfare, etc. Written labor contracts must be entered into in order to establish the labor relationship between employers and employees. Employers are also required to pay wages no lower than the local minimum wage standards to their employees.

In December 2012, the Labor Contract Law was amended to impose more stringent requirements on the use of dispatched workers. Dispatched workers are entitled to equal pay with full-time employees for equal work. Employers are only allowed to use dispatched workers for temporary, auxiliary or substitutive positions. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Insurance on January 24, 2014 and came into effect on March 1, 2014, the number of dispatched workers hired by an employer may not exceed 10% of the total number of its employees.

Social insurance and housing provident fund regulations

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, governs the PRC social insurance system. It requires employers and/or employees (as the case may be) to register social insurance with competent authorities and contribute required amount of social insurance funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance. Employers who failed to complete social insurance registration shall be ordered by the social insurance administrative authorities to make rectification within a stipulated period; where

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rectification is not made within the stipulated period, the employer shall be subject to a fine ranging from one to three times the amount of the social insurance premiums payable, and the person(s)-in-charge who is/are directly accountable and other directly accountable personnel shall be subject to a fine ranging from RMB500 to RMB3,000. Employers who failed to promptly contribute social insurance premiums in full amount shall be ordered by the social insurance premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Under the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and last amended on March 24, 2019, an employer shall make contribution registration with the housing provident fund management center and complete the formalities of opening housing provident fund accounts for its employees. Where an employer fails to undertake contribution registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. Where an employer is overdue in the payment of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment within a prescribed time limit; where the payment has not been made after the expiration of the time limit, an application may be made to a people’s court for compulsory enforcement.

LAWS AND REGULATIONS OF THE KINGDOM OF SAUDI ARABIA

Regulations Relating to Personal Data Protection

Saudi Arabia’s Personal Data Protection Law (Royal Decree No. M/19 dated 9/2/1443 H, as amended) (the “**PDPL**”) and its implementing regulations are the principal legal instruments governing the protection of personal data in the Kingdom of Saudi Arabia (the “**KSA**”). The PDPL took full effect on September 14, 2024 and is administered by the Saudi Data and Artificial Intelligence Authority (“**SDAIA**”).

Pursuant to Article 2 of the PDPL, the law applies on an extraterritorial basis to all entities that process the personal data of residents of the KSA, regardless of whether the entity is located within or outside the KSA. Under Articles 5 and 6, data processing must be premised on the data subject’s explicit consent unless one of the statutory exceptions applies (including necessity for contract performance, fulfilment of a legal obligation, or the data controller’s legitimate interests, the last of which does not apply to sensitive personal data). Articles 12, 17 and 18 impose specific obligations on the data controller, including the establishment of a transparent privacy policy, registration on the National Data Governance Platform and, where the controller processes large-scale or sensitive personal data, the appointment of a qualified data protection officer. Under the PDPL, the cross-border transfer of personal data of KSA residents to jurisdictions providing a lower level of protection is in principle prohibited, unless approved by SDAIA or supported by a supplementary agreement containing standard contractual clauses.

Article 35 of the PDPL provides that the unlawful disclosure or processing of sensitive personal data may give rise to administrative fines and, in aggravated circumstances, criminal liability. Article 36 sets out the administrative penalties applicable to other violations of the PDPL, which are primarily imposed on the offending company. Directors, officers and shareholders generally do not bear personal liability under the PDPL unless they personally commit or participate in unlawful conduct under Article 35.

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Regulations Relating to Consumer Protection in Electronic Commerce

The Electronic Commerce Law (Royal Decree No. M/126 dated 7/11/1440 H) (the “ECL”) aims to enhance transparency in digital transactions and consumer confidence in the KSA. Under Article 7 of the ECL, providers of e-commerce services to consumers in the KSA must conspicuously disclose within the relevant application the entity name, commercial registration information, contact details and detailed terms and conditions. Article 13 grants consumers a seven-day unilateral withdrawal right where they have not used or benefited from the service, and obliges the provider to allow correction of erroneous electronic communications within 24 hours. Articles 10 to 12 prohibit misleading or deceptive marketing and treat advertising content as an inseparable part of the service contract. A breach of the ECL may, pursuant to Article 18, give rise to fines of up to one million Saudi Riyals.

As advised by our Saudi Arabia legal adviser, we are not an “e-commerce provider” under the ECL, and the statutory obligations relating to information disclosure, withdrawal rights and error correction do not directly apply to us.

Regulations Regulating to Telecommunications and Content Licensing

In the KSA, the operation of voice and video calling services is subject to the Virtual Voice Service Permit (“VVSP”) issued by the Communications, Space and Technology Commission (“CST”). The provision of digital content services is further subject to Digital Content Platform (“DCP”) registration with the CST, and broadcasting-type services are regulated by the General Authority for Media Regulation (“GAMR”), which grants the non-scheduled broadcasting licence.

We provide our AICP and related communication functionalities to on an upstream PaaS and technical support basis. The relevant communication functionalities are offered on an over-the-top basis through internet connectivity and infrastructure maintained by licensed local telecommunications operators and service providers in the KSA. We do not independently provide public telecommunications network infrastructure or directly operate end-user communication services in the KSA. The VVSP, DCP registration and the GAMR non-scheduled broadcasting licence supporting the operation of the application are required to be obtained and maintained by the local customer as the local operator. As advised by our Saudi Arabia legal adviser, we are not required, as a technical support provider, to directly apply for or hold any of the foregoing permits or certifications in the KSA.

Regulations Relating to Taxation

Pursuant to the Income Tax Law of the KSA (Royal Decree No. M/1) (the “ITL”), administered by the Zakat, Tax and Customs Authority (“ZATCA”), non-resident taxpayers are subject to tax in the KSA in respect of taxable income derived from a Saudi source, irrespective of whether the non-resident maintains a permanent establishment in the KSA. Under Article 5 of the ITL, the source of income is determined principally by reference to whether the income arises from the sale or licensing of industrial or intellectual property within the KSA. Under Article 68(A) of the ITL, royalties derived by non-residents from KSA sources are subject to withholding tax at the rate of 15%. The Agreement between the Government of the People’s Republic of China and the Government of the Kingdom of Saudi Arabia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital (the “China-KSA DTA”) provides under Article 13(2) that, where the recipient is the “beneficial owner” of the royalties, the rate of tax shall not exceed 10% of the gross amount. Pursuant to Article 35 of the ITL, where a more favourable rate is provided under a tax treaty, such treaty rate shall prevail.

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We have not established any branch, office or other permanent establishment in the KSA, and our research and development services for our customer are performed within the PRC. The stays of our employees in the KSA do not in the aggregate exceed six months in any consecutive twelve-month period. As advised by our Saudi Arabia legal adviser:

- (i) with respect to the research and development service fees received, provided that the services are wholly performed in the PRC and do not constitute a permanent establishment in the KSA, such income is not subject to income tax in the KSA; and
- (ii) with respect to the software licensing fees (constituting “royalties” for the purposes of the ITL and the China-KSA DTA) such income is subject to withholding tax at the reduced treaty rate of 10%, with our customer acting as the statutory withholding agent under Article 68(B) of the ITL. Statutory obligation of withholding and reporting in the KSA rests with the customer, and the customer shall bear all penalty risk arising from any non-compliant withholding.

LAWS AND REGULATIONS OF SINGAPORE

During the Track Record Period, we offered our solutions and services through data centers located in Singapore. Our AICP and the communication functionalities it enables are provided on an “over-the-top” basis through internet connectivity provided by third-party licensed telecommunications operators and internet service providers; we do not directly onboard or contract with the end-users of our customers’ applications, and we do not maintain any office, place of business, branch, representative office, employees, agents, assets or other physical presence in Singapore. All of our income-generating activities (including development of the AICP, solutions and service delivery, contract negotiation and conclusion) are conducted outside Singapore. The following is a summary of certain aspects of the laws and regulations of Singapore which are relevant to our business operations.

Regulations Relating to Personal Data Protection

The Personal Data Protection Act 2012 of Singapore (the “**PDPA**”) is the primary legislative framework governing the protection of personal data in Singapore, including the collection, use, disclosure and care of personal data in electronic or non-electronic form. Each of “personal data” and “organisation” is defined broadly under the PDPA, and the PDPA has extraterritorial effect: its application extends to organisations beyond those with a physical presence in Singapore.

Generally, organisations that collect, use or disclose personal data in Singapore are subject to a range of obligations under the PDPA, including requirements relating to the lawful handling of personal data, protection of personal data, retention and disposal of personal data, overseas transfers of personal data and the notification of certain data breaches.

The PDPA recognises a distinct subset of organisations known as “data intermediaries”, defined as organisations which process personal data on behalf of, and for the purposes of, another organisation under a written contract. Under the PDPA, certain obligations apply differently where an organisation acts solely in such capacity. In particular, a data intermediary remains subject to requirements relating to the protection and retention of personal data and certain data breach-related obligations, while primary responsibility for a number of other compliance obligations generally remains with the organisation on whose behalf the personal data is processed. Whether an organisation qualifies as a data intermediary, and the extent to which any particular obligations apply, depends on the specific facts and circumstances of the relevant processing activities.

We provide the AICP as a modular software infrastructure and API layer that is embedded into, and operates within, our customers’ own software applications and systems. We do not provide any consumer-facing communication application and do not enter into any contractual relationship with the end-users of our customers’ applications. All end-user registration, identity verification, account creation, user authentication and user management functions are undertaken solely by the relevant customer, with whom we have a written contract which generally allocates responsibility to the customer for ensuring the

REGULATORY OVERVIEW

legality of the source, content and processing of its business data, including the obligation to obtain any required consent. Within the AICP environment, end-users are represented exclusively by system-generated or customer-assigned unique identifiers; we generally do not collect, receive or otherwise have access to information that identifies the individuals associated with any such identifier. Where the customer elects to implement end-to-end or equivalent encryption, the encryption keys are generated, held and controlled exclusively by the customer or within the customer’s designated environment, and we do not possess the technical capability to decrypt or access the contents of the communications. Additionally, the transmission and any incidental storage of communications occur solely for the purpose of providing the functionality requested by the customer and in accordance with the customer’s documented instructions.

In view of, amongst others, the foregoing, and based on the manner in which personal data is processed through the AICP as described above, that we process personal data solely on behalf of, and for the purposes determined by, our customers pursuant to written contractual arrangements, we would be characterised as a data intermediary under the PDPA in respect of such processing activities. Accordingly, the primary responsibility for compliance with a number of obligations under the PDPA would generally rest with the relevant customer as the organisation determining the purposes for which such personal data is processed. As a data intermediary, we remain subject to applicable obligations under the PDPA, including requirements relating to the protection and retention of personal data and certain data breach-related obligations.

The PDPA also establishes the Do Not Call Registry and imposes restrictions on the transfer of personal data outside Singapore. As we do not engage in direct marketing to individuals in Singapore, we do not believe that the Do Not Call Registry regime has a material impact on our business.

Regulations Relating to Online Content and Online Harms

The Protection from Harassment Act 2014 of Singapore (the “**POHA**”) empowers the Singapore courts to issue, among others, disabling orders under Section 15C and targeted or general correction orders under Sections 15D or 15E against, among others, internet intermediary service providers. The POHA also provides for stop publication orders under Section 15A and correction orders under Section 15B in respect of the publication of false statements of fact. The AICP and the communication scenarios it facilitates may be treated as internet intermediary services within the ambit of the POHA. However, in respect of stop publication or correction orders, a person is not treated as publishing a statement merely by doing any act for the purpose of, or that is incidental to, the provision of, among others, an internet intermediary service.

The Protection from Online Falsehoods and Manipulation Act 2019 of Singapore (the “**POFMA**”) empowers Singapore authorities to issue, in respect of material containing or consisting of a false statement of fact communicated in Singapore by way of an internet intermediary service, directions requiring, among others, the communication of correction notices to end-users in Singapore or the disabling of access by end-users in Singapore to the relevant material. Unlike orders under the POHA, directions under the POFMA do not require an assessment of the severity of the underlying conduct.

The Online Criminal Harms Act 2023 of Singapore (the “**OCHA**”) empowers Singapore authorities to issue directions to online service providers, including stop communication directions and disabling directions, in respect of online activities that are in furtherance of certain criminal offences such as scams or malicious cyber activity offences.

Certain provisions of Singapore’s new Online Safety (Relief and Accountability) Act 2025 (the “**OSRAA**”) are expected to commence operation on 29 June 2026 together with the commencement of the Online Safety Commission. The OSRAA establishes a framework for relief against prescribed categories of online harmful activity, including in its first phase online harassment, doxxing, online stalking, intimate image abuse and image-based child abuse. The Commissioner of Online Safety may, amongst others, issue directions to communicators, administrators of relevant groups or pages, and online service providers to address such online harmful activities. Particularly, online service providers may be subject to directions requiring, amongst others, the retention of information and records, the disabling of access by end-users

REGULATORY OVERVIEW

in Singapore to specified material or online locations, the communication of reply notices to users, or the restriction of access to or interactions involving specified accounts. Where an online service provider fails to respond reasonably to a written notice from a victim alleging that an applicable online harmful activity has occurred by means of its online service, it may be exposed to liability under the statutory tort regime established under the OSRAA.

As of the Latest Practicable Date, we had not received any order, direction or notice under the POHA, the POFMA, the OCHA or the OSRAA.

Regulations Relating to Taxation

Under Section 10(1) of the Income Tax Act 1947 of Singapore (the “ITA”), Singapore income tax is imposed only on income accruing in or derived from Singapore, or received in Singapore from outside Singapore. The mere fact that an entity has customers located in Singapore does not, of itself, cause income to be regarded as Singapore-sourced, particularly where the contracts are concluded outside Singapore and the relevant services are performed outside Singapore.

We have never been tax-resident in Singapore for the purposes of the ITA; the control and management of our business is exercised wholly outside Singapore, and we do not maintain any office, fixed place of business, employees or representatives in Singapore. All of our contracts with our Singapore customers are entered into outside Singapore, and the AICP is operated outside Singapore.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to March 18, 2015, when we were established jointly by Beijing Ultrapower Software Co., Ltd. (“**Ultrapower**”) (北京神州泰嶽軟件股份有限公司) (a company established under the laws of the PRC, the shares of which are listed on ChiNext, stock code: 300002) and Tianjin Yunzhong Rongxin Network Technology Partnership (Limited Partnership) (“**Tianjin Rongyun**”) (天津雲中融信網絡科技合夥企業(有限合夥)) which is managed by Mr. Wang Cheng (汪鉞), our chairman of the Board and Director, as its general partner. On October 27, 2025, our Company was converted into a joint stock company with limited liability.

Through a decade of development, we are a provider of intelligent cloud-based instant messaging solutions, delivering reliable and scalable communication capabilities to support global digital transformation. Leveraging cloud computing and distributed network architecture, we offer a comprehensive communications cloud platform available in both PaaS and SaaS forms for developers across a wide range of applications, including Apps and mini-programs, and integrating instant messaging and AI-enabled communications solutions.

BUSINESS DEVELOPMENT MILESTONES

The following table sets out certain development milestones of our Group:

Year	Milestones
2015	Our Company was established as a limited liability company in Beijing, PRC. Our Company officially launched Instant Messaging Software Development Kits 2.0 marking the beginning of its cloud communication Platform as a Service (“PaaS”) offering.
2016	Our Company completed the Series A financing of RMB39 million, led by Shenzhen Hechuang and Mr. Wang Lihua.
2017	Our cumulative serviced applications were over 85,500, including certain well-known automotive internet companies. Our Company completed the Series B financing of RMB50 million, led by Shanghai Jinpu.
2020	Our Company successively closed Series C financing, led by SDIC, Haining Dongzheng, and Ningbo Dongzheng, raising RMB100 million in aggregate. Our Company successively closed Series D financing, led by Digital Communication and SCGC, raising RMB40 million in aggregate.
2021	Our Company expanded into overseas nationwide communication solutions markets in the Middle East, such as Saudi Arabia and Southeast Asia.
2025	The company began integrating third-party AI large language models (LLMs) to provide a unified AI LLM API.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR GROUP

Establishment of Our Company

Our Company was established in the PRC on March 18, 2015, as a limited liability company with its name as Beijing RC Tech Co., Ltd. (北京雲中融信網絡科技有限公司). Upon establishment, the registered capital of our Company was RMB6.00 million, which was subscribed by Tianjin Rongyun for 25.00% and by Ultrapower for 75.00%.

Subsequent Capital Changes and Equity Transfer of Our Company

1. Early Capital Changes

On July 30, 2015, Ultrapower transferred 60.00% of the equity interest of our Company to Tianjin Rongyun, representing registered capital of RMB3.60 million.

On January 15, 2016, our Company increased its registered capital to RMB46.00 million, among which Ultrapower subscribed for a registered capital of RMB6.9 million and Tianjin Rongyun subscribed for RMB39.1 million.

Upon completion of such equity transfer and capital increase, our Company was owned as to 15.00% by Ultrapower and 85.00% by Tianjin Rongyun.

2. Series A Financing in April 2016

We completed the Series A Financing on April 18, 2016, increasing the registered capital of our Company from approximately RMB46.00 million to approximately RMB56.55 million. Details of the Series A Financing are set forth below:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Shenzhen Hechuang Kaifu Enterprise Management Center (Limited Partnership) (深圳市合創凱富企業管理 中心(有限合夥)) (“Shenzhen Hechuang”) ⁽¹⁾	9,200,000	34,000,000
Mr. Wang Lihua (王利華)	1,352,742	5,000,000
Total	10,552,742	39,000,000

Note:

- Shenzhen Hechuang was formerly known as Shenzhen Hechuang Kaifu Investment Centre (Limited Partnership) (深圳合創凱富投資中心(有限合夥)).

3. Series B Financing in 2017 and in 2018

We completed the Series B Financing through capital increases and capital transfers on January 29, 2018. Details of the respective capital increases were set forth below:

Subscribers	Registered Capital Subscribed for (RMB)	Consideration (RMB)
Shanghai Jinpuxincheng Mobile Interconnection Equity Funds Partnership (Limited Partnership) (上海金 浦信誠移動互聯創業投資合夥企業(有限合夥)) (“Shanghai Jinpu”) ⁽¹⁾	3,141,819	25,000,000
Mr. Tao Yongsheng (陶永生)	502,691.04	4,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subscribers	Registered Capital Subscribed for	Consideration
	(RMB)	(RMB)
Mr. Jin Wu (金武)	502,691.04	4,000,000
Mr. Gu Huixiang (顧慧翔)	62,836.38	500,000
Shanghai Jiacun Investment Management Co., Ltd. (上海嘉 存投資管理有限公司) (“ Shanghai Jiacun ”)	471,272.85	3,750,000
Mr. Wang Yuhui (王玉輝)	691,200.18	5,500,000
Beijing Tianxing Capital Co., Ltd., Beijing Star Kaiyuan Investment Center (Limited Partnership) (北京天星開元 投資中心(有限合夥)) (“ Star Kaiyuan ”)	502,691.04	4,000,000
Zhuhai Shenzhou Taiyue Emerging Industries Investment Enterprise (Limited Partnership) (珠海神州泰嶽新興產業 投資企業(有限合夥)) (“ Taiyue Emerging ”)	408,436.47	3,250,000
Total	6,283,638	50,000,000

Note:

- Shanghai Jinpu was formerly known as Shanghai Jinpu Mobile Internet Equity Investment Fund Partnership (Limited Partnership) (上海金浦移動互聯網股權投資基金合夥企業(有限合夥)).

Details of the respective equity transfers were as follows:

Transferors	Transferees	Registered Capital Transferred	Consideration
		(RMB)	(RMB)
Tianjin Rongyun	Mr. Tao Yongsheng	3,927,273.70	25,000,000
	Shanghai Jiacun	510,545.60	3,250,000
	Mr. Wang Yuhui	510,545.60	3,250,000
	Star Kaiyuan	628,363.80	4,000,000
	Mr. Jin Wu	628,363.80	4,000,000
	Mr. Gu Huixiang	78,545.50	500,000
	Mr. Li Pengcheng (李鵬程)	6,283,638	40,000,000
	Mr. Wang Cheng	6,283,638	40,000,000
Mr. Wang Lihua	Mr. Wang Yuhui	274,909.40	1,750,000
	Taiyue Emerging	510,545.60	3,250,000
Mr. Tao Yongsheng . .	Suzhou Sushang Joint Venture Capital Partnership (Limited Partnership) (蘇州蘇商聯合創業投資合夥企業(有 限合夥)) (“ Suzhou Sushang ”) ⁽¹⁾	3,141,819	20,850,000

Note:

- Suzhou Sushang was formerly known as Suzhou Sushang Joint Venture Capital Partnership (Limited Partnership) (蘇州蘇商聯合創業投資合夥企業(有限合夥)).

Upon completion of the Series A Financing and the Series B Financing, the shareholding of our Company was as follows:

Shareholders	Registered capital subscribed for	Shareholding percentage
	(RMB)	(%)
Ultrapower	6,900,000	10.98

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Registered capital subscribed for	Shareholding percentage
	(RMB)	(%)
Tianjin Rongyun	20,249,086	32.23
Shenzhen Hechuang	9,200,000	14.64
Mr. Wang Lihua	567,287	0.90
Shanghai Jinpu	3,141,819	5.00
Shanghai Jiacun	981,818	1.56
Star Kaiyuan	1,131,055	1.80
Taiyue Emerging	918,982	1.46
Mr. Tao Yongsheng	1,288,146	2.05
Mr. Jin Wu	1,131,055	1.80
Mr. Gu Huixiang	141,382	0.23
Mr. Wang Yuhui	1,476,655	2.35
Mr. Li Pengcheng	6,283,638	10.00
Mr. Wang Cheng	6,283,638	10.00
Suzhou Sushang	3,141,819	5.00
Total	62,836,380	100.00

4. Capital Increase in July 2018

On July 5, 2018, Tianjin Yunchuang Rongxin Network Technology Partnership (Limited Partnership) (“**Tianjin Yunchuang**”) (天津雲創融信網絡科技合夥企業(有限合夥)), one of our Employee Incentive Platforms, subscribed for RMB6,891,820 of the registered capital at par value, representing 10% shareholding of our Company. See “— Share Incentive Plans” for further details.

5. Equity Transfers in 2018

On July 20, 2018, each of Shanghai Jiacun and Mr. Gu Huixiang transferred all their registered capital to Taiyue Emerging. In addition, on August 6, 2018, Star Kaiyuan transferred all its registered capital of approximately RMB1.13 million in our Company to Beijing Yunzhi Youchuang Technology Partnership Enterprise (Limited Partnership) (“**Beijing Yunzhi**”) (北京雲智優創科技合夥企業(有限合夥)). See “— [REDACTED]” in this section for further details.

6. Equity Transfers in December 2019

On December 24, 2019, Tianjin Yunchuang transferred (i) RMB349,091 of the registered capital in our Company to Shanghai Jinpu; (ii) RMB104,727 of the registered capital in our Company to Taiyue Emerging; (iii) RMB55,855 of the registered capital in our Company to Mr. Tao Yongsheng; (iv) RMB55,854 of the registered capital in our Company to Beijing Yunzhi; and (v) RMB55,855 of the registered capital in our Company to Mr. Jin Wu.

7. Acquisition of Beijing Bailing

In January 2020, the Company completed the acquisition of all the equity interests of Beijing Bailing, held by Mr. Wang Cheng, Tianjin Bailing Youxiang Network Technology Partnership (Limited Partnership) (天津百靈優享網絡科技合夥企業(有限合夥)) (“**Tianjin Bailing**”), Bailing Cloud Tech H.K. Limited (“**Bailing Cloud**”), and Zhuhai Taiyue Wutong Cloud Intelligence Venture Capital Fund (Limited Partnership) (珠海泰嶽梧桐雲智創業投資基金(有限合夥)) (“**Taiyue Cloud**”) at the consideration of the additional registered capital of RMB17.45 million of the Company, which were allotted to Mr. Wang Cheng, Tianjin Bailing, Bailing Cloud, and Taiyue Cloud in accordance with the proportion of their equity interests in Beijing Bailing. Details of the shareholders of Beijing Bailing and their equity interests in Beijing Bailing which were then acquired by the Company were set forth below:

Shareholders from whom the equity interests were acquired	Acquired equity interests in Beijing Bailing	% of equity interest in Beijing Bailing
	(RMB)	
Mr. Wang Cheng	1,662,200	53.73

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders from whom the equity interests were acquired	Acquired equity interests in Beijing Bailing (RMB)	% of equity interest in Beijing Bailing
Bailing Cloud	426,900	13.80
Tianjin Bailing	907,700	29.34
Taiyue Cloud	96,800	3.13
Total	3,093,600	100.00

8. Series C Financing in March 2020

On March 13, 2020, several investors subscribed for additional registered capital. The details of the subscriptions were set forth below:

Subscribers	Registered Capital Subscribed for (RMB)	Consideration (RMB)
Haining Dongzheng Hande Investment Partnership (L.P.) (海寧東証漢德投資合夥企業(有限合夥)) (“ Haining Dongzheng ”)	2,909,092	25,000,000
Ningbo Meishan Bonded Port Area Dongzheng Xiade Investment Partnership (L.P.) (寧波梅山保稅港區東証夏德投資合夥企業(有限合夥)) (“ Ningbo Dongzheng ”)	2,909,092	25,000,000
SDIC High-tech (Shenzhen) Venture Capital Fund (L.P.) (國投高新(深圳)創業投資基金(有限合夥)) (“ SDIC High-Tech ”)	2,327,274	20,000,000
SDIC Jingjinji S&T Achievements Conversion Venture Investment Fund (L.P.) (國投京津冀科技成果轉化創業投資基金(有限合夥)) (“ SDIC Jingjingji ”)	3,490,910	30,000,000
Total	11,636,368	100,000,000

9. Series D Financing in November 2020

On November 23, 2020, Our Company completed the Series D Financing through equity transfer and capital increase. A portion of the Company’s existing registered capital was transferred to the new investors as set forth below:

Transferors	Transferees	Registered Capital Transferred (RMB)	Consideration (RMB)
Shanghai Jinpu	Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“ SCGC ”)	419,044	3,971,864
	Shenzhen Hongtu Hongtai Venture Capital Fund Partnership Enterprise (Limited Partnership) (深圳市紅土宏泰創業投資基金合夥企業(有限合夥)) (“ Hongtu Hongtai ”)	977,769	9,267,683
	Digital Communication Hong Kong Limited (數碼通訊香港控股有限公司) (“ Digital Communication ”) ⁽¹⁾	2,094,097	19,848,688
Mr. Tao Yongsheng	SCGC	403,200	3,821,693
	Hongtu Hongtai	940,801	8,917,284
Mr. Jin Wu	SCGC	356,073	3,375,002
	Hongtu Hongtai	830,837	7,875,004
Suzhou Sushang	Digital Communication	3,141,819	29,779,688
Mr. Li Pengcheng	Digital Communication	265,116	2,512,875
	Beijing Chenxi Qihang Technology Co., Ltd. (北京晨曦啟航科技有限公司) (“ Beijing Chenxi ”)	5,807,516	55,045,948

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Transferors	Transferees	Registered Capital Transferred (RMB)	Consideration (RMB)
	Beijing Zhongjing Heming Investment Management Center (Limited Partnership) (北京中經合明投資管理中心(有限合夥)) (“ Zhongjing Heming ”)	211,006	2,000,000

Note:

- Digital Communication was formerly known as eWTP Arabia Investment HK-I Limited.

In addition, the Company’s registered capital increased to RMB102.07 million, and details of the subscription for the additional registered capital of the Company by Digital Communication, SCGC, and Hongtu Hongtai were as follows:

Subscribers	Registered Capital Subscribed for (RMB)	Consideration (RMB)
Digital Communication	2,154,523	27,228,530
SCGC	303,171	3,831,441
Hongtu Hongtai	707,398	8,940,029
Total	3,165,092	40,000,000

Upon completion of the Series C Financing and the Series D Financing, the shareholding of our Company was as follows:

Shareholders	Registered Capital Subscribed for (RMB)	Shareholding Percentage (%)
Ultrapower	6,900,000	6.76
Tianjin Rongyun	20,249,086	19.84
Shenzhen Hechuang	9,200,000	9.01
Tianjin Yunchuang	6,360,438	6.23
Mr. Wang Lihua	567,287	0.56
Beijing Yunzhi	1,186,909	1.16
Taiyue Emerging	2,146,909	2.10
Mr. Wang Yuhui	1,476,655	1.45
Mr. Wang Cheng	15,662,220	15.34
Tianjin Bailing	5,121,308	5.02
Bailing Cloud	2,407,750	2.36
Taiyue Cloud	546,910	0.54
Haining Dongzheng	2,909,092	2.85
Ningbo Dongzheng	2,909,092	2.85
SDIC High-Tech	2,327,274	2.28
SDIC Jingjinji	3,490,910	3.42
Digital Communication	7,655,555	7.50
Beijing Chenxi	5,807,516	5.69
Zhongjing Heming	211,006	0.21
SCGC	1,481,488	1.45
Hongtu Hongtai	3,456,805	3.39
Total	102,074,210	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

10. Equity Transfers in 2022

In 2022, SDIC High-Tech, SDIC Jingjinji, Haining Dongzheng, Ningbo Dongzheng, SCGC, Hongtu Hongtai, Zhongjing Heming and Bailing Cloud transferred all their registered capital to Digital Communication. Upon completion of such equity transfers, the registered capital of the Company held by Digital Communication was RMB26,848,972. See “— [REDACTED]” in this section for further details.

On April 2, 2022, Tianjin Rongyun transferred approximately RMB0.62 million of registered capital to Zhuhai Taiyue Wutong Investment Partnership (L.P.) (珠海泰岳梧桐投資合夥企業(有限合夥)) (“**Taiyue Investment**”)⁽¹⁾.

Note:

- (1) Pursuant to a series of arrangements between November 2018 and April 2022 in relation to transfer of equity interest of the Company, Taiyue Investment acquired (i) equity interest of RMB616,727 of the Company from Tianjin Rongyun, the consideration of which was RMB5,297,685, and (ii) 83.33% of the partnership interest in Beijing Yunzhi, which indirectly corresponded to equity interest of RMB989,090 of the Company, from Mr. Ren Jie.

11. Capital Increase in April 2025

On April 27, 2025, Beijing Yunzhi Rongyao Network Technology Partnership (Limited Partnership) (北京雲智融耀網絡科技合夥企業(有限合夥)) (“**Beijing Rongyao**”), one of our Employee Incentive Platforms, subscribed for a registered capital of RMB11.34 million. See “— Share Incentive Plans” for further details.

12. Conversion into a Joint Stock Company in October 2025

On October 27, 2025, the Company completed the industrial and commercial registration and was formally converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as at May 31, 2025, the conversion base date, were converted into 113,415,789 ordinary shares of the Company at RMB1 each and share capital of RMB113,415,789 was recorded accordingly.

13. Share Transfer in November 2025

On November 20, 2025, Taiyue Cloud transferred all its Shares to Mr. Xue Quanying (薛全英), the sole limited partner of Taiyue Cloud holding 99.98% of its partnership interest. Upon completion of the transfer, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Shareholding percentage (%)
Digital Communication	26,848,972	23.67
Beijing Chenxi	5,807,516	5.12
Ultrapower	6,900,000	6.08
Tianjin Rongyun	19,632,359	17.31
Shenzhen Hechuang	9,200,000	8.11
Tianjin Yunchuang	6,360,438	5.61
Mr. Wang Lihua	567,287	0.50
Beijing Yunzhi	1,186,909	1.05
Taiyue Emerging	2,146,909	1.89
Mr. Wang Yuhui	1,476,655	1.30
Mr. Wang Cheng	15,662,220	13.81
Taiyue Investment	616,727	0.54
Tianjin Bailing	5,121,308	4.52
Mr. Xue Quanying	546,910	0.48
Beijing Rongyao	11,341,579	10.00
Total	113,415,789	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SUBSIDIARIES

As of the Latest Practicable Date, the table below set out the place and date of incorporation and principal business activities of our subsidiaries:

Name of Subsidiaries	Place of Incorporation	Date of Incorporation	Equity interest attributable to our Group	Principal Business Activities
Beijing Bailing	Beijing, PRC	May 8, 2019	100%	Technology development; technical consulting; technical services; computer system services; sales of computers, software, and auxiliary equipment
RCLOUD GLOBAL PTE. LTD.	Singapore	December 10, 2025	100%	Development of software and applications

MAJOR ACQUISITION, DISPOSAL AND MERGERS

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, mergers, or disposals.

SHARE INCENTIVE PLANS

To reward our key employees, incentivize our management team and promote our long-term sustainable development, our Company has adopted the Tianjin Yunchuang Share Incentive Plan in August 2017 (amended in October 2019 and June 2025 out of the Company’s consideration of its future capital use and operation development) and Beijing Rongyao Share Incentive Plan in December 2024. Employees who participated in the Share Incentive Plans would be granted restricted share awards in Employee Incentive Platforms. Pursuant to the Share Incentive Plans we have set up two Employee Incentive Platforms, Tianjin Yunchuang and Beijing Rongyao, which directly held Shares in our Company.

(1) Tianjin Yunchuang

Tianjin Yunchuang was established as a limited partnership under the laws of the PRC on November 27, 2017. As of the Latest Practicable Date, the percentage of partnership interest of the Directors and the senior management of our Company in Tianjin Yunchuang were set out below:

Name	Position(s)	Percentage of partnership interests
Mr. Wang Cheng	Chairman of our Board and executive Director	26.40%
Ms. Dong Han (董晗).	Executive Director and chief executive officer	16.47%
Mr. Cen Yu (岑裕)	Executive Director and chief technology officer	3.81%

Mr. Wang Cheng is the general partner of Tianjin Yunchuang. As of the Latest Practicable Date, none of the remaining 41 partners held 30% or more of the partnership interest in Tianjin Yunchuang.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(2) Beijing Rongyao

Beijing Rongyao was established as a limited partnership under the laws of the PRC on March 31, 2025. As of the Latest Practicable Date, the percentage of partnership interest of the Directors and the senior management of our Company in Beijing Rongyao were set out below:

Name	Position(s)	Percentage of partnership interests
Ms. Dong Han	Executive Director and chief executive officer	76.11%
Mr. Song Wei	Chief financial officer and Board secretary	10.58%

Ms. Dong Han is the general partner of Beijing Rongyao. As of the Latest Practicable Date, none of the remaining 36 partners held 30% or more of the partnership interest in Beijing Rongyao.

For further details of the key terms of our Share Incentive Plans, see “Appendix IV — Statutory and General Information — 5. Share Incentive Plans”.

[REDACTED]

1. Overview

We concluded several rounds of [REDACTED]. Details of our [REDACTED] who remained as our Shareholders as of the Latest Practicable Date are set out below:

[REDACTED]	Method	Date of agreement	Last date of settlement	Registered capital/ Shares subscribed for/acquired (RMB)	Consideration (RMB)	Cost per [REDACTED] (RMB)	Discount to the [REDACTED] (%)
Shenzhen Hechuang	Subscription	January 29, 2016 (supplemented on March 25, 2016)	July 1, 2016	9,200,000	34,000,000	3.70	[REDACTED]
Mr. Wang Lihua	Subscription	January 29, 2016 (supplemented on March 25, 2016)	February 22, 2016	1,352,742	5,000,000	3.70	[REDACTED]
Mr. Wang Yuhui	Subscription	May 10, 2017	June 13, 2017	691,200.18	5,500,000	7.96	[REDACTED]
	Transferred by Tianjin Rongyun	May 11, 2017	June 13, 2017	510,545.60	3,250,000	6.36	[REDACTED]
	Transferred by Mr. Wang Lihua	May 11, 2017	June 13, 2017	274,909.40	1,750,000	6.36	[REDACTED]
Taiyue Emerging	Subscription	May 10, 2017	July 28, 2017	513,163.47 ⁽³⁾	3,250,000	6.33	[REDACTED]
	Transferred by Mr. Wang Lihua	May 11, 2017	July 28, 2017	510,545.60	3,250,000	6.36	[REDACTED]
	Transferred by Shanghai Jiacun	December 1, 2017	December 1, 2017	981,818	7,350,958.9	7.49	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]	Method	Date of agreement	Last date of settlement	Registered capital/ Shares subscribed for/acquired	Consideration	Cost per [REDACTED]	Discount to the [REDACTED]
				(RMB)	(RMB)	(RMB)	(%)
	Transferred by Mr. Gu Huixiang	December 1, 2017	December 1, 2017	141,382	1,049,863	7.43	[REDACTED]
Beijing Yunzhi and Taiyue Investment	Transferred by Star Kaiyuan	July 13, 2018	November 25, 2018	1,186,909 ⁽³⁾	9,000,000	7.58	[REDACTED]
	Transferred by Tianjin Rongyun	November 2018	April 2022	616,727	5,297,685	8.59	[REDACTED]
Beijing Chenxi.	Transferred by Mr. Li Pengcheng	October 27, 2020	March 14, 2021	5,807,516	55,045,948	9.47	[REDACTED]
Digital Communication . .	Transferred by Shanghai Jinpu	October 27, 2020	May 21, 2021	2,094,097	19,848,688	9.47	[REDACTED]
	Transferred by Suzhou Suhang	October 27, 2020	May 21, 2021	3,141,819	29,779,688	9.47	[REDACTED]
	Transferred by Mr. Li Pengcheng	October 27, 2020	April 26, 2021	265,116	2,512,875	9.47	[REDACTED]
	Subscription	October 27, 2020	May 11, 2021	2,154,523	27,228,530	12.64	[REDACTED]
	Transferred by SDIC High-Tech	December 20, 2021	March 17, 2022	2,327,274	28,500,000	12.25	[REDACTED]
	Transferred by SDIC Jingjinji	December 20, 2021	March 17, 2022	3,490,910	42,750,000	12.25	[REDACTED]
	Transferred by Haining Dongzheng	January 4, 2022	July 6, 2022	2,909,092	39,900,000	13.72	[REDACTED]
	Transferred by Ningbo Dongzheng	January 4, 2022	July 6, 2022	2,909,092	39,900,000	13.72	[REDACTED]
	Transferred by SCGC	January 4, 2022	May 5, 2022	1,481,488	20,320,000	13.72	[REDACTED]
	Transferred by Hongtu Hongtai	January 4, 2022	May 5, 2022	3,456,805	47,410,000	13.72	[REDACTED]
	Transferred by Zhongjing Heming	January 20, 2022	July 14, 2022	211,006	2,890,000	13.70	[REDACTED]
	Transferred by Bailing Cloud	January 20, 2022	June 15, 2022	2,407,750	33,020,000	13.71	[REDACTED]
Mr. Xue Quanying	Transferred by Taiyue Cloud	November 20, 2025	December 2, 2025	546,910	3,080,000	5.63 ⁽⁴⁾	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

1. The cost per [REDACTED] paid by the [REDACTED] was calculated based on the amount of investment made by the relevant [REDACTED] and number of Shares acquired in each respective round of investment, as adjust to reflect subsequent capital injection and the conversion of our Company from limited liability company to a joint stock company with limited liability in October 2025, as applicable.
2. The discount to the [REDACTED] calculated based on the foreign exchange rate as of the Latest Practicable Date and the assumption that the [REDACTED] is HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range).
3. Due to the failure of the Company to meet the main business revenue commitment agreed in the Series B Financing Agreement which was entered into among Tianjin Yunchuang and the investors, the Company entered into a supplemental agreement with the investors in Series B Financing on December 20, 2019, according to which Tianjin Yunchuang agreed to compensate the investors by transferring certain registered capital of the Company held by Tianjin Yunchuang to the investors which included, Taiyue Emerging and Beijing Yunzhi, [REDACTED] as of the Latest Practicable Date. Accordingly, Tianjin Yunchuang, transferred RMB104,727 and RMB55,854 to Taiyue Emerging and Beijing Yunzhi respectively. For details of other investors who was transferred certain registered capital of the Company by Tianjin Yunchuang, see “— 6. Equity Transfers in December 2019” in this section.
4. On November 20, 2025, Taiyue Cloud transferred to Mr. Xue Quanying, the sole limited partner of Taiyue Cloud holding 99.98% of its partnership interest, 546,910 Shares held by Taiyue Cloud at the consideration of RMB3,080,000. The cost per share acquired by Mr. Xue Quanying was approximately RMB5.63, which was based on agreement between Taiyue Cloud and Mr. Xue Quanying as its sole limited partner.

Basis of determination of the consideration	Save for the transfer of Shares between Taiyue Cloud and Mr. Xue Quanying as disclosed above, the consideration for each round of the [REDACTED] were determined based on arm’s length negotiation between the respective [REDACTED] and our Company after taking into account the timing of the investments and the status of our business operations and prospects.
[REDACTED] from the [REDACTED]	Our Company received [REDACTED] from capital injections, namely Series A Investment, Series B Investment, Series C Investment, and Series D Investment. As of the Latest Practicable Date, the entire [REDACTED] from the [REDACTED] received by our Company were utilized for the development and operation of our business acquisitions and strategic investments, expanding and strengthening our global developer coverage and supporting the growth of new “citizen-developer” communities, and to support the working capital for general corporate purposes to support our ongoing operations.
Strategic Benefits from [REDACTED]	Our Company was of the view that we could benefit from the additional funds provided by our [REDACTED] for our daily operations and business strategies. Also, our [REDACTED], including experienced investors and funds in the technology industry, can serve as an endorsement of our Company’s performance and prospects.
[REDACTED]	All existing Shareholders (including the [REDACTED]) are subject to a [REDACTED] period of 12 months following the [REDACTED] according to the applicable PRC Law.

2. Information Relating to our [REDACTED]

The background information of our [REDACTED] who remained as our Shareholders as of the Latest Practicable Date is set out below.

Information relating to our [REDACTED]

[REDACTED]	Background
eWTP Entities	Beijing Chenxi is a limited liability company, established under the laws of the PRC, which is principally engaged in technology development and consulting. It is wholly owned by Digital Communication.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]

Background

Digital Communication is a limited liability company established under the laws of Hong Kong, which is wholly owned by eWTP Arabia Technology Innovation Fund I LP (“**eWTP Innovation Fund**”). During the Track Record Period and up to the Latest Practicable Date, there was no limited partner who held 30% or more partnership interests in eWTP Innovation Fund. The general partner of eWTP Innovation Fund is eWTP Arabia Technology Innovation Fund GP I Limited (“**eWTP Fund GP I Limited**”). As of the Latest Practicable Date, there was no shareholder who held 30% or more equity interests in eWTP Fund GP I Limited.

As of the Latest Practicable Date, Beijing Chenxi and Digital Communication (collectively, “**eWTP Entities**”) were indirectly and directly controlled by the eWTP Innovation Fund.

Shenzhen Hechuang

Shenzhen Hechuang is a limited partnership established under the laws of the PRC, which is principally engaged in management and information consulting. Its general partner is Mr. Ding Mingfeng (an Independent Third Party). As of the Latest Practicable Date, there were three limited partners, with Ms. Cai Shaohong (an Independent Third Party) being its largest limited partner, holding approximately 94.63% of its partnership interests.

Taiyue Emerging

Taiyue Emerging is a limited partnership established under the laws of the PRC, which is principally engaged in private equity investment, investment management and asset management.

Taiyue Emerging is managed by Zhuhai Shenzhou Taiyue Investment Management Co., Ltd. (珠海神州泰岳投資管理有限公司) (“**Zhuhai Taiyue**”) as a general partner and sole executing partner. As of the Latest Practicable Date, Zhuhai Taiyue was owned as to 49.00% by Ultrapower and as to 30.00% by Lanou Technology Co., Ltd. (藍鷗科技有限公司), and no other shareholder held 30% or more of the equity interests in Zhuhai Taiyue. As of the Latest Practicable Date, Lanou Technology Co., Ltd. was owned as to approximately 32.00% by Ultrapower, and no other shareholder held 30% or more of the equity interests in Lanou Technology Co., Ltd.

As of the Latest Practicable Date, there were two general partners, namely Zhuhai Taiyue, and Zhuhai Sisheng Consulting Management Enterprise (Limited Partnership) (珠海肆盛諮詢管理企業 (有限合夥)), and eight limited partners of Taiyue Emerging, among which Shenzhen Qianhai Taiyue Wutong Investment Fund Management Co., Ltd. (深圳市前海泰岳梧桐投資基金管理有限公司) (“**Qianhai Taiyue**”) held 36.00% of its partnership interests. As of the Latest Practicable Date, Qianhai Taiyue was owned as to 70% by Ultrapower, a joint stock company with limited liability established under the laws of the PRC, the shares of which are listed on ChiNext (stock code: 300002). Other than Ultrapower, there was no other shareholder who held 30% or more of equity interests in Qianhai Taiyue. Other than Qianhai Taiyue, there was no other limited partner holding 30% or more of the partnership interests in Taiyue Emerging.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]

Background

Beijing Yunzhi and Taiyue Investment

Beijing Yunzhi was established under the laws of the PRC, which is principally engaged in technology development and consulting. As of the Latest Practicable Date, its general partner, Taiyue Investment held approximately 83.33% partnership interest. There were two limited partners of Beijing Yunzhi, and neither of such limited partners held 30% or more of the partnership interests in Beijing Yunzhi.

Taiyue Investment is a limited partnership established under the laws of the PRC, which is principally engaged in venture capital (limited to investment in unlisted companies), equity investment, investment management, asset management and related activities through private equity funds.

Taiyue Investment is managed by its general partner and executing partner, Beijing Taiwu Enterprise Management Co., Ltd. (北京泰梧企業管理有限公司) (“**Beijing Taiwu**”). As of the Latest Practicable Date, Beijing Taiwu was owned as to 40% by Ultrapower and 40% by Shenzhen Qianhai Wutong Mergers and Acquisitions Investment Fund Company (深圳市前海梧桐併購投資基金管理有限公司). As of the Latest Practicable Date, no shareholder held 30% or more of the equity interests in Shenzhen Qianhai Wutong Mergers and Acquisitions Investment Fund Company.

As of the Latest Practicable Date, there were 11 limited partners of Taiyue Investment, among which Shenzhen Qianhai Wutong M&A Investment Master Fund Partnership (Limited Partnership) (深圳市前海梧桐併購投資母基金合夥企業(有限合夥)) held 34.88% of its partnership interests. Other than Shenzhen Qianhai Wutong M&A Investment Master Fund Partnership (Limited Partnership), there were no other limited partners holding 30% or more of the partnership interests in Taiyue Investment. As of the Latest Practicable Date, Shenzhen Qianhai Wutong M&A Investment Master Fund Partnership (Limited Partnership) was managed by its general partner, Shenzhen Qianhai Indus Mother Fund Investment Management Ltd. (深圳市前海梧桐母基金投資管理有限公司), and there was no limited partners holding 30% or more of the partnership interests in Shenzhen Qianhai Wutong M&A Investment Master Fund Partnership (Limited Partnership). As of the Latest Practicable Date, Shenzhen Qianhai Indus Mother Fund Investment Management Ltd. was wholly owned by Shenzhen Qianhai Wutong Mergers and Acquisitions Investment Fund Company.

Mr. Wang Yuhui

Mr. Wang Yuhui is a private investor and an Independent Third Party.

Mr. Wang Lihua

Mr. Wang Lihua is a private investor and an Independent Third Party.

Mr. Xue Quanying

Mr. Xue Quanying is a private investor and an Independent Third Party.

3. Special Rights

Certain [REDACTED] were granted certain customary special rights in relation to our Company under the Shareholders’ Agreement dated April 2, 2022, including, among others, (i) repurchase right; (ii) right of first refusal and right of first offer; (iii) co-sale right; (iv) anti-dilution right; (v) information and inspection right; (vi) redemption right; (vii) drag-along right; (viii) most favorable treatment; and (ix) liquidation preference. Pursuant to the [REDACTED] Agreement dated on May 23, 2025, all the special rights have been or will be [REDACTED] prior to the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

4. Sole Sponsor’s Confirmation

On the basis that (i) the [REDACTED] will take place no earlier than [REDACTED] clear days after completion of the [REDACTED], and (ii) upon [REDACTED], all special rights granted to the [REDACTED] shall [REDACTED], except that the redemption right has already been [REDACTED] with the [REDACTED], the Sole Sponsor confirms that the [REDACTED] are in compliance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

5. PRC Legal Advisor’s Confirmation

As advised by our PRC Legal Advisor, our Company has made all necessary registration or filing with the relevant local branch of SAMR in respect of the [REDACTED] in all material respects, and the [REDACTED] were conducted in compliance with applicable PRC laws and regulations in all material respects.

CAPITALIZATION

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares:

Name of Shareholders	As of the Latest Practicable Date		Immediately after the Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)					
	Numbers of Shares held	Approximate Shareholding Percentage	Number of H Shares	Approximate ownership percentage in H Shares	Number of Unlisted Shares	Approximate ownership percentage in Unlisted Shares	Total Number of Shares	Approximate ownership percentage in total issued Shares
		(%)		(%)		(%)		(%)
Digital Communication	26,848,972	23.67	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Chenxi	5,807,516	5.12	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ultrapower	6,900,000	6.08	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Rongyun	19,632,359	17.31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Hechuang	9,200,000	8.11	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Yunchuang	6,360,438	5.61	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Wang Lihua	567,287	0.50	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Yunzhi	1,186,909	1.05	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Taiyue Emerging	2,146,909	1.89	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Wang Yuhui	1,476,655	1.30	–	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Wang Cheng	15,662,220	13.81	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Taiyue Investment	616,727	0.54	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Bailing	5,121,308	4.52	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xue Quanying	546,910	0.48	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Rongyao	11,341,579	10.00	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] from the [REDACTED]	–	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	113,415,789	100.00	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note:

- (1) As of the Latest Practicable Date, Mr. Wang Yuhui, one of our Shareholders, was still subject to several court enforcement actions and his entire 1,476,655 Shares (representing approximately 1.30% of the total issued share capital of the Company) in the Company was frozen by Beijing No.2 Intermediate People’s Court, Futian District People’s Court of Shenzhen in Guangdong province, and Daqing Intermediate People’s Court in Heilongjiang province accordingly. Our PRC Legal Adviser confirmed that the freezing of the such Shares held by Mr. Wang Yuhui would not pose a material impact to [REDACTED] of the Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] FLOAT

Upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, a total of [REDACTED] Unlisted Shares will be converted into the H Shares and [REDACTED] on the Stock Exchange. Upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, the [REDACTED] H Shares held by certain of our Shareholders, or directly or indirectly controlled by our core connected persons and [REDACTED] Unlisted Shares will not be counted towards the [REDACTED] float. Details of these Shareholders are set out below:

- (a) Mr. Wang Cheng, Tianjin Rongyun, and Tianjin Yunchuang are our Controlling Shareholders and the [REDACTED] H Shares held them will not be counted towards the [REDACTED] float;
- (b) Digital Communication is our substantial shareholder (as defined in the Listing Rules) and the [REDACTED] H Shares held by it and the [REDACTED] H Shares held by it through Beijing Chenxi will not be counted towards the [REDACTED] float;
- (c) Beijing Rongyao is a close associate of Ms. Dong Han, an executive Director and the chief executive officer of our Company, and the [REDACTED] H Shares held by it will not be counted towards the [REDACTED] float; and
- (d) Tianjin Bailing is a close associate of Mr. Ren Jie, an executive Director, and the [REDACTED] H Shares held by it will not be counted towards the [REDACTED] float.

Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, taking into account [REDACTED] H Shares to be offered pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised), an aggregate of [REDACTED] H Shares will be counted towards the [REDACTED] float of our Company, representing approximately [REDACTED]% of the total issued Shares, which is in compliance with the requirement under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other [REDACTED] shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$50 million; or (b) have an expected market value at the time of [REDACTED] of not less than HK\$600 million.

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all existing Shareholders (including the [REDACTED]) cannot dispose of any of the Shares held by them. As such, the H Shares held by the existing Shareholders as of the date of this Document shall not be counted towards the [REDACTED] float of the H Shares of the Company at the time of [REDACTED].

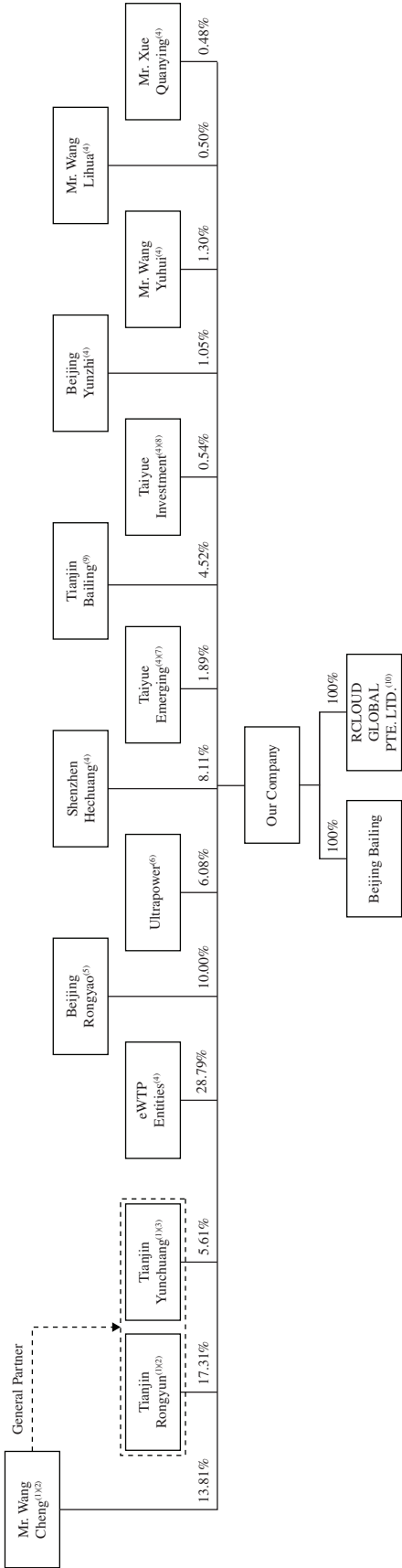
Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), all of the [REDACTED] H Shares [REDACTED] under the [REDACTED] (excluding those to be [REDACTED] for by [REDACTED]) are expected to be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise).

It follows that such [REDACTED] H Shares which are expected not to be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) will represent approximately [REDACTED]% of our total issued Shares immediately following the completion of the [REDACTED] (before any exercise of the [REDACTED]). Assuming the [REDACTED] is not exercised and based on the low end of the indicative [REDACTED] range at HK\$[REDACTED] per H Share, the market value of such [REDACTED] H Shares is expected to be HK\$[REDACTED]. On such basis, our Company will be able to satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

STRUCTURE

The following chart sets out the shareholding and corporate structure of our Group immediately before completion of the [REDACTED].

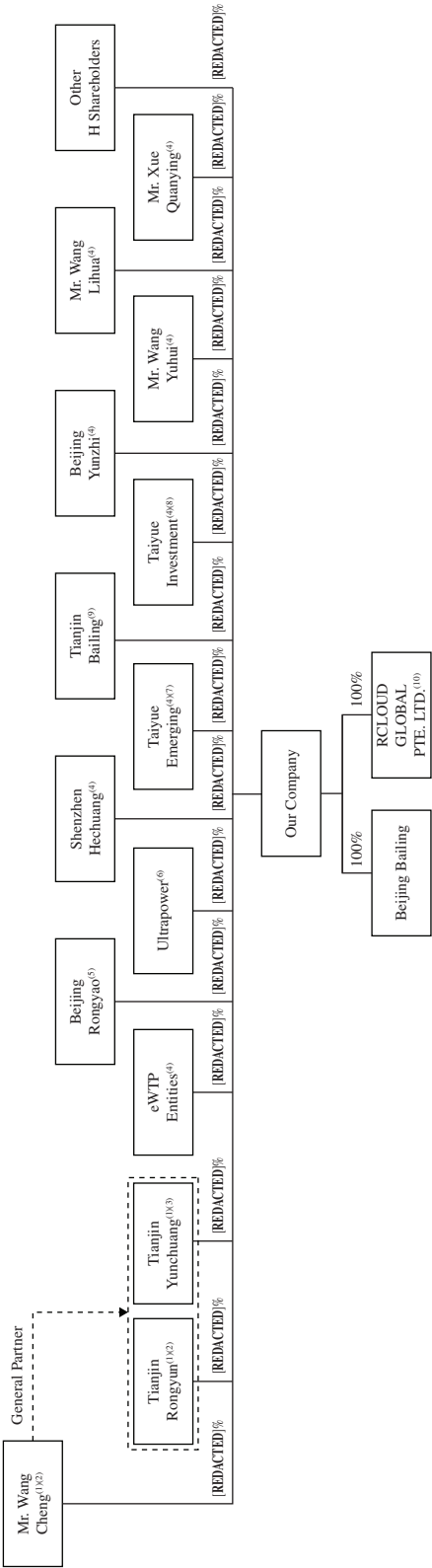


Notes:

- (1) As of the Latest Practicable Date, Mr. Wang Cheng, Tianjin Rongyun and Tianjin Yunchuang were the Controlling Shareholders of our Company. See “Relationship with Controlling Shareholders” for details.
- (2) As of the Latest Practicable Date, Tianjin Rongyun, was controlled by its sole general partner, Mr. Wang Cheng, Chairman of Our Board and executive Director, had eight limited partners, with Beijing Shanju Investment Management Co., Ltd. (北京善聚投资管理有限公司) holding approximately 31.14% of its partnership interest, and none of the other limited partners held 30% or more of its partnership interest. As of the Latest Practicable Date, there was no shareholder holding 30% or more of the equity interests in Beijing Shanju Investment Management Co., Ltd.
- (3) As of the Latest Practicable Date, Tianjin Yunchuang, one of our Employee Incentive Platforms, was controlled by its sole general partner, Mr. Wang Cheng, had 41 limited partners, and none of them held 30% or more of its partnership interest.
- (4) See “Information relating to our [REDACTED]” in this section for details of the [REDACTED].
- (5) As of the Latest Practicable Date, Beijing Rongyao, one of our Employee Incentive Platforms, was controlled by Ms. Dong Han, our executive Director and chief executive officer, had 36 limited partners, and none of them held 30% or more of its partnership interest.
- (6) Ultrapower is a joint stock company with limited liability established under the laws of the PRC, the shares of which are listed on ChiNext (stock code: 300002). As of March 31, 2026, there was no shareholder of Ultrapower holding 30% or more of its issued share capital.
- (7) Taiyue Emerging is managed by its general partner Zhuhai Taiyue. As of the Latest Practicable Date, Zhuhai Taiyue was owned as to 49.00% by Ultrapower and as to 30.00% by Lanou Technology Co., Ltd.
- (8) Taiyue Investment is managed by its general partner, Beijing Taiwu. As of the Latest Practicable Date, Beijing Taiwu was owned as to 40% by Ultrapower and 40% by Shenzhen Qianhai Wutong Mergers and Acquisitions Investment Fund Company.
- (9) Tianjin Bailing was a limited partnership established under the laws of the PRC. Since the incorporation of Beijing Bailing and as of the Latest Practicable Date, Tianjin Bailing was the employee incentive platform of Beijing Bailing.
- (10) On December 10, 2025, the Company registered a wholly-owned subsidiary in Singapore. See “Our Subsidiaries” in this section for details of RCLLOUD GLOBAL PTE LTD.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following chart sets out the shareholding and corporate structure of our Group immediately after completion of the [REDACTED].



Notes:
See notes (1) to (10) in the preceding page.

BUSINESS

OVERVIEW

Who We Are

We are a provider of intelligent cloud-based instant messaging solutions, delivering reliable and scalable communication capabilities to support global digital transformation. Leveraging cloud computing and distributed network architecture, we offer a comprehensive communications cloud platform available in both PaaS and SaaS forms for developers across a wide range of applications, including Apps and mini-programs, and integrating instant messaging and AI-enabled communications solutions. Developers can integrate communication functionalities into their applications through APIs and continuously utilize our communication services through paid subscriptions, enabling the instant delivery, receipt and synchronization of multimedia content, such as text, images, voice messages and video messages. Additionally, developers may further expand application capabilities through selected AI functionalities, including intelligent risk control, translation, customer service, assistants and agent interactions.

We have developed a communication technology platform centered on our AICP, which is deployed on the infrastructure of IaaS providers supported by the EverSync Communication Protocol, which is designed to enhance message synchronization and transmission efficiency, and the fourth-generation SD-CAN global acceleration network, which is designed to optimize global communication routing and reduce latency. Through standardized service interfaces, we deliver instant communication services to customers across different regions. By deeply integrating cloud-based communication technologies with interactive scenarios and selected AI functionalities, we have expanded the role of communication from traditional information transmission to intelligent interaction, providing a foundation for a wide range of smart applications, facilitating the utilization of communication data and supporting customers’ operations and development. As of December 31, 2025, we had cumulatively supported the communication needs of more than 250,000 applications. Our downstream application scenarios span a wide range of sectors, including social networking, entertainment, e-commerce, healthcare, sharing economy, smart transportation and internal enterprise collaboration. Additionally, we have established service capabilities in multiple markets outside Chinese Mainland and accumulated experience in supporting customers’ overseas operations and localized deployment requirements, demonstrating our ability to serve customers across different regions and application scenarios.

Our solutions are built upon our self-developed AICP, which integrates instant messaging and intelligent communication capabilities and serves as the technology base for our businesses. Based on different deployment models, application scenarios and customer requirements, we apply AICP across various solutions. Our primary customer base includes internet application developers and operators, vertical industry software developers and system integrators, and operators of overseas nationwide communication platforms. Through serving these customer groups across different application scenarios and markets, we have accumulated diversified service capabilities and project experience. Our solutions are as follows:

- **Internet Application Solutions**, which contributed the largest portion of our revenue during the Track Record Period. We deploy AICP on public cloud infrastructures provided by third-party cloud service providers, offering standardized, one-stop and multi-scenario cloud-based instant messaging solutions to internet application developers and operators across different regions. Such solutions empower applications in sectors such as social networking, entertainment, e-commerce, healthcare and sharing economy to establish communication capabilities and access our communication services through subscription-based and usage-based models.
- **Vertical Industry Solutions**, which are designed to address communication needs of large and medium-sized enterprises requiring private or hybrid cloud deployment. We leverage AICP to provide in-depth instant messaging solutions services tailored to vertical industry scenarios such as internal collaboration, smart office, intelligent customer service and smart transportation.

BUSINESS

- **Overseas Nationwide Communication Solutions**, which represent an extension of our experience in communication technologies and large-scale project delivery. In response to demand in certain overseas markets for the development of large-scale nationwide social communication platforms, we have integrated our accumulated expertise in high-concurrency communication, private deployment experience and high-security standards from internet applications and vertical industries. We tailor a Super App Framework that combines instant messaging, mini-programs and open platforms to assist local internet communication operators in building overseas nationwide communication platforms. The Saudi Nationwide Communication Project, commenced in 2020 and delivered by us in 2024, demonstrates our capability to support the development and deployment of large-scale nationwide communication platforms. Such projects may generate revenue across different stages of the project lifecycle, including platform development, licensing and operation-related services. Building on our experience accumulated from overseas projects, we continue to explore similar opportunities in selected overseas markets.

After more than a decade of development and accumulation, we have an established and diversified customer base across telecommunications, insurance, banking, artificial intelligence, and software development industries. Such customer base forms the core asset for our sustained growth. Leveraging the comprehensive strength accumulated over our long-term development, we have received numerous awards and honors, including being recognized as “National-Level Specialized, Sophisticated and Innovative Little Giant Enterprise” (國家級專精特新“小巨人”企業) by the Ministry of Industry and Information Technology and winning the “Annual Instant Messaging Service Innovation Award” (年度即時通訊服務創新獎) from the Mobile Intelligent Terminal Technology Innovation and Industry Alliance for multiple consecutive years. We have also been honored with titles such as “2024 Outstanding Global Expansion Service Provider” (2024年度優秀出海服務商) and “2024 China Tech Go-Global: Most Commercial Potential List” (2024中國科技出海領域最具商業潛力榜). These accolades serve as proof of our technological prowess and market influence.

Financial and Operational Performance

During the Track Record Period, our financial and operating metrics reflected the development of our business and solution offerings.

Customer Quality: In 2023, 2024 and 2025, our net dollar retention rates of revenue from customers of internet application solutions stood at 87.2%, 88.4% and 93.6%, respectively. The year-on-year improvement in such rate indicates increasing revenue contribution from our existing customers of internet application solutions. In addition, our average revenue per customer of internet application solutions amounted to RMB61.8 thousand, RMB66.0 thousand and RMB94.0 thousand in 2023, 2024 and 2025, respectively, demonstrating enhanced customer monetization and deeper customer engagement. These metrics are particularly relevant to our internet application solutions business, which primarily generates revenue through subscription-based and usage-based models, as compared to our vertical industry solutions and nationwide communication solutions, which are largely dependent on individual customer contracts.

Financial Performance and Margin Improvement: Backed by in our core technologies, we continue to refine our solutions and services and expand their applications across different customer scenarios. We recorded revenue of RMB191.5 million, RMB167.6 million and RMB197.4 million in 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, our gross profit margins reached 63.1%, 74.7% and 80.5%, respectively, demonstrating our ability to balance scale expansion with margin improvement.

Overseas Service Capabilities: We generated a substantial portion of our revenue from outside Chinese Mainland during the Track Record Period. In 2023, 2024 and 2025, revenue generated from outside Chinese Mainland amounted to RMB77.4 million, RMB65.6 million and RMB78.3 million, respectively, representing 40.4%, 39.1% and 39.7% of our total revenue, respectively, which demonstrates our established service capabilities outside Chinese Mainland. Such revenue was primarily attributable to our internet application solutions and supplemented by our overseas nationwide communication solutions.

BUSINESS

OUR STRENGTHS

Scalable product architecture and stable service capabilities enable efficient delivery of our intelligent cloud-based instant messaging solutions

Our intelligent cloud-based instant messaging solutions are designed to deliver high availability and stable performance. Our services maintained an availability rate of over 99.99%, an SDK crash rate around 0.004%, and end-to-end communication latency consistently under 120 milliseconds. These service metrics reflect our technological capabilities and support stable user experiences.

Our solutions feature a comprehensive modular product architecture, with over 5,500 customized APIs and more than 50 customizable functional modules, enabling customers to build diverse communication scenarios ranging from simple messaging to applications with integrated features such as Super Apps. Our SDKs and APIs can integrate communication capabilities shortly. Our solutions support public cloud, private cloud, and hybrid cloud deployments, fully addressing customers’ diverse requirements for performance, data privacy, and data controllability in communications. Our efficient delivery capability enables us to respond to customers’ evolving communication requirements in a timely manner. Our stable service quality, scalable architecture and efficient deployment capabilities have enabled us to establish long-term relationships with customers across diverse industries and application scenarios.

A broad and diversified customer base provides sustained growth momentum and nourishment for technological innovation

We have established a broad and diversified customer base. As of December 31, 2025, we had cumulatively supported the communication needs of more than 250,000 applications. We possess the capability to distribute hundreds of billions of messages, with a daily capacity exceeding 190 billion messages. Our SDK is compatible with over 30,000 types of devices globally. We serve not only a multitude of internet companies but also extend our presence into multiple key industries such as finance, government affairs, education, and healthcare, forming a diversified customer base.

We have built an integrated online and offline developer ecosystem, dedicated to fostering vibrant and mutually supportive cooperation relationships with our customers. Online, we provide developers with technical documentation, SDKs, APIs, sample codes and technical support resources to facilitate product integration and implementation. Offline, we regularly organize city salons and annual developer conferences to share cutting-edge trends and spark innovative ideas with developers. We host activities such as coding challenges to stimulate innovation, while providing resource support for outstanding projects. By leveraging our developer ecosystem, we show developers that we are not just a vendor of solutions and services, but an enabler and a reliable business partner of their success, which supports long-term customer relationships.

Our vast and active customer base provides us with multiple advantages: (i) it generates a stable and sustainable revenue stream, laying a solid foundation for our financial resilience; (ii) the scale of our customer base drives lower marginal cost, facilitates cost optimization and operational leverage, contributing to improved operating efficiency and profitability; and (iii) it provides us with opportunities to deepen customer engagement and drive wider the adoption of our solutions and functionalities across different scenarios.

BUSINESS

Forward-looking overseas market positioning and industry demand insights unlock vast development potential for international business

Our overseas service capabilities and instant communication network support customers across different regions

Leveraging our overseas service capabilities and cloud communication technologies, we support developers, operators and enterprises in building and operating communication applications and services across different regions.

Through years of serving customers across different regions and network environments, we have accumulated extensive experience in addressing communication quality challenges, including latency, instability and transmission efficiency. Leveraging third-party cloud infrastructure resources and our technological capabilities, we have built and continuously optimized our fourth-generation SD-CAN, a cloud-based communication network designed to support stable, efficient and low-latency communications. Supported by intelligent routing and scheduling capabilities, our network dynamically optimizes transmission paths based on factors such as user location, network latency and bandwidth conditions, helping deliver reliable communication experiences across different regions. Our platform is capable of supporting hundreds of millions of concurrent online users and distributing hundreds of billions of messages, while maintaining service availability of approximately 99.99%.

To support internationalized application development, we provide SDKs covering common communication scenarios, including one-to-one messaging, chat rooms, and real-time audio and video interactions. These capabilities enable developers to efficiently integrate communication functions into their applications and accelerate product development and deployment.

We also provide prompt customer support services and have established operational support tools that enable customers to monitor service performance, conduct troubleshooting and manage communication services more efficiently. Through the combination of technical support and operational tools, we support customers in maintaining stable communication services across different regions and user environments.

With data sovereignty as the key, we unlock growth opportunities in overseas markets and expand our overseas service capabilities

Overseas internet communication application operators generally have high requirements for data security and sovereignty. Our overseas nationwide communication solutions prioritize localized data processing and storage as core capabilities, enabling customers to meet regulatory and operational requirements in their respective markets. Since 2020, we have participated in the development of the Saudi Nationwide Communication Project, a nationwide communication platform in Saudi Arabia, and completed the delivery of the project in 2024. The successful delivery of the Saudi Nationwide Communication Project demonstrated our capabilities in supporting large-scale communication platforms in overseas markets, and supporting customers in building localized digital communication platforms for large-scale communication scenarios in overseas markets. As the project progressed from the initial development and deployment phase to the subsequent licensing and operation phase, it further demonstrated the commercial viability of our overseas nationwide communication solutions across different stages of a project lifecycle.

Our experience in supporting customers operating across different regions has granted us deeper market insights, while successful projects like the Saudi Nationwide Communication Project continue to strengthen global brand recognition and attract a broader and higher-quality customer base. Through the progression from supporting customers operating across different regions, to developing capabilities in areas such as data localization, and to expanding our services to overseas operators and large-scale communication projects, we have built a technology platform capable of supporting message distribution at massive scale, established low-latency communication service capabilities covering multiple regions worldwide, and developed capabilities aligned with internationally recognized data security standards.

BUSINESS

Through serving customers operating across different regions to supporting overseas nationwide communication projects, we have developed capabilities in data localization, large-scale message distribution and cross-region communication platform deployment.

The deep integration of “AI + Communications” bridges the “last mile” in the commercialization and deployment of third-party large language models

The key to AI commercialization lies in achieving deep integration between AI capabilities and vertical business scenarios. Since our inception, we have served a vast array of communication scenarios in various forms, possessing an innate understanding and profound insight into how AI can be integrated with communication contexts. With the Memory Engine, the Scenario Learning Engine, and MaaS Platform at its core, we have built an AI-enabled communications platform to bridge the gap between third-party large language models and real-world user interaction scenarios.

The Memory Engine endows AI with personalized service capabilities, representing our independently developed core technology. The Memory Engine is designed to address limitations in AI services, such as the “one-size-fits-all” approach and the lack of long-term memory. This engine extracts key information from conversations, including time, location, tasks, events, emotional tendencies, and continuously enriches and preserves such critical data as dialogue content grows. Through this mechanism, we can accurately discern users’ immediate sentiments and long-term preferences, delivering an immersive interactive experience that combines emotional warmth with personalization.

The Scenario Learning Engine empowers AI with active learning capabilities during user engagement with our services, enabling it to achieve context awareness, intent understanding, intelligent decision-making, and autonomous execution in vertical business scenarios. Leveraging the Scenario Learning Engine, we support customers in developing intelligent applications that can adapt to user interactions over time, enhancing application functionality.

The MaaS Platform has integrated global large language models, including OpenAI, Gemini, DeepSeek, Doubao and Qwen (Tongyi Qianwen). Developers can access diverse AI capabilities through a unified interface without the need for individual model integration, significantly simplifying the process of connecting to third-party large language models. Leveraging the large language model capabilities and combining our domain expertise in communications, we jointly develop intelligent communication components. This empowers a broad range of industry scenarios such as social entertainment and cross-border e-commerce with the efficiency gains brought by third-party large language models, further enhancing the application of AI capabilities in communication scenarios.

Our AI communication platform has established a comprehensive AI product matrix catering to both consumer-facing and enterprise clients applications, including commercially available offerings, such as “Smart Assistant”, “Virtual Companion”, and “Enterprise Digital Employee”, underscoring our capabilities in AI-powered scenario implementation and intelligent communications.

Seasoned management team with extensive industry experience guides our strategic development

Our founding and core management team originates from the core team behind a leading mobile communication product in China that once served hundreds of millions of daily active users. They have experience in the telecommunications industry and extensive experience in large-scale product development and operations. Team members have an average of nearly 20 years of technical accumulation and commercial practice in the instant messaging field, demonstrating keen insight into global telecommunications technology trends and shifts in market demand. The team’s most critical competitive advantage lies in its exceptional business philosophy and strategic resilience.

BUSINESS

The management consistently adheres to a strategic principle of sustainable business development, avoiding the blind pursuit of low-value revenue scale expansion and steering clear of business models overly reliant on manpower resources. They remain committed to leveraging their core communication cloud technology as a moat, focusing on standardized, highly reusable core product matrices, and striving to create irreplaceable value for customers through technological innovation.

With a profound insight into global digital economy trends, our core management team has steered us firmly toward strategic blue ocean markets such as “going global solutions” and “nationwide applications”, focusing on serving global clients with stringent demands for communication stability, security, and large-scale concurrency, thereby avoiding homogenized price competition.

This strategy, rooted in prudent operations, has been strongly validated by financial performance. During the Track Record Period, we maintained outstanding levels of high gross margin. This demonstrates the management’s exceptional ability to balance growth quality and speed while avoiding inefficient investments, ensuring us sustain healthy, self-sufficient capabilities and robust competitive advantages throughout long-term technological evolution.

OUR STRATEGIES

We are committed to becoming a globally leading intelligent cloud-based instant messaging solutions provider. To realize this vision, we plan to implement the following strategies:

Develop and expand our customer base through strengthening developer ecosystems

In both the Chinese Mainland and overseas markets, we plan to further strengthen customer engagement capabilities, optimize our product experience and service systems to enhance customer retention, and expand market share. In particular, we intend to further refine our major customer management system by implementing differentiated customer strategies based on customer scale, growth potential and strategic value. For selected major customers, we plan to establish dedicated service teams to strengthen customer engagement, deepen demand analysis and provide tailored service solutions. We also plan to further enhance cross-selling among our diversified product offerings in order to improve customer lifecycle value and customer retention.

We intend to continue improving our product experience and developer service capabilities. In particular, we plan to further reduce developer integration barriers through ongoing technological optimization and by integrating AI tools into our developer service systems to improve development efficiency and user experience. In addition, we plan to strengthen our developer ecosystem and brand influence through enhanced technical content marketing, developer documentation, technical case studies and vertical industry marketing initiatives.

We plan to build on our existing overseas service capabilities and further deepen our penetration in selected overseas markets. We intend to prioritize markets based on developer density, customer base and product applicability, with India as a key strategic market and Southeast Asia, the Middle East, Turkey and Egypt as important high-potential markets. Leveraging Singapore as our future regional business hub, we plan to further strengthen localized service capabilities, optimize localized product features and improve multi-platform compatibility to better address the needs of overseas developers and operators.

BUSINESS

In addition, we plan to continue enhancing our overseas developer outreach, developer engagement initiatives and localized sales and service capabilities. Through the replication of successful benchmark projects and the continued expansion of our overseas service network, we aim to further expand our global developer reach and international market presence.

Enhance AI applications to promote further integration and upgrading of “AI + Communications”

The communications industry is evolving beyond traditional information transmission toward enabling intelligent interactions and AI-powered services. As AI technologies continue to advance, we believe communication infrastructure will increasingly serve as a key interface through which AI capabilities are delivered to enterprises and end users. In this context, our focus is to further integrate AI capabilities into communication services and application scenarios, enabling more intelligent and efficient interactions across industries.

We are well-positioned at the intersection of foundational AI models and end-user applications and have accumulated experience in deploying AI-powered communication solutions. To further strengthen these capabilities, we plan to continue enhancing our AICP and evolve it into a conversational AI platform integrating large-model orchestration, knowledge management, workflow automation and multimodal interaction capabilities.

Building on the AICP, we aim to further develop AI-enabled communication services and support the transition of communication platforms into intelligent interaction hubs. To support this strategy, we have established a clear product development roadmap:

Focus on Core Scenarios: We intend to further develop our offerings in three key application areas, namely intelligent marketing, intelligent customer service and smart office solutions. By deepening our presence in these scenarios, we seek to broaden the adoption of our solutions across a wider range of industries and use cases.

Build an AI Agent Matrix: We plan to develop a portfolio of commercially deployable AI agents tailored to different use cases and industry requirements. We believe these capabilities will further enhance our service offerings in enterprise collaboration, intelligent office solutions and nationwide communication projects.

Open Empowerment: Through a comprehensive suite of AI-related plugins, APIs and development tools, we intend to provide developers and ecosystem partners with accessible AI communication capabilities. By enabling broader integration of AI-powered communication functions into third-party applications, we aim to further enrich our developer ecosystem and expand the application scenarios supported by our solutions.

Seize opportunities in overseas nationwide communication solutions markets

Leveraging the successful experience of overseas projects such as the Saudi Nationwide Communication Project, we have accumulated experience in supporting nationwide communication platforms and localized communication platforms in overseas markets, including projects involving platform development, licensing and operation-related services. Going forward, we plan to focus on expanding into emerging markets such as the Middle East and Southeast Asia. Through in-depth collaboration with local operators, we will provide overseas nationwide communication solutions that comply with local regulations and usage habits.

As countries worldwide place greater emphasis on data assets, along with increasing attention and requirements for “data localization” and data privacy, the market for localized intelligent services is experiencing rapid growth. Leveraging our technological expertise and project experience in digital infrastructure, we will prioritize the following initiatives: enhancing our overseas nationwide solution matrix to support system hosting in local data centers or sovereign cloud environments, ensuring full compliance with data localization regulations across jurisdictions; deepening the capabilities of our Super

BUSINESS

App Framework by integrating communication, payment, and government affairs into a sovereign-controlled platform, assisting countries in building independent digital platforms; and establishing dedicated project service teams to deliver full lifecycle support from technical consultation and system deployment to operational maintenance.

Seek strategic investments and acquisitions to strengthen our communication platform capabilities and competitiveness

To strengthen our communication platform capabilities and enhance our technology capabilities and product offerings, we plan to selectively pursue strategic investments and acquisitions in companies with complementary technologies and capabilities. The specific strategies are as follows:

- (i) Investments in and acquisitions of ISM companies. We may selectively evaluate acquisition and strategic investment opportunities involving ISM companies that share strong business synergies with our communication platform and industry-scenario applications. Through such investments and acquisitions, we seek to enhance our technology capabilities, improve the applicability of our products in vertical industries and scenario-based use cases, and reinforce our competitiveness in communication-platform services and related industry applications.
- (ii) Investments in and acquisitions of VSA providers. We may selectively evaluate acquisition and strategic investment opportunities involving VSA providers offering applications applicable to marketing and customer engagement, customer service, enterprise collaboration and other communication-related scenarios. Through such investments and acquisitions, we seek to enrich our product offerings, improve the commercialization capabilities of our products and further strengthen the integration between industry applications and our communication platform.

As of the Latest Practicable Date, we had not identified any specific acquisition target or entered into any definitive agreement in relation to any acquisition opportunity.

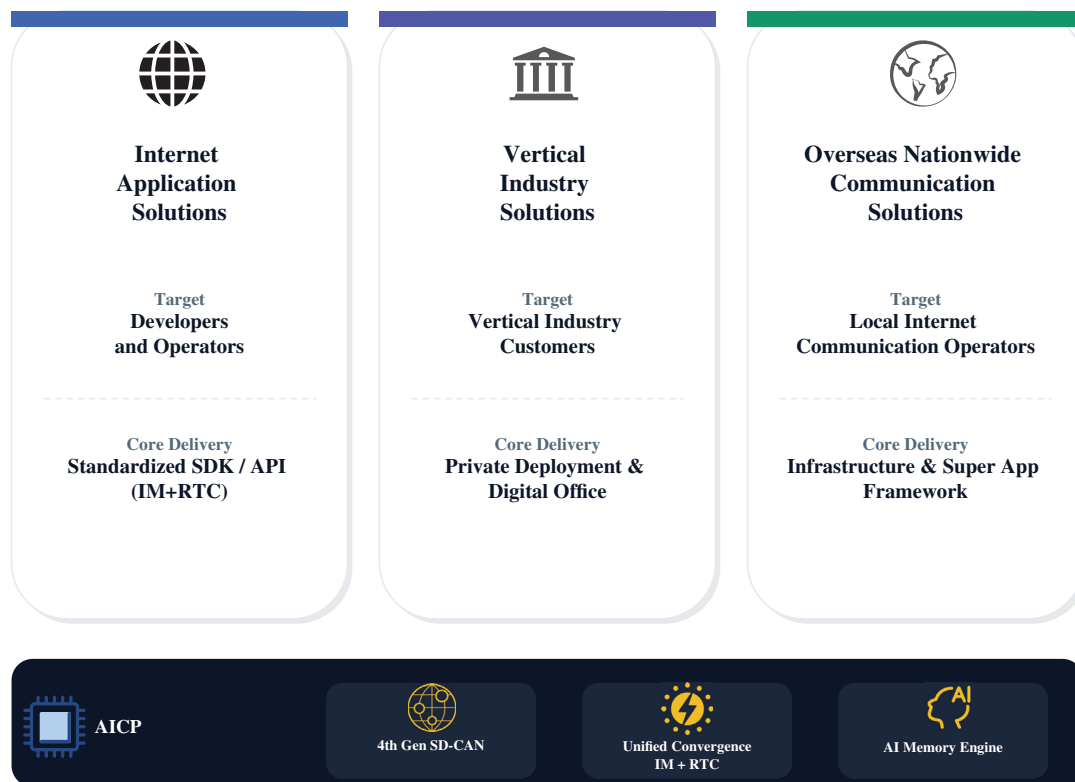
Through the dual drivers of business collaboration and capital ties, we strive to establish a global value network characterized by resource synergy, controllable risks, and sustainable growth.

OUR TECHNOLOGY BASE

Our business is underpinned by a unified and self-developed AICP, which is the technical cornerstone for all our solutions. We adopt a “one-base, multi-solution” strategy, under which our AICP serves as the common technological foundation for our internet application solutions, vertical industry solutions and overseas nationwide communication solutions. As the common technology base, our AICP enables us to provide solutions across diverse scenarios without heavy cost on repetitive development, therefore increasing our profit margins.

BUSINESS

Below sets forth a diagram demonstrating how we apply AICP in different solutions.



Our AICP integrates both traditional communication functions, such as instant messaging and real-time communication, and selected conversational AI features, such as AI assistant, AI role-playing and intelligent customer service agents, within a unified platform. Built on our AICP, we have developed a unified modular structure that encapsulates complex communication functionalities into over 50 reusable intelligence modules, empowering our customers to select and combine relevant components to support communication scenarios ranging from basic messaging to comprehensive text, voice, and video real-time communication. Such modular design enables flexibility in product configuration while maintaining consistency at the platform level.

The modular structure of the AICP allows common functions to be encapsulated and reused across different projects and application scenarios, which helps reduce repetitive development efforts and supports more efficient product delivery. By standardizing and modularizing core capabilities, enhancements made at the AICP level can be simultaneously applied across our three solutions, enabling synergistic development among them. By organizing SDKs and APIs into independent and reusable modules, the same functional components can be applied across multiple projects without duplication, allowing our R&D team to focus on iterative improvements and the development of new modules for differentiated scenarios. For integration and usability, we offer both UI-less base libraries for customization and UI-integrated SDKs for rapid development, enabling customers with different technical resources to integrate our solutions according to their development needs.

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The AICP supports deployment on public cloud or private cloud deployments, depending on customers’ operational and regulatory requirements. In particular, our internet application solutions are delivered through public cloud infrastructure where developers subscribe to and integrate our SDKs and APIs without separately acquiring or deploying the AICP, while our vertical industry solutions and overseas nationwide communication solutions typically involve private or hybrid deployments to address requirements relating to data security, system governance and localized operations.

Some key technical highlights of our AICP include:

Converged Intelligence: The AICP deeply integrates instant messaging and real-time communication with advanced AI functionalities, including intelligent customer agents and autonomous AI role-playing. This allows synchronized AI inference and data transmission within a single processing framework.

Elastic Deployment Versatility: Engineered to be environment-agnostic, the AICP supports seamless deployment across public or private cloud infrastructures. This flexibility is critical for meeting the stringent data sovereignty and security requirements of vertical industries and national-scale sovereign projects.

Operational Efficiency via Modularity: By utilizing a componentized design, the AICP eliminates redundant development cycles. Enhancements to the core platform are immediately accessible across all three solutions, significantly reducing time-to-market for our customers.

Building upon our communication infrastructure and accumulated scenario expertise, we have further expanded our capabilities into intelligent communications through the integration of AI technologies with communication scenarios. Leveraging our Memory Engine, Scenario Learning Engine and MaaS Platform, we enable developers and enterprise customers to build AI-enabled communication applications with enhanced contextual understanding, personalization and intelligent interaction capabilities.

OUR SOLUTIONS

To address the customers’ diverse requirements, we commercialize our AICP through three solutions, and accordingly, our revenue is primarily derived from (i) internet application solutions, (ii) vertical industry solutions, and (iii) overseas nationwide communication solutions. The following table sets forth a breakdown of our revenue by revenue streams during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Internet application solutions . .	126,208	65.9	127,417	76.0	132,592	67.1
Vertical industry solutions	26,814	14.0	26,773	16.0	48,082	24.4
Overseas nationwide communication solutions . . .	38,433	20.1	13,430	8.0	16,680	8.5
Total	191,455	100.0	167,620	100.0	197,354	100.0

BUSINESS

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographical region, including a sub-breakdown of revenue generated from markets outside Chinese Mainland, determined based on, for internet application solutions, the location of data centers, and for vertical industry solutions and overseas nationwide communication solutions, the location of acceptance of the solutions or services. For details, see “Financial Information — Key Components of Our Results of Operations — Revenue by Geographical Region.”

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Chinese Mainland	114,075	59.6	102,041	60.9	119,090	60.3
Outside of Chinese Mainland . .	77,380	40.4	65,579	39.1	78,264	39.7
– Saudi Arabia	41,530	21.7	29,044	17.3	35,973	18.2
– Singapore	33,816	17.7	34,437	20.5	36,132	18.3
– Others ⁽¹⁾	2,034	1.0	2,098	1.3	6,159	3.2
Total	191,455	100.0	167,620	100.0	197,354	100.0

Note:

(1) Others include Hong Kong, Oman and the United States.

During the Track Record Period, our revenue outside Chinese Mainland was primarily from Singapore and Saudi Arabia. Revenue attributable to Singapore was primarily generated from our internet application solutions, while revenue attributable to Saudi Arabia included contributions from both internet application solutions and overseas nationwide communication solutions, including the Saudi Nationwide Communication Project.

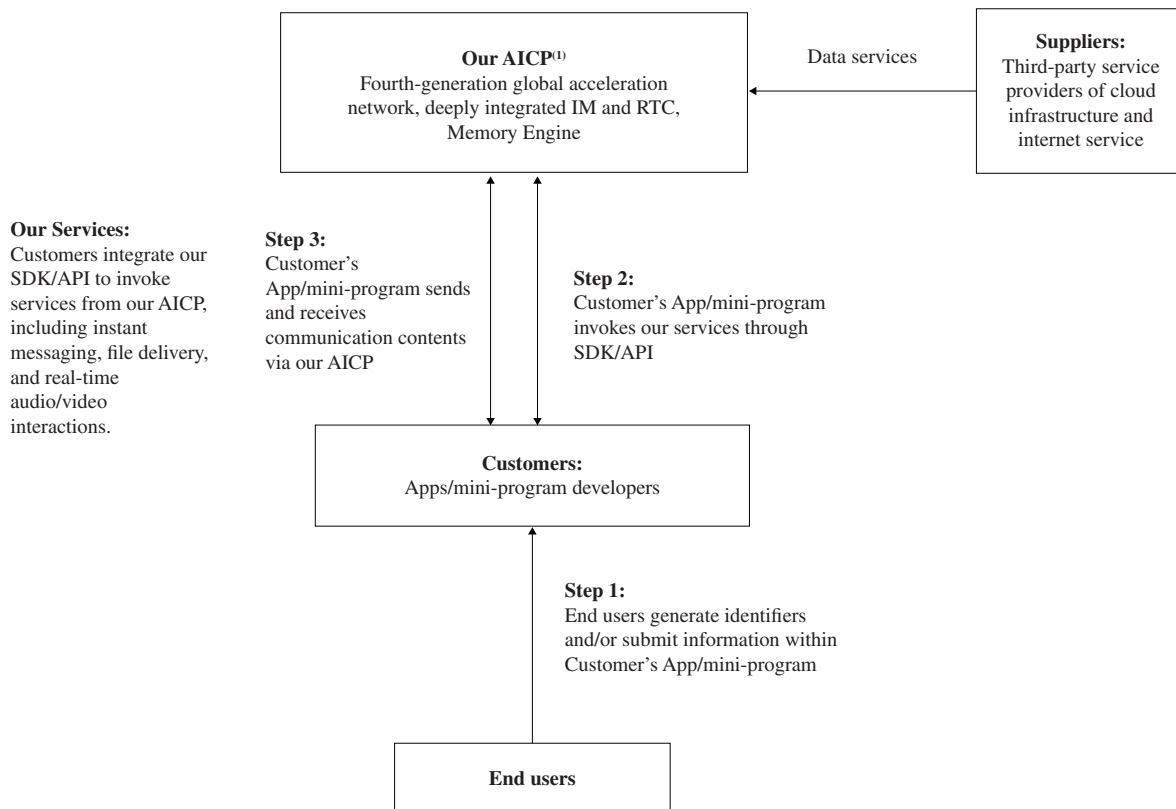
Data Flows of Our Solutions

The following diagram sets forth the data flow of our public cloud-based internet application solutions.

For our vertical industry solutions and overseas nationwide communication solutions, customers typically require us to deploy our AICP on their designated private or hybrid infrastructure. Under these scenarios, all end-user data is stored and processed entirely within the customer’s controlled systems. Our involvement is limited to system architecture, deployment, maintenance and technical support, and we do not engage in direct data flows with end users. Our fees for these solutions are primarily based on the customer’s user scale.

For our public cloud-based internet application solutions set out in the diagram below, we act solely as an entrusted data processor for our customers, providing standardized communication infrastructure via SDKs and APIs. We do not offer direct services to end users, who solely interact with our customers’ applications.

BUSINESS



Note:

- (1) We have deployed our AICP on the public cloud infrastructure of major global IaaS providers. Developers can invoke API to access our platform, instead of deploying separately. We charge these customers through subscription-based and usage-based models.

Internet Application Solutions

Our internet application solutions are designed for internet developers and application operators to integrate communication capabilities into their applications in internet-based communication scenarios. Under this solution, we deployed the AICP on the public cloud infrastructure of major global IaaS providers. Internet developers and application operators typically access our services by integrating our SDKs or invoking our APIs under subscription-based or usage-based arrangements.

Through our internet application solutions, customers are able to implement common in-application communication scenarios, including one-to-one messaging, chat rooms, and real-time audio and video interactions, to support high-frequency usage and large-scale interactive sessions. These solutions are applied across a range of scenarios, such as social networking, entertainment, e-commerce, and healthcare, where real-time communication functionality is required. By leveraging our distributed deployment and network structure, our solutions are designed to support communication services across different geographic regions and network environments. Our solutions also incorporate privacy protection measures, such as de-identification technologies, to help safeguard user information in accordance with the needs of various application scenarios. We have also integrated AI-enabled communication capabilities into selected internet application scenarios, enabling customers to enhance user interaction, personalization and engagement through intelligent communications functionalities.

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Depending on customers’ selections and service configurations, we may further provide the following additional functionalities under internet application solutions:

- **High availability and elastic load balancing:** Designed to support massive concurrent communication, our platform utilizes advanced load balancing and distributed cluster technologies. This structure enables customers to better handle traffic spikes by dynamically distributing traffic across a global network of servers to help avoid overload. It supports up to hundreds of millions of concurrent online users and enables the distribution of hundreds of billions of messages, with a daily capacity exceeding 190 billion messages. Our system also features automated failover and disaster recovery mechanisms, designed to support service continuity and targeting approximately 99.99% reliability even in the event of single-point server failures;
- **Global smart routing:** Our SD-CAN serves as a global intelligent routing engine. By analyzing real-time network conditions across our global nodes, it dynamically selects the optimal transmission path for every message and call, helping to reduce latency and packet loss. This capability is designed to support stable, high-quality communication experiences for users in diverse and complex network environments worldwide, supporting simultaneous multi-path delivery to improve reachability;
- **Content authenticity and intelligent risk control:** Leveraging AI algorithms and speech recognition technologies, we provide content security shield and risk control functionalities that apply to text, audio or video interactions. These functionalities support real-time content moderation and may be used to identify and manage inappropriate content, such as spam or violence content, to ensure a healthy platform environment. We also integrate multi-factor authentication mechanisms, including time-sensitive verification codes and information verification, to intercept fraudulent activities and secure user accounts against unauthorized access; and
- **Intelligent operation & maintenance and data insight engine:** We provide customers with a comprehensive data analytics engine, including our “Polaris” system, to support operational monitoring and analysis. Polaris is a full-stack intelligent monitoring and diagnostic center specifically engineered for developers. It deeply integrates real-time data across the entire instant messaging lifecycle, providing multi-dimensional visibility into global message routing, chat room key-value storage, and concurrent user fluctuations by linking every microservice node within our global network. Leveraging AI-driven anomaly pattern recognition, Polaris transforms traditional passive monitoring into proactive intelligent diagnostics. Through integrated features — ranging from Server API debugging and callback tracking to granular traffic analysis — developers can achieve a minute-level self-service loop from “root-cause identification” to “automated threshold alerting.” This not only drastically enhances operational efficiency in complex network environments but also provides robust underlying data APIs to empower business decision-making and return on investment optimization.

During the Track Record Period, revenue generated from internet application solutions represented 65.9%, 76.0% and 67.1% of our total revenue in 2023, 2024 and 2025, respectively, and revenue generated from internet application solutions attributable to data centers located outside Chinese Mainland represented approximately 30.2%, 40.5% and 46.3% of revenue generated from internet application solutions in 2023, 2024 and 2025, respectively.

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Key Operating Metrics for Internet Application Solutions

The table below sets forth selected key operating metrics for our internet application solutions:

	Year ended December 31,		
	2023	2024	2025
Number of customers ⁽¹⁾⁽⁷⁾	2,041	1,932	1,410
Number of customers outside Chinese Mainland ⁽²⁾	484	569	653
Average revenue per customer ⁽³⁾⁽⁷⁾ (in thousands of RMB)	62	66	94
Average revenue per customer outside Chinese Mainland ⁽⁴⁾ (in thousands of RMB)	79	91	94
Net dollar retention rate of revenue from internet application solutions ⁽⁵⁾⁽⁷⁾	87.2%	88.4%	93.6%
Daily distribution volume ⁽⁶⁾ (in million)	22,392	39,597	26,112

Notes:

- (1) Number of customers refers to customers of internet application solutions who consume our API and incur charges in at least one month of the year.
- (2) Customers outside Chinese Mainland refer to customers that utilized data centers located outside Chinese Mainland during the relevant year.
- (3) Average revenue per customer is calculated as revenue derived from our internet application solutions divided by the number of customers during the relevant year.
- (4) Average revenue per customer outside Chinese Mainland is calculated as the revenue generated from internet application solutions attributable to data centers located outside Chinese Mainland divided by the number of customers outside Chinese Mainland during the relevant year.
- (5) Net dollar retention rate of revenue from internet application solutions is calculated as revenue derived from the internet application solutions customers who generate revenue in the previous year, divided by the revenue from internet application solutions in current year.
- (6) Daily distribution volume refers to instant messaging daily distribution volume of internet application solutions.
- (7) During the Track Record Period, average revenue per customer and net dollar retention rate increased despite a decrease in the number of customers, reflecting an increasing contribution to revenue from customers with relatively stronger spending capability. According to Frost & Sullivan, such trend is generally consistent with the market trend of the intelligent cloud-based instant messaging solutions.

Revenue Model

Revenue from the internet application solutions is generated under a hybrid pricing framework that combines subscription-based fees, usage-based tiered fees and optional service packages.

We offer subscription-based pricing plans with fixed periodic fees and limited usage as the starter for our services. Such subscription plans are designed to cater to programming and software development scenarios, allowing developers to integrate our core communication capabilities through SDK and API without independently building or maintaining underlying infrastructure. For instant messaging, we offer tiered subscription packages differentiated by advanced feature access. For monthly message volumes under five million, each package tier is priced based on the peak monthly active users. For message volumes exceeding five million, customers can opt for a dedicated cloud deployment, billed on a monthly service fee (based on functional modules) plus overage charges for excess message volume.

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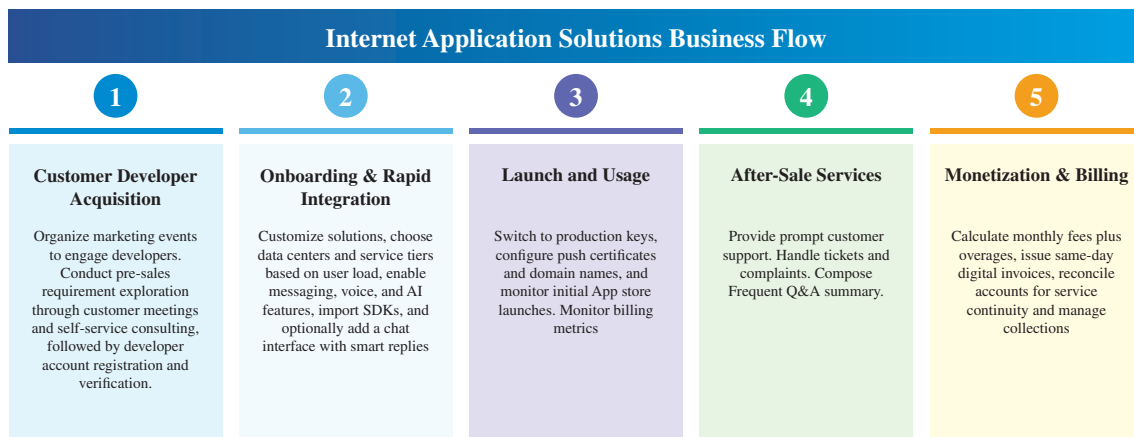
For real-time communication, the billing follows a straightforward model of a monthly base fee for core functionality plus overage charges for usage exceeding the included allowances. This subscription-based pricing structure provides flexibility, from entry-level plans suitable for testing and development to higher-tier offerings that include broader functionality and advanced features, ensuring scalability aligned with customer growth and usage patterns. Subscription-based arrangements are commonly used for experimentation, prototyping and small-scale deployments by both individual developers and institutional customers, and may also serve as an entry point for customers prior to scaling up usage under usage-based pricing arrangements.

To help internet application developers and operators with rising demand and higher daily active users, we further offer usage-based pricing plans. Under our usage-based pricing model, service fees are primarily linked to core operational indicators such as peak daily active users or message volume, as specified in the relevant customer contracts. Usage-based pricing allows customers to be charged based on their actual needs, with tiered pricing structures that may provide economies of scale for higher usage levels.

In addition to subscription-based and usage-based models, where we generally provide basic communication functions, we also offer optional service packages to customers depending on their specific operational needs and selected service configurations. These packages typically relate to additional functionalities or enhanced service features beyond core communication services, such as intelligent data analysis, content authenticity and intelligent risk control, and elastic load balancing.

Business Flow

Below sets forth a flowchart demonstrating how we provide our internet application solutions:



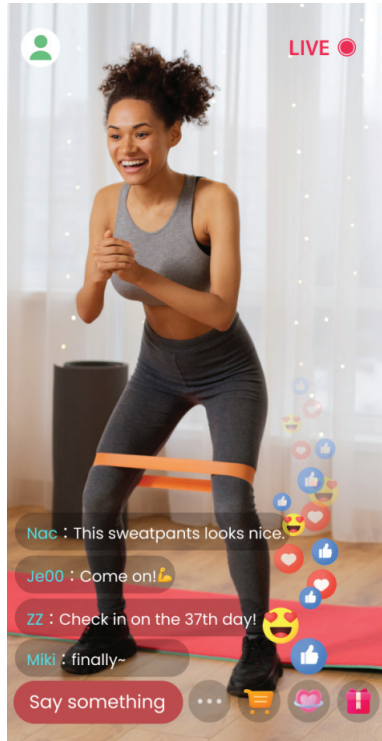
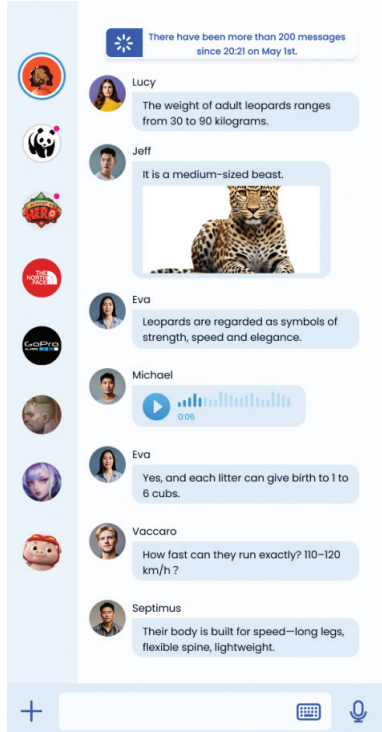
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Case Study

Below sets forth the common use cases of our internet application solutions:

Scenario	Description	Interfaces
Chat	One-on-one private chat between two users. Mainly used for social networking and customer service scenarios.	
Group	Group chats involving two or more users can accommodate up to 3,000 participants per group. Mainly used for social networking and marketing scenarios.	

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Scenario	Description	Interfaces
Chat Room . . .	Under chat room scenario there is no upper limit on the room members while massive concurrent messages arrive instantly. Users are considered to have left the chat room upon exiting the chat interface and will no longer receive any messages from such chat room. Mainly used for live streaming and random strangers chat scenarios.	
Ultra Group . . .	Under ultra groups there is no member limit. The group administrators could create multiple sub-groups within a single group. Mainly used for interest communities and marketing scenarios.	

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A Global Social Networking Application

Background: A global social networking and entertainment platform with a user base exceeding 10 million requires highly stable, low-latency real-time communication to provide one-to-one video matching and livestream interaction services. However, the platform faced challenges arising from complex cross-border network conditions, high concurrency traffic during peak periods, and the need to maintain seamless video interactions for users worldwide.

Solution: To address these challenges, we provided our AICP-based real-time cloud communication solution, integrating one-to-one messaging, chatroom, audio and video functionalities into the customer’s application. Leveraging our globally distributed communication network and enhanced international routing optimization, the system achieved stable, low-latency delivery of messages and video streams. Our team provides prompt technical support to ensure rapid response during the customer’s high-growth stages and major traffic events.

Benefits:

- supported improved real-time interaction quality and user engagement;
- supported stable system performance under large-scale concurrent traffic; and
- supported the platform’s operation and expansion across multiple geographic regions.

A Leading Livestreaming Platform in the Middle East

Background: The customer is a top-ranking livestreaming platform in the Middle East, where complex network environments and rapidly increasing user volumes posed substantial challenges to maintaining a speedy and smooth livestream experience. As the customer’s business rapidly expands, their live streaming rooms frequently face traffic surges, which required a communication system capable of processing million-level concurrent messages, ensuring real-time responsiveness during peak livestream events.

Solution: We enabled the customer’s livestreaming business through our “Chat Room” module, optimized with global network acceleration and region-specific routing enhancements for the Middle East. Our high-concurrency structure supported massive user traffic while maintaining millisecond-level message delivery, ensuring a seamless live streaming with nearly zero lag. The flexible and customised services offered by our “Chat Room” solutions enable clients to rapidly develop and iterate new live streaming experiences. Our RongCloud team provides dedicated technical support to safeguard their business operations.

Benefits: Based on the customer’s implementation and usage of our internet application solutions in its livestreaming operations, the following outcomes were observed or supported:

- supported real-time communication performance in complex regional network environments;
- supported stable operation under tens of millions of concurrent users; and
- enabled rapid product iteration and strengthened the platform’s regional leadership.

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Vertical Industry Solutions

Our vertical industry solutions extend the capabilities of our AICP to medium- to large-scale enterprises and institutions with customized information-system needs. These solutions address customers’ mission-critical communication requirements across various enterprise and institutional scenarios, including internal collaboration, smart office operations, intelligent customer service, remote command and control, and intelligent transportation. Such deployments typically require high standards of data security, system stability, and customization.

We deploy our AICP on private or hybrid cloud infrastructure for vertical industry solutions. We provide on-premise or hybrid deployments to software developers and system integrators, who in turn incorporate our AICP as parcel of their comprehensive industry solutions for their customers. Through private deployment, multi-organization permission design, and enterprise-grade security configurations, our solutions allow customers to maintain full control over communication data while ensuring efficient and reliable system operation. This enables enterprise and institutional users to embed secure, real-time collaboration and intelligent communication functions into their internal systems without developing such capabilities independently, effectively addressing the customers’ communication needs in scenarios including internal collaboration, smart office operations, intelligent customer service, and intelligent transportation.

Our vertical industry solutions feature the following characteristics:

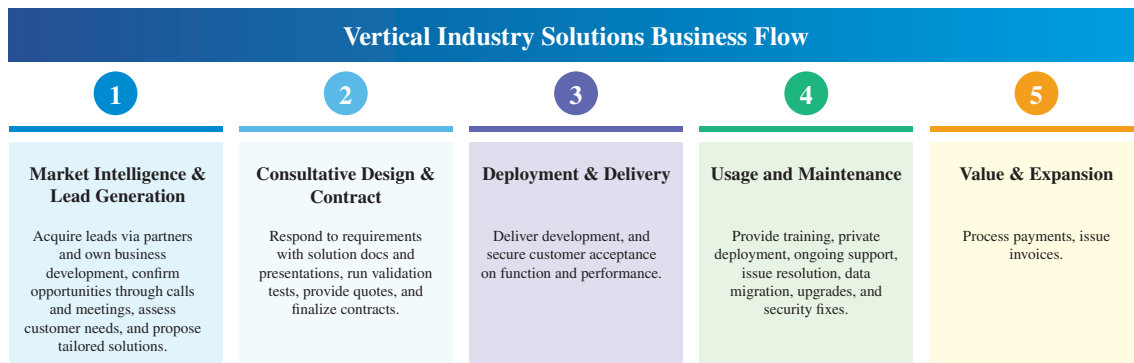
- **Flexible deployment and highly available architecture.** We can provide fully privatized and independent deployment, ensuring local data storage to meet security requirements with data remaining under the customer’s control. Highly available clusters, remote hot standby, and active-active deployment architectures are provided to satisfy the financial-grade redundancy requirements of the “two-site, three-center” architecture.
- **Adaptation to domestic information technology innovation.** In China’s software industry, adaptation to information technology innovation is a key competitive advantage. Our full range of solutions supports domestic information technology innovation, is compatible with domestic CPUs, operating systems and databases, and supports national cryptographic algorithms. All solutions are fully independent and controllable, ensuring data security.
- **Empowerment through AI.** Our vertical industry solutions integrate AI capabilities to provide diversified scenario-based applications such as AI Q&A, intelligent meeting minutes, and intelligent work reports. By deeply integrating AI with product APIs, intelligent and automated task processing workflows are formed. These AI scenario-based applications empower vertical industries and greatly improve collaboration efficiency.

During the Track Record Period, we collaborated with software developers and system integrators across multiple sectors to support various vertical-industry use. These include enterprise collaboration systems, government and public-service platforms, industrial digital-operation systems, transportation command centers, and other customized solutions requiring real-time communication capabilities. Our vertical industry solutions have supported improvements in customers’ operating efficiency, which also enhancing the stability, scalability, and intelligence of their information-system infrastructure.

For our vertical industry solutions, we may acquire customers and projects through bidding processes depending on customer requirements and procurement procedures. When participating in bidding processes, we take into account factors such as customer requirements, project scope and the tender budget. In 2023, 2024 and 2025, one, five and six of our vertical industry solutions projects, respectively, were awarded through bidding processes, measured by the signing date of the relevant project agreements. The aggregate contract value of such projects amounted to RMB0.2 million, RMB23.3 million and RMB1.0 million, respectively. In 2023, 2024 and 2025, we participated in one, six and 11 bidding processes, respectively, with bidding success rates of 100.0%, 83.3% and 54.5%, respectively. The bid deposits paid by us in connection with such bidding processes amounted to nil, RMB59.0 thousand and RMB60.0 thousand in 2023, 2024 and 2025, respectively. As of the Latest Practicable Date, all deposits we made for the same years were refunded to us.

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Below sets forth a flowchart demonstrating how we provide our vertical industry solutions:



Revenue Model

For our vertical industry solutions, we charge enterprise customers license fees for the use of our communication modules, which are generally determined based on user capacity or system scale. We may also charge deployment and customization fees and recurring maintenance and support fees for after-sales customer service, depending on customer requirements. Deployment and customization fees are charged according to the scope of solution design, customization, deployment, and acceptance testing, while license fees may be charged based on user capacity or system scale on an annual basis. Maintenance and support fees are charged annually after the warranty period per request from customers. Revenue is recognized based on project progress, upon customer acceptance, or over the service period, as appropriate.

Case Study

A Quantum-secured Communication Platform for a Telecommunications Group

Background: A major telecommunications group launched a next-generation secure office communication platform integrating quantum key distribution and post-quantum cryptography. The platform required extremely high communication security for scenarios such as government affairs, emergency response, finance, and industrial operations. The customer needed a stable, scalable communication infrastructure capable of supporting cross-domain secure messaging and collaboration.

Solution: We provided AICP-based communication, real-time audio/video, and intelligent operations components as the platform’s communication foundation. Our solution is seamlessly integrated with the customer’s quantum encryption system, enabling secure messaging, conferencing, document workflows, and collaboration across multiple organizations.

Benefits:

- provided ultra-secure, quantum-enhanced communication capabilities; and
- facilitated the large-scale deployment across high-security sectors.

An Enterprise-wide Instant Messaging Platform for a National Insurance Group

Background: A large national insurance group faced longstanding challenges due to fragmented internal applications. Business apps and office apps used inconsistent messaging protocols, separate contact systems, and isolated communication tools. This fragmentation hindered collaboration across departments and limited the efficiency of internal operations.

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Solution: We collaborated with the customer to build an enterprise-wide instant communication platform using our AICP-based communication and audio/video capabilities. Over four development phases, the platform unified communication functions across multiple internal applications, enabling seamless message exchange, collaboration, and AI-assisted communication across departments. The solution provided a scalable, centralized communication infrastructure for the customer’s digital transformation.

Benefits:

- eliminated internal information silos across multiple applications;
- improved communication efficiency for registered users; and
- provided a scalable foundation supporting the customer’s long-term digital transformation.

Overseas Nationwide Communication Solutions

Our overseas nationwide communication solutions represent a strategic extension of our AICP deployment expertise into large-scale, government- and operator-led communication system initiatives. Leveraging our extensive experience in real-time communication technologies, private deployment, data localization, and high-concurrency communications, we provide end-to-end communication infrastructure solutions for large-scale nationwide communication platforms and localized digital communication platforms in overseas markets.

We deliver a unified communication and collaboration framework built upon our AICP, providing functions including real-time audio and video, file-sharing, cloud-drive, and lightweight application capabilities for nationwide massive communication scenarios. Through joint development with local operators’ technical teams, we provide product design support, localized system customization, multi-language interface adaptation, and on-premise deployment services. Depending on project requirements, we may also provide platform licensing and operation-related support services. This framework enables operators in overseas markets to build autonomous, locally controlled nationwide communication platforms that support personal communication, enterprise collaboration, government services, and other public-use scenarios.

We incorporate enterprise-grade security standards in our overseas nationwide communication solutions, including end-to-end encryption, fully localized data storage, multi-organization permission models, information auditing mechanisms, and compliance with local cybersecurity and privacy regulations. These features allow overseas operators to build secure and scalable communication platforms that meet nationwide security and data-sovereignty requirements.

By combining instant communication, conferencing, office collaboration tools, mini-program support, and an extensible open platform, our overseas nationwide communication solutions empower local operators to develop widely adopted nationally popular communication applications, reduce reliance on foreign platforms, and enhance digital infrastructure in their respective markets. Such projects generally involve longer customer acquisition, implementation and acceptance cycles.

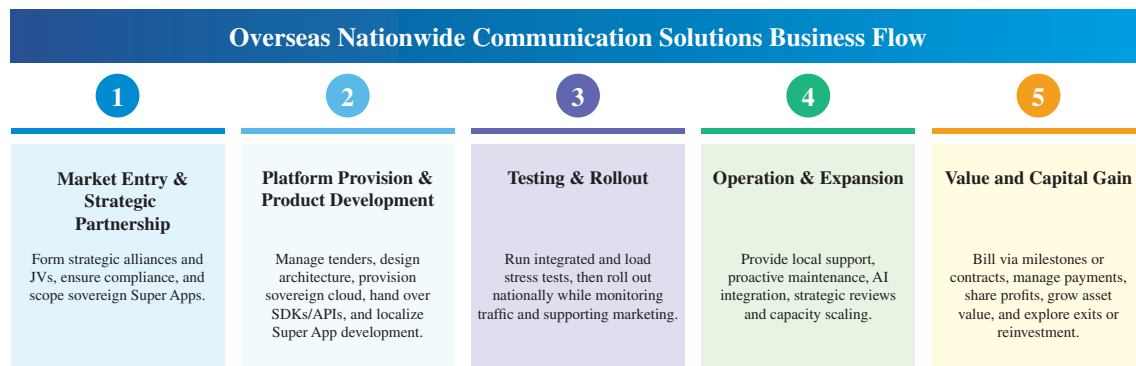
Our overseas nationwide communication solutions feature the following characteristics:

- **Local data storage and processing, with full-link independent control.** We provide deployment in the customer’s local data centers, where all data is stored and processed locally to meet regional data sovereignty requirements. The entire communication link is independently controllable, helping overseas nationwide customers comply with local data governance regulations.

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- **Proven communication capabilities.** Our overseas nationwide communication solutions need to support concurrency of at least tens of millions of users. We have accumulated the capability to handle hundreds of millions of concurrent users in the internet solution market, which creates a unique advantage for us to enter the overseas nationwide communication market.
- **Highly flexible and scalable modular structure.** Our modular structure provides powerful configuration capabilities. Customers can customize the interface elements including color, style, logo, etc., and implement personalized control from the module level to the function level. They can further use our open APIs to integrate payment, entertainment and other functions, forming a complete Super App ecosystem.

Below sets forth a flowchart demonstrating how we provide overseas nationwide communication solutions:



Revenue Model

For our overseas nationwide communication solutions, we charge development and deployment service fees, platform license fees, and recurring operation and maintenance fees to overseas telecommunications operators and public-sector customers. License fees are determined based on system capacity or user scale, while deployment service fees cover system design, localization, customization and on-premises implementation. Operation and maintenance fees are charged annually or under multi-year agreements for upgrades, security enhancements and technical support. Depending on the specific project requirements and contractual arrangements, certain projects may involve long-term or perpetual software licensing arrangements. Revenue is recognized upon delivery of milestones, upon customer acceptance, or over the service term.

Case Study

The Saudi Nationwide Communication Project (Customer A)

Background: Customer A is a technology company in Saudi Arabia that participated in an initiative sponsored a major national telecommunications operator in Saudi Arabia launched an initiative to build an autonomous, locally controlled communication and productivity platform serving the country’s general population, public institutions, and medium- to large-sized enterprises. The project required a secure, scalable, and fully localized communication infrastructure that complied with strict data-localization policies and national security regulations. Existing foreign communication applications could not satisfy the country’s requirements for security, data sovereignty, or multi-organization collaboration scenarios.

Solution: To support the development of this nationwide platform, we provided our AICP as the underlying communication layer. Through our services and solutions, Customer A’s local engineering team completed its own product design, system localization, multi-language interface adaptation, and data-security framework development. Following the initial development and deployment phase, the project subsequently progressed into a licensing and operation phase, demonstrating the scalability of our overseas nationwide communication solutions across different stages of a project lifecycle.

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Benefits:

- fully supported national data localization and security requirements;
- enhanced nationwide communication and collaboration efficiency; and
- reduced reliance on foreign communication applications while supporting rapid user growth.

RESEARCH AND DEVELOPMENT

R&D is critical to sustaining our technology advantage and supporting the development of innovative solutions, which enables us to meet the evolving needs of our customers. We focus on developing core intellectual properties for our solutions, while selectively licensing proven third-party intellectual properties, including open-source technologies, to accelerate time-to-market, enhance reliability and interoperability, and optimize overall cost performance.

We are committed to continuous investment in R&D. In 2023, 2024 and 2025, our research and development expenses were RMB48.7 million, RMB45.2 million and RMB58.8 million, respectively, accounted for 25.4%, 27.0% and 29.8% of our revenue in the same year, respectively.

Our R&D Team and Talents

Our dedicated research departments support the end-to-end development, of our technologies, with teams focused on specific aspects of our platform:

- **AICP R&D Department.** This department is responsible for the research, development, and iteration of the AICP, focusing on three core areas: (i) building an MaaS Platform, (ii) developing scenario-based features for conversational AI, and (iii) completing baseline development and feature iterations for internet communication services.
- **Industry Application R&D Department.** Based on the core technology of the AICP, this department designs the technical structure for industry-specific applications and develops communication solutions for various industries, ensuring high availability, stability, and scalability of the system. The department also researches and develops automated deployment and diagnostic tools to resolve issues within customer systems.
- **Overseas Communication Product R&D Department.** This department is primarily responsible for advancing nationwide communication product development and technical system construction, formulating R&D standards and quality benchmarks, and driving product iteration through technological innovation.
- **AI Technology Research Department.** This department conducts research on cutting-edge technologies related to conversational AI, currently focusing on new technologies for knowledge bases and Memory Engines.

As of December 31, 2025, we had a total of 107 R&D personnel, representing approximately 60.1% of our total employees. For intermediate engineers, we require a minimum of two years of hands-on R&D experience with relevant technical expertise. For senior engineers and core positions, we progressively increase experience requirements to align with their respective roles. Additionally, R&D management must demonstrate proven team leadership capabilities. Our R&D personnel possess deep expertise in critical domains such as instant messaging and real-time communication, with proven experience in delivering large-scale, high-availability system architectures for solutions serving hundreds of millions of users. The team’s core leadership and senior technical experts bring an average of over a decade of

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industry experience, having successfully driven the commercialization of foundational communication technologies and the deployment of complex global projects. This collective strength in specialized technical depth, large-scale project execution, and continuous innovation forms the foundation of our technology-driven growth.

Core Technologies

We have established a portfolio of technologies which are the foundation of our competitiveness. We set out below the details of certain of our key technologies and major R&D achievements:

- **EverSync Communication Protocol.** Our EverSync Communication Protocol employs innovative reliable transmission technology, ensuring 100% message delivery through intelligent retransmission mechanisms and end-to-end acknowledgment. Combined with our proprietary low-latency algorithms, it achieves exceptional end-to-end communication latency of <120ms, setting industry-leading among the leading providers in terms of standards for both communication reliability and real-time performance.
- **The Fourth-Generation SD-CAN Global Acceleration Network.** Our independently developed the Fourth-Generation SD-CAN global acceleration structure establishes a distributed network covering countries and regions worldwide. Through intelligent routing across eight core data centers and thousands of edge access nodes, we deliver low-latency, high-stability unified communication experiences for global users.
- **99.99% High Availability.** We have built an elastic scaling structure based on cloud technologies within a single data center, which we successfully deployed on multiple data centers globally, achieving distributed storage and processing capabilities. This structure supports minute-level disaster recovery, ensuring business continuity. By this technology, recently our AICP achieved 99.99% availability.
- **Massive Concurrent Processing Technology.** We employ a distributed processing structure that our intelligent algorithms can evenly distribute requests across nodes and balance server resource utilization when service nodes rapidly detect massive traffic fluctuations across other nodes. Combined with our elastic scaling structure, our system can process over 190 billion messages in a single day.
- **MaaS Platform.** Our MaaS Platform aggregates global large language models, including OpenAI, Gemini, DeepSeek, Doubao and Qwen (Tongyi Qianwen). This enables developers to flexibly access cutting-edge AI capabilities through a unified interface, serving as a one-stop AI capability hub. We deliver services such as “inference speed optimization,” “model fine-tuning,” and “inference acceleration,” ensuring customers experience ultra-low latency and precise cost control while leveraging AI capabilities.
- **Memory Engine.** The Memory Engine addresses the issues of generic AI being “one-size-fits-all” and “memory-deficient.” Its layered design captures short-term memory across 10-20 rounds of dialogue context and emotion, ensuring conversational continuity. It also enables long-term memory, processes and stores critical information across distinct memory repositories. The Memory Engine empowers developers with “emotional interaction” capabilities. Precise memory recall makes AI conversations more human-like, serving as the foundation for solutions like digital avatars. It can also integrate with other solutions to form an “Emotional Interaction Engine,” delivering full-cycle AI services and building “intelligent companion-like” experiences.

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SALES AND MARKETING

We have developed our sales and marketing strategies centered around customer success and satisfaction, which is an integral part of our core values. Given the different customer profiles and deployment models of our three solutions, we adopt differentiated sales approaches tailored to each business nature. This customer-centric, consultative sales philosophy, combined with our integrated solutions and attentive services, has enabled us to maintain a long-term relationship with our customers.

To maximize customer satisfaction during the sales process, we rely on our sales force to promote our solutions and services. Our sales team is organized by geography and industry to leverage our sales personnel’s local connections and industry insights. We require each sales personnel to be capable of selling the full suite of solutions and services, so that our customers can deal with only one contact for whichever solutions and services they purchase from us. Our sales team is supported by product and implementation specialists who provide technical and product expertise to facilitate the sales process, to ensure our sales personnel can address customers’ inquiries on time.

We generate customer leads, facilitate sales opportunities and enhance brand recognition primarily through referrals from existing customers, as well as through online and offline marketing initiatives. Our principal marketing and branding activities include the preparation and dissemination of industry-specific reports, publications and case studies, the sharing of industry insights, the organization of customer conferences, industry summits and seminars, the hosting of periodic product launch events, including spring and autumn product releases, online marketing activities, sponsorship and participation in trade shows and other industry events, as well as public relations and social media initiatives. We believe our unwavering focus on customer success throughout the sales process has led to a growing, loyal and nationwide customer base with attractive upselling and cross-selling opportunities across our solutions and services.

Sales Models

We have adopted a direct sales model, which allows us to meet market demands, regulatory frameworks, and customer profiles across different regions. For our internet application solutions, customer acquisition is largely driven by developer ecosystem outreach and self-service onboarding, while our vertical industry solutions generally involve consultative sales processes. Our overseas nationwide communication solutions are typically secured through project-based engagements. During the Track Record Period, our sales team played a key role in driving revenue from the sale of our solutions and services. Our sales team is well-versed in the field of internet cloud-based communication and works closely with customers to gather feedback on product quality, preferences, improvements, and market demand. Our sales team is also involved in planning, developing, and executing marketing strategies.

Our sales personnel handle inquiries and prepare quotes with details on solution types and pricing. Once a quotation is prepared, we send it to the customer for confirmation of the order.

Pricing Policy

Our pricing policy is designed to ensure that our solutions and services remain competitive while maintaining profitability and aligning with market expectations. It is developed based on a thorough evaluation of both internal and external factors, creating a dynamic and flexible pricing strategy that adapts to market conditions.

Our pricing decisions are influenced by key factors such as user numbers, product levels, and payment models. Pricing structures vary by solution type, including subscription and usage-based models for internet application solutions, arrangements based on user scale and service scope for vertical industry solutions, and project-based arrangements for overseas nationwide communication solutions. We also consider several factors that influence the broader market environment. We monitor competitor pricing strategies to ensure our offering remain competitive, while also factoring in demand elasticity and

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customer willingness to pay. We adjust prices according to fluctuations in overall economic conditions, ensuring that our pricing remains consistent with industry standards and customer expectations. Regulatory requirements are also taken into account to ensure compliance with local and international pricing regulations.

Our pricing policy is regularly reviewed to ensure it stays aligned with the evolving market conditions and our strategic objectives. This comprehensive approach ensures that our pricing is both sustainable and responsive to changes in the competitive and economic landscape.

Customer Support

Our solutions and services are designed to enable developers to self-serve through comprehensive documentation, tools and support resources. We provide helper libraries, comprehensive user guides and a wide range of code samples and demos. To supplement our extensive self-help resources, we also provide individual customer support by e-mail and phone. We provide developers with a suite of “RongCloud” tools that help them independently monitor and diagnose quality concerns, identify root causes and address issues related to our solutions to improve their end users’ experience. As customers grow, we assign them to a dedicated service team to ensure their continued satisfaction. For major and high-usage customers, we adopt a differentiated service approach, providing dedicated support and technical guidance to facilitate usage expansion and long-term cooperation.

Marketing Strategy

We have built a customer-centric marketing strategy based on our comprehensive communication capability matrix, deeply integrating across the entire customer lifecycle to achieve multiple penetrations in both domestic and international developer ecosystems as well as enterprise markets. Unlike traditional single-touchpoint marketing strategy, we implement omnichannel deployment covering every critical stage of the customer journey — from initial awareness, interest generation, and evaluation/comparison, purchase decision-making, usage experience, and loyalty maintenance with word-of-mouth dissemination.

Specifically, we enhance brand messaging penetration through social media platforms, precisely target audiences via search engines and vertical content, establish in-depth interactions on official websites and community forums, while ensuring customers receive consistent and valuable brand experiences at every key touchpoint through personalized sales consultations, immersive product experiences, and comprehensive after-sales service with loyalty programs. Additionally, we further deepen industry influence by participating in various online and offline industry events, notably including our flagship annual event — World Internet Communication Cloud Conference (WICC), a dedicated industry IP focused on cloud-based communication industry.

Through this full-funnel, multi-touchpoint marketing system, we consistently deliver value-aligned content that meets customer needs, systematically shape brand perception, and ultimately achieve a complete closed-loop from short-term conversion to long-term brand loyalty.

OUR CUSTOMERS

Major Customers

Our customers differ across our solutions, reflecting the distinct business models and deployment approaches adopted for each solution.

For our internet application solutions, our customers comprise internet application developers and operators who integrate our standardized SDKs and APIs into their applications to access our hosted internet communication services. These customers typically adopt a subscription-based and usage-based model, and the pricing terms are generally standardized based on service type and expected usage volume.

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For our vertical industry solutions, our customers mainly consist of industry customers requiring private or hybrid cloud deployment. These customers typically engage with us through consultant sales processes and customized solution arrangements. Pricing structures for such customers generally reflect deployment scale, functional configuration and expected service usage.

For our overseas nationwide communication solutions, our customers comprise overseas telecommunications operators and related strategic partners participating in nationwide communication initiatives in overseas markets. These engagements typically involve localized deployment and strategic cooperation arrangements, and pricing terms are determined based on project scope, system scale and commercial structure.

During the Track Record Period, our sales to our major customers comprised revenue generated from internet application solutions, vertical industry solutions and overseas nationwide communication solutions. Revenue from the five largest customers in each year during the Track Record Period amounted to RMB55.1 million, RMB45.7 million and RMB68.3 million, respectively, accounting for 28.8%, 27.3% and 34.6% of our total revenue for each of the corresponding years, respectively. Revenue from our largest customer in each year during the Track Record Period were RMB38.4 million, RMB15.6 million and RMB22.4 million in 2023, 2024 and 2025, respectively, accounting for 20.1%, 9.3%, and 11.4% of our total revenue for each of the corresponding years, respectively.

The following table sets forth the details of the five largest customers in each year during the Track Record Period.

For the year ended December 31, 2023

Rank	Customer	Customer type	Type of solutions provided	Year of commencement of business relationship with us	Credit terms	Revenue derived from the customer <i>RMB'000</i>	Percentage of our revenue <i>%</i>
1.	Customer A	Private	Overseas nationwide communication solutions	2022	15 days upon receipt of invoice	38,433	20.1
2.	Customer B	Private	Internet application solutions	2020	Seven days	4,758	2.5
3.	Customer C	Private	Internet application solutions	2022	Seven days	4,298	2.2
4.	Customer D	Private	Internet application solutions	2022	30 days upon receipt of invoice	3,990	2.1
5.	Customer E	Private	Internet application solutions	2021	Seven days	3,593	1.9
Total . .						55,072	28.8

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For the year ended December 31, 2024

Rank	Customer	Customer type	Type of solutions provided	Year of commencement of business relationship with us	Credit terms	Revenue derived from the customer RMB'000	Percentage of our revenue %
1.	Customer F	Private	Internet application solutions	2021	Seven days	15,586	9.3
2.	Customer A	Private	Overseas nationwide communication solutions	2022	15 days upon receipt of invoice	13,430	8.0
3.	Customer G	Private	Internet application solutions	2024	Seven days	6,750	4.0
4.	Customer H	Private	Vertical industry solutions	2024	Payment in accordance with payment schedule	5,391	3.2
5.	Customer B	Private	Internet application solutions	2020	Seven days	4,521	2.8
Total . .						45,678	27.3

For the year ended December 31, 2025

Rank	Customer	Customer type	Type of solutions provided	Year of commencement of business relationship with us	Credit terms	Revenue derived from the customer RMB'000	Percentage of our revenue %
1.	Customer F	Private	Internet application solutions	2021	Seven days	22,430	11.4
2.	Customer I	State-owned Enterprise	Vertical industry solutions	2024	30 days	19,609	9.9
3.	Customer A	State-owned Enterprise	Overseas nationwide communication solutions	2022	Payment in accordance with payment schedule	13,140	6.7
4.	Customer H	Private	Vertical industry solutions	2024	Payment in accordance with payment schedule	7,556	3.8
5.	Customer J	Private	Internet application solutions	2024	Seven days	5,577	2.8
Total . .						68,312	34.6

Note:

- (1) Customer A is an information technology company headquartered in Saudi Arabia that specializes in providing instant messaging and office collaboration solutions for the Arabic market, with its products integrating consumer-oriented social features and enterprise collaboration functions. During the Track Record Period, Customer A was historically owned by, among others, eWTP Innovation Fund, one of our substantial shareholders, and Mr. Wang Cheng, one of our Controlling Shareholders. See “— Relationship with Customer A” for details.

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- (2) Customer B is a social networking technology company incorporated in Hong Kong, principally engaged in the development and operation of mobile social and entertainment applications, with a focus on video-based social interaction and overseas markets.
- (3) Customer C is a company headquartered in Shanghai that primarily engages in software and information technology services and specializes in animation and game development, digital cultural creative software development, internet sales and related technical services. As of December 31, 2025, Customer C had a registered capital of RMB10.0 million.
- (4) Customer D is a technology company headquartered in Singapore that specializes in the development of metaverse-related creative products and next-generation social applications.
- (5) Customer E is a fintech company headquartered in Seychelles that primarily engages in the operation of digital asset trading and related technology platforms and services. Customer E operates globally and provides digital asset trading and related services to users in multiple jurisdictions.
- (6) Customer F is a technology company incorporated in Hong Kong and headquartered in Saudi Arabia that specializes in the development and operation of social entertainment applications targeting the Middle East market. Customer F developed and operated mobile applications that ranked highly on the Saudi Arabia App Store. During the Track Record Period, Customer F was historically owned as to 40.0% by eWTP Innovation Fund, one of our substantial shareholders. eWTP Innovation Fund ceased to hold any equity interest in Customer F in 2024.
- (7) Customer G is a company incorporated in Hong Kong with limited liability. Customer G principally engages in trading and related commercial activities.
- (8) Customer H is an internet company headquartered in Guangzhou, Guangdong Province that primarily engages in software and information technology services and specializes in the development and operation of instant messaging platforms. As of December 31, 2025, Customer H had a registered capital of RMB10.0 million.
- (9) Customer I is a branch of a technology company headquartered in Hefei, Anhui Province that primarily engages in software and information technology services and is affiliated with one of the major telecommunications operators in China, specializing in software development, 5G communication technology services, computer system services, internet security services and information system integration. Customer I operated as a regional branch of its parent company.
- (10) Customer J is a technology company headquartered in Singapore that primarily engages in the development and operation of online social entertainment and live-streaming platforms, as well as the publishing of gaming software and internet-based applications. Its products mainly serve users in social networking and online interactive entertainment scenarios.
- (11) Payment method for all top five customers in each year during the Track Record Period is bank transfer.

During the Track Record Period and up to the Latest Practicable Date, other than Customer A and Customer F, none of our Directors or their respective close associates or any Shareholder holding more than five percent of our issued share capital held any interest in any of our five largest customers during the Track Record Period.

Relationship with Customer A

In August 2020, we entered into a cooperation memorandum with eWTP Innovation Fund, which functioned as a representative of the government of the Kingdom of Saudi Arabia, to jointly explore the development of communication and collaboration platforms targeting Saudi Arabia and other Middle Eastern markets to serve telecommunications needs of local citizens, and formulated the blueprint for the Saudi Nationwide Communication Project. Customer A was established to implement the project in December 2021, and entered into a Research and Development Agreement with us in connection with the project in August 2022, pursuant to which we provided technology solutions and development services.

eWTP Innovation Fund is also affiliated with one of our [REDACTED]. See “History, Development and Corporate Structure — [REDACTED]” for details. Leveraging its network and investment platform in the Middle East, eWTP Innovation Fund supports selected technology companies in establishing operations and participating in digital infrastructure and technology initiatives in the region.

During the Track Record Period, Customer A was historically owned by, among others, eWTP Innovation Fund and Mr. Wang Cheng, our controlling shareholder, who indirectly held approximately 37.3% of the equity interests in Customer A. Following the completion of the relevant development stage, Mr. Wang Cheng disposed of all of his interests in Customer A in November 2024. He did not realize any economic gain, investment return or other preferential benefit from such investment.

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During the Track Record Period, we provided overseas nationwide communication solutions to Customer A, including platform development and deployment services for a nationwide communication platform, as well as licensing and operation-related services at different stages of the project lifecycle. Our Directors confirm that all transactions with Customer A were conducted in the ordinary and usual course of business, on normal commercial terms and on an arm’s-length basis.

On December 13, 2024, following a series of share transfers, Customer A became indirectly wholly owned by a government-related entity in Saudi Arabia. As of the Latest Practicable Date, Customer A was no longer owned by, and no interest was held by, our Company, our Controlling Shareholders or any of our connected persons.

General Terms of Contracts with Major Customers

The principal terms of our contracts with major customers vary depending on the nature of the relevant solutions. We generally enter into service agreements with our customers online upon their registration, and only enter into written agreements when requested by the customer.

Internet Application Solutions

For our internet application solutions, we typically enter into standard service agreements with customers, which generally have a fixed term, commonly one year, and may be renewed upon mutual agreement. These agreements primarily govern the provision of intelligent cloud-based instant messaging services delivered through our public cloud infrastructure. Where pricing adjustments are required, we provide advance written notice to customers in accordance with the contract terms. We adopt a hybrid pricing framework that combines subscription-based fees, usage-based tiered fees and optional service packages. For details, please see “Business — Our Solutions — Internet Application Solutions — Revenue Model.”

Customers may choose either a prepayment or post-payment arrangement:

Under the prepayment model, customers deposit funds into their service account, and service fees are deducted in real time based on actual usage. If the account balance becomes insufficient, customers are required to replenish the balance to continue service usage.

Under the post-payment model, we generate periodic billing statements based on actual usage for the billing cycle specified in the contract. Customers are required to review and confirm the billing statements within the agreed time frame. In the event of discrepancies, the parties reconcile usage records in accordance with agreed procedures. Once confirmed, invoices are issued, and payment is made within the agreed credit period.

Vertical Industry Solutions

For our vertical industry solutions, we typically enter into customized software or development or license agreements. These agreements generally relate to private or hybrid cloud deployments and may include source code delivery, system integration, technical support and maintenance services.

The contract term and payment schedule are determined on a project basis. Payments are typically structured in stages, which may include upfront license fees, milestone-based payments linked to delivery and acceptance, and annual maintenance or technical support fees. We adopt installment payment, with credit terms ranging from five days to 180 days.

Such contracts generally contain detailed provisions on delivery standards, acceptance procedures, intellectual property rights, and post-delivery maintenance obligations. Revenue recognition is typically linked to contractual milestones, delivery or acceptance terms as specified in the respective agreements.

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Overseas Nationwide Communication Solutions

For our overseas nationwide communication solutions, we enter into strategic license and cooperation agreements with local partners. These arrangements typically involve sovereign or nationwide deployment of our communication technology, including source code licensing and localized customization. Payment arrangements vary depending on the nature of the project and the types of services provided, and are on a case-by-case basis.

The contractual structures for such arrangements are generally more comprehensive and may include:

- development and implementation services, under which fees may be linked to agreed development milestones, deliverables or project schedules;
- staged license payments, under which license fees are payable in multiple installments over an agreed period, with payment timing typically aligned with predefined contractual milestones or time schedules;
- minimum service fee or guaranteed payment arrangements, pursuant to which our local partner is required to pay a minimum agreed amount during specified periods regardless of actual service usage, subject to contractual conditions;
- usage-based or performance-linked fee arrangements, whereby additional fees may be calculated based on agreed operational metrics, such as user activity or service scale, in accordance with predefined pricing parameters;
- source code licensing and localized deployment rights, including the right to deploy and operate the licensed software within the agreed territory and to conduct necessary localization or customization in compliance with local regulatory requirements; and
- long-term technical support or cooperation commitments, which may include ongoing system maintenance, product upgrades and collaborative development efforts during the agreed cooperation term. Payment schedules are typically defined in the contract and may extend over multiple years. Certain agreements may also provide for deferral or adjustment mechanisms subject to agreed conditions. Given the strategic and long-term nature of such projects, the contractual terms are negotiated on a case-by-case basis.

THIRD PARTY PAYMENT ARRANGEMENTS

Background and Reasons for Third-party Payment

During the Track Record Period, to our best knowledge, certain of our customers (the “**Relevant Customers**”) engaged third-party payors (the “**Third-party Payors**”) to settle their payments with us under the relevant service agreements, whereby the contractual counterparty and the actual payor were not the same entity (the “**Third-party Payment Arrangements**”). For the years ended December 31, 2023, 2024 and 2025, the number of Relevant Customers adopting Third-party Payment Arrangements amounted to approximately 132, 91 and 67, respectively. The aggregate amount settled under Third-party Payment Arrangements amounted to RMB8.1 million, RMB9.1 million and RMB7.7 million, respectively, representing 2.9%, 3.7% and 3.9% of our total payments received for the provision of our solutions and services during the corresponding years. Third-party Payors involved primarily included (i) persons or entities affiliated with the Relevant Customers including Relevant Customers’ subsidiaries or affiliated entities, legal representatives, business operators, shareholders or employees; and (ii) independent third parties designated by the Relevant Customers to make payments on their behalf.

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According to Frost & Sullivan, it is a common commercial practice for customers to settle payments through third-party payors in the intelligent cloud-based instant messaging solutions industry. To the best knowledge of our Directors, the principal reasons for adopting the Third-party Payment Arrangements included (i) it is more convenient for or in line with the internal financial management practices of some Relevant Customers to use the accounts of certain affiliates; and (ii) in certain cases, operational convenience in connection with designated payors such as the dissolved customers who were unable to pay us through their own bank accounts and have to pay us through designated entity with authorization letter.

Enhanced Measures Adopted and Internal Control Measures

As of the Latest Practicable Date, we had adopted the following enhanced internal control measures to mitigate third-party payment related risks:

To safeguard against risks associated with Third-party Payment Arrangements, we have implemented KYC procedures to ensure that we only transact with customers with trustworthy reputations, established business track records and sound financial standing. We have established a management system for trade receivables to prevent the recurrence of third-party payment arrangements. Payments from customers shall only be made directly by the contractual parties of the sales and purchase agreements, and in particular, we issued a notice to the customers through our online platform informing them that payments made by third parties including entities and individuals would not be accepted.

Our sales and marketing department conducts comprehensive internal reviews of the background and qualifications of prospective customers. Any payment received from a Third-party Payor will be returned.

Termination and Implications of the Third-party Payment Arrangement

As of the Latest Practicable Date, we had ceased all Third-Party Payment Arrangements. We believe that the cessation of Third-party Payment Arrangements did not and will not have a material adverse effect on our business.

Pursuant to the laws and regulations of the PRC, there is no explicit restriction on the adoption of Third-party Payment Arrangements. A Third-party Payment Arrangement is valid so long as it does not fall within those grounds of invalidation specified under the PRC Civil Code (中華人民共和國民法典), including, among others, where the arrangement is in violation of public order or harms one's legal rights through malicious collusion. During the Track Record Period and up to the Latest Practicable Date, we had not been requested to return any third-party payments received by us. To the best knowledge of our Directors, (i) we are not involved in any actual or threatened disputes or disagreements arising from or as a result of any Third-party Payment Arrangements, (ii) we are not subject to any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Third-Party Payment Arrangements. Based on legal analysis, our confirmation and compliance certificate issued by the relevant government authorities, our PRC Legal Advisors have advised us that the risk of committing money laundering crime by us for receiving third-party payments from the Third-Party Payors during the ordinary course of business is low.

As advised by our PRC Legal Advisors, taking into account the background, reasons for and management measures undertaken by us in relation to the Third-party Payment Arrangement described above, during the Track Record Period and up to the Latest Practicable Date, the Third-party Payment Arrangements were merely assignments of liability from the Relevant Customers to the Third-party Payors pursuant to the PRC Civil Code. Once agreed by the relevant parties, such arrangements constituted valid and binding obligations on each of the parties involved. Further, such arrangements did not, in themselves, contravene or circumvent mandatory provisions of the applicable laws and regulations in PRC (including the anti-money laundering laws) in material aspects, provided that the receipt of payment was performed solely as settlement of sale of solutions or services and not related to any criminal or illegal proceeds or gains as confirmed by us.

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Taking into account the measures adopted by us to manage the Third-party Payment Arrangements, the provisions of applicable PRC laws and regulations and the compliance letters issued by competent government authorities, our Directors are of the view that the Third-party Payment Arrangements were legal and valid, and did not contravene or circumvent anti-money laundering, taxation or other applicable PRC laws or regulations during the Track Record Period and up to the Latest Practicable Date. Additionally, our Directors believe that all transactions settled through the Third-party Payment Arrangements have been completely and accurately recorded in our historical financial information.

OUR SUPPLIERS

During the Track Record Period, our suppliers consisted primarily of cloud infrastructure and network service providers, such as both domestic and overseas public cloud platforms and public servers, marketing and promotional partners who assisted in customer acquisition and market expansion, as well as other service providers such as property lessors for our office premises.

Selection and Engagement of Suppliers

We conduct procurement activities in accordance with our internal procurement policy, which establishes standardized procedures covering budgeting, supplier selection, contract approval, acceptance inspection and payment authorization. Procurement requests are initiated by the relevant business departments based on approved budgets, and suppliers are selected through comparative evaluation taking into account qualifications, technical capabilities, pricing and service quality. Payments are processed only after the relevant services have been delivered and accepted, supported by valid invoices and contractual documentation, and are subject to internal approval procedures depending on the amount involved. These procedures are designed to ensure transparency, cost efficiency and compliance in our procurement activities.

Agreement with Suppliers

Given the different types of services and resources we procure, the terms of our supplier agreements vary according to the nature of the cooperation. The principal terms generally include the following:

Cloud Infrastructure, Network and Technical Service Providers

Duration: Framework agreements with major service providers are typically entered into for fixed terms ranging from one to three years, subject to renewal or early termination in accordance with the agreement.

Mode of cooperation: We generally procure services under master service agreements or suppliers' standard cloud service terms. Specific services are ordered on a usage-based basis, and the scope of services may include computing resources, storage, bandwidth and related technical support services.

Price adjustment: Pricing is typically based on agreed service categories and either actual usage volume or fixed subscription plans (such as monthly or annual packages), and may incorporate agreed discount schedules under the framework agreements. Charges are calculated based on actual resource consumption during the relevant billing period.

Payment and credit terms: Depending on the supplier and service model, payments are made either on a prepayment basis or on periodic billing cycles, typically monthly, based on actual usage. Settlement is made within the agreed billing period upon receipt of invoices in accordance with contractual terms.

Quality control: Service providers are generally subject to agreed service level standards, including availability and performance commitments. We monitor service stability and resource utilization in accordance with internal review procedures.

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Delivery: Services are delivered through remote cloud-based infrastructure access and are provisioned in accordance with agreed service specifications.

Termination: Agreements may be terminated upon expiration of the agreed term or earlier upon material breach, insolvency or other contractually specified events.

Confidentiality: Service providers are subject to confidentiality obligations covering technical, operational and business information.

Marketing and Promotional Partners

Duration: Marketing service agreements are typically entered into for fixed terms of one to two years and may be renewed upon mutual agreement.

Mode of cooperation: Marketing and promotional partners are granted non-exclusive authorization to promote our solutions and services within agreed territories. Customers typically enter into contracts directly with us and settle payments with us, and marketing and promotional partners do not collect payments from end customers unless otherwise agreed.

Commission structure: Marketing and promotional partners are entitled to commissions or revenue-sharing payments calculated based on actual payments received by us from the customers introduced by such partners. Commission arrangements are determined in accordance with agreed pricing structures and may vary depending on product category, service type or cooperation terms.

Settlement and payment terms: We generally issue periodic settlement statements (typically on a monthly basis) to marketing and promotional partners reflecting commission amounts. Marketing and promotional partners are required to confirm the settlement statements within the agreed time frame, and commissions are paid by bank transfer following confirmation. Where applicable, commission payments may be adjusted to reflect customer payment status or other agreed conditions.

Performance and compliance obligations: Marketing and promotional partners are required to comply with agreed commercial and compliance standards, including customer management, cooperation in payment follow-up and adherence to agreed pricing and marketing policies.

Termination: Marketing service may be terminated upon expiration of the agreed term or earlier in the event of breach, non-performance or other contractually specified events.

Confidentiality: Marketing and promotional partners are subject to confidentiality obligations regarding our pricing policies, technical materials and customer information.

Major Suppliers

Purchases from the five largest suppliers in each year during the Track Record Period amounted to RMB32.2 million, RMB23.9 million and RMB21.5 million in 2023, 2024 and 2025, respectively, accounting for 60.2%, 53.6% and 41.8% of our total purchase amounts for each of the corresponding years, respectively. For the same years, purchase amounts from our largest supplier in each year amounted to RMB12.6 million, RMB13.0 million and RMB9.4 million, respectively, accounting for 23.5%, 29.1%, and 18.1% of our total purchase amounts for each of the corresponding years, respectively. For risks related to the concentration of suppliers, see “Risk Factors — Risks Relating to Our Business and Industry — Our reliance on a limited number of suppliers for certain essential solutions and services could adversely affect our ability to manage our business effectively and subsequently harm our business.”

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The following table sets forth the details of the five largest suppliers in each year during the Track Record Period.

For the year ended December 31, 2023

Rank	Supplier	Type of products/ services purchased	Year of commencement of business relationship with us	Credit terms	Purchase amounts paid to the suppliers <i>RMB'000</i>	Percentage of total purchase amounts %
1.	Supplier A	Public server	2018	30 days upon receipt of invoice	12,570	23.5
2.	Supplier B	Public server	2017	No specified credit term	12,122	22.7
3.	Supplier C	Rent	2023	Prepayment	4,006	7.5
4.	Supplier D	Marketing and advertising services	2015	Prepayment	1,841	3.4
5.	Supplier E	Technical services	2020	Seven days	1,690	3.1
Total . . .					32,229	60.2

For the year ended December 31, 2024

Rank	Supplier	Type of products/ services purchased	Year of commencement of business relationship with us	Credit terms	Purchase amounts paid to the suppliers <i>RMB'000</i>	Percentage of total purchase amounts %
1.	Supplier B	Public server	2017	No specified credit term	12,979	29.1
2.	Supplier F	Marketing services	2020	Payment upon receipt of invoice	3,335	7.5
3.	Supplier A	Public server	2018	30 days upon receipt of invoice	2,942	6.6
4.	Supplier G	Public server	2024	30 days upon receipt of invoice	2,738	6.1
5.	Supplier H	Marketing services	2023	Payment upon receipt of invoice	1,939	4.3
Total . . .					23,933	53.6

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For the year ended December 31, 2025

Rank	Supplier	Type of products/ services purchased	Year of commencement of business relationship with us	Credit terms	Purchase amounts paid to the suppliers <i>RMB'000</i>	Percentage of total purchase amounts %
1.	Supplier B	Public server	2017	No specified credit term	9,350	18.1
2.	Supplier G	Public server	2024	30 days upon receipt of invoice	4,251	8.2
3.	Supplier H	Marketing services	2023	Payment upon receipt of invoice	3,077	6.0
4.	Supplier F	Marketing services	2020	Payment upon receipt of invoice	2,434	4.8
5.	Supplier I	Public server	2025	60 days upon receipt of invoice	2,412	4.7
Total . . .					21,524	41.8

Notes:

- (1) Supplier A is an internet service provider headquartered in Shanghai that specializes in content delivery and acceleration, internet data center, cloud computing and cloud security services. Supplier A was listed on the ChiNext Board of the Shenzhen Stock Exchange and had a registered capital of approximately RMB2,459.4 million as of December 31, 2025.
- (2) Supplier B is a cloud computing and artificial intelligence technology company headquartered in Hangzhou, Zhejiang Province that specializes in providing comprehensive cloud services, including elastic computing, storage, network security, database and big data services. As of December 31, 2025, Supplier B had a registered capital of approximately RMB1,010.1 million.
- (3) Supplier C is a real estate development company headquartered in Beijing that specializes in property development, sales of self-developed commercial housing, leasing of commercial properties, property management and hotel management. As of December 31, 2025, Supplier C had a registered capital of RMB100.0 million.
- (4) Supplier D is a company headquartered in Beijing that primarily engages in technology promotion and application services and specializes in software development, system integration, technical consulting and services, as well as advertising design, production, publication and agency services. As of December 31, 2025, Supplier D was a subsidiary of a leading China-based technology and internet group listed on the Nasdaq Stock Market.
- (5) Supplier E is a technology company headquartered in Beijing that specializes in providing online risk control solutions, including intelligent business risk control and content risk control services. Supplier E operated research and development centers and subsidiaries in multiple cities in China and had a registered capital of RMB50.0 million as of December 31, 2025.
- (6) Supplier F is a company headquartered in Beijing that specializes in providing online marketing planning services, with a focus on mobile advertising and digital marketing solutions. As of December 31, 2025, Supplier F had a registered capital of RMB10.0 million.
- (7) Supplier G is a technology company incorporated in Hong Kong that specializes in cloud management services and artificial intelligence infrastructure services. Supplier G operated across multiple countries and regions.
- (8) Supplier H is a company headquartered in Shanghai that primarily engages in data, network and information technology services and specializes in providing big data-driven precision marketing services to mobile internet companies and financial institutions. As of December 31, 2025, Supplier H had a registered capital of RMB10.0 million.
- (9) Supplier I is a technology company headquartered in Saudi Arabia that specializes in providing cloud computing infrastructure services in local market and is affiliated with a major telecommunications equipment provider in China.
- (10) Payment method for all top five suppliers in each year during the Track Record Period is bank transfer.

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All of our five largest suppliers were Independent Third Parties during the Track Record Period. None of our Directors or their respective close associates or any Shareholder holding more than 5% of our issued share capital held any interest in any of our five largest suppliers during the Track Record Period.

COMPETITION

Our operations are subjected to China’s and global intelligent cloud-based instant messaging solutions markets, facing competition from different companies and providers. We operate in markets that are characterized by rapid technological evolution, expanding application scenarios and increasing competition.

In recent years, driven by global digital transformation, the global intelligent cloud-based instant messaging solutions market has grown rapidly. From 2021 to 2025, the global market size of intelligent cloud-based instant messaging solutions market in terms of revenue increased from RMB13.9 billion to RMB19.0 billion, with a CAGR of 8.1%. Looking ahead, the continuous expansion of downstream application scenarios is expected to further propel market growth. By 2030, the global market size of intelligent cloud-based instant messaging solutions market in terms of revenue is expected to reach RMB38.9 billion, growing at a CAGR of 15.4% from 2025 to 2030.

According to Frost & Sullivan, China’s intelligent cloud-based instant messaging solutions market has experienced continuous growth in recent years. From 2021 to 2025, the market size of intelligent cloud-based instant messaging solutions market in China in terms of revenue increased from RMB5.5 billion to RMB7.2 billion, with a CAGR of 7.0%. By 2030, the market size of intelligent cloud-based instant messaging solutions market in China in terms of revenue is expected to reach RMB14.1 billion, growing at a CAGR of 14.4% from 2025 to 2030.

Depending on their different services capabilities and main business, global intelligent cloud-based instant messaging solutions providers can be primarily divided into providers with different service capabilities, technology positioning and target customer groups. According to Frost & Sullivan, such providers can be broadly categorized into: (i) professional intelligent cloud-based instant messaging solutions providers that focus on delivering standardized instant messaging capabilities through intelligent cloud-based platforms, and (ii) integrated cloud service providers that offer instant messaging solutions as part of a broader suite of cloud services. We face competition from both types of intelligent cloud-based instant messaging solutions providers in China and overseas markets. We face competition from both types of intelligent cloud-based instant messaging solutions providers in China and overseas markets.

In addition, intelligent cloud-based instant messaging solutions providers compete across multiple dimensions, including technology capabilities, platform stability and scalability, global network coverage, data security and compliance capabilities, breadth of application scenarios supported, service reliability and customer support.

Vertical industry enterprises and national-scale communication platform customers typically impose higher requirements on system security, customization and deployment flexibility, which may intensify competition among providers capable of supporting private or hybrid cloud deployments and localized data management.

As the integration of artificial intelligence with communication continues to deepen, competition is also increasingly driven by providers’ ability to embed intelligent interaction, intelligent customer service and other AI-enabled functionalities into their communication platforms.

For information in connection with the China’s and global intelligent cloud-based instant messaging solutions markets, see “Industry Overview” and “Risk Factors — Risks Relating to Our Business and Industry — We operate in a highly competitive market.”

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INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 56 registered trademarks, 69 registered computer software copyrights and two registered art works copyrights, 41 authorized patents, and 23 registered domain names in China.

We protect our intellectual property rights through a combination of copyrights, trademarks, patents, and other forms of intellectual property rights available, as well as confidentiality and license agreements with our employees, suppliers, customers, and other parties. We generally require our research and development personnel to enter into confidentiality agreements acknowledging that inventions, trade secrets, developments, and other processes generated by them in the course of their employment are our property and assigning to us any ownership rights that they may claim in these works. Despite our precautions, however, third parties may obtain and use our intellectual property or license without our consent. We are not aware of any such breaches of our intellectual property rights during the Track Record Period. For further details of the risks relating to our intellectual property rights, see “Risk Factors — Risks Relating to Our Business and Industry — Failure to adequately protect, maintain and enforce our intellectual property and confidential information could erode our competitive advantages, increase costs and harm our brand and operating results.” The expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may also be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business operations. We have not experienced any material disputes or claims for infringement of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, we had not received administrative penalties relating to intellectual property matters and were not involved in any intellectual property litigation, arbitration or claims that had, or would reasonably be expected to have, a material adverse effect on our business, financial condition or results of operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

We firmly believe that outstanding enterprises succeed not only through their commercial achievements but also through their long-term positive contributions to society and the environment. As an established provider of intelligent cloud-based instant messaging solutions, we are committed to integrating ESG principles into its corporate strategy and daily operation, creating a sustainable future together with all stakeholders.

Our operation does not involve traditional manufacturing or high-pollution industry, and the potential risks relating to the environment, health and safety are relatively low. Nevertheless, we fully recognize our environmental and social responsibilities in the digital era and the impact they may have. We will continue to implement initiatives that support sustainable development, enhance resource efficiency, and reduce our environmental footprint, contributing to a greener, more harmonious and better future.

ESG Governance

We place strong emphasis on the effective management and advancement of our ESG initiatives and are committed to maintaining a robust ESG governance framework. We actively promote the integration of ESG considerations into our business operations. The Board, as the highest governing body for ESG matters, assumes overall responsibility for the oversight of our ESG issues. The Board members come from diverse backgrounds, collectively providing guidance and resources to support the implementation of sustainability initiatives. For details, please see “Directors and Senior Management”. In particular, the Board reviews and approves our ESG strategies, material ESG matters, policies, annual ESG targets and ESG reports; conducts periodic assessments of the progress made towards ESG objectives; oversees the identification and evaluation of ESG-related risks and the corresponding mitigation measures; and ensures that material decisions requiring Board approval have appropriately taken into account relevant ESG factors. These governance arrangements are designed to ensure that ESG matters receive due attention and are implemented in an effective and orderly manner.

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To facilitate the implementation of our ESG initiatives, we have established an ESG Working Group, which is responsible for the execution of specific ESG tasks, the coordination of efforts across relevant departments, the collection and analysis of ESG-related data, and the preparation of ESG reports. The ESG Working Group also engages actively with stakeholders, monitors developments and emerging trends in ESG-related areas, and supports the continuous enhancement of our ESG performance. The ESG Working Group reports to the Board on a regular basis (at least annually).

In addition, we will consider applicable laws and regulations as well as prevailing industry standards and best practices to further establish comprehensive internal policies and systems relating to ESG matters. These policies and systems will serve to clarify the respective roles and responsibilities of various parties involved in ESG management and to ensure that our ESG governance framework is implemented in a standardized, systematic and effective manner.

ESG Strategy and Risk Management

We recognize the critical role of ESG in our business development, financial performance and operational stability. By taking into account the key concerns of both internal and external stakeholders and the characteristics of our business, we identify and assess material ESG risks that may have a significant impact on us and incorporate such risks into our strategic planning, financial management and operational decision-making. The Board, as the highest decision-making body, is responsible for the careful evaluation of the materiality and prioritization of material ESG risks and for making the final decisions thereon.

We identify and assess the following essential ESG risks that may potentially affect our business, financial performance or strategies:

Material Issues	Potential Risks	Mitigation Measures
Climate Change	Climate change may adversely affect our business, customers, partners and suppliers, particularly through extreme weather events, which may disrupt operational stability.	We actively identify climate-related risks and opportunities and take effective measures. We also promote the integration of low-carbon practices into our operations, seek to reduce greenhouse gas emissions, and strive to transition towards a low-carbon and green business model.
Product Responsibility . . .	New research or technological advances by competitors may weaken our market competitiveness; meanwhile, incidents relating to information security could result in compliance risks, harm customer rights and interests, cause economic losses, or damage our corporate reputation.	We continue to invest in research and innovation to enhance the reliability, ease of integration and coverage of our communication cloud services. Through the implementation of our “system-certification-capability” system, we aim to strengthen our overall service quality and security, and mitigate data security and user privacy risks.

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Material Issues	Potential Risks	Mitigation Measures
Employee Management . .	Risks relating to labour rights and occupational health and safety may adversely affect our reputation and operational stability.	Our culture values diversity, equity and inclusion, and fosters a harmonious working environment. We provide sound institutional safeguards, transparent and competitive remuneration systems, and structured training and development programmes to attract and retain talent, protect employee rights, maintain workplace safety, and build a stable and efficient workforce.
Business Ethics	Non-compliant business practices may breach laws and regulations, lead to penalties and cause serious harm to our corporate reputation.	We strictly comply with applicable laws and regulations and adhere to high standards of business ethics. We established comprehensive policies to regulate the conduct of employees, suppliers, and other stakeholders, along with reporting procedures and whistleblower protection mechanisms to maintain a sound business environment.

In response to the material ESG risks identified, we have formulated targeted mitigation measures to ensure that risk management is implemented across all business functions. Where necessary, we will take appropriate action to manage and address such risks, thereby enhancing our overall risk management capabilities.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties for non-compliance with laws and regulations relating to workplace safety, environmental protection, data security or other ESG-related matters. No incidents have occurred that resulted in any material adverse impact on our financial condition or business operations, nor have we received any claims from our employees in respect of personal injury or property damage.

Environmental Protection

We strictly comply with the *Environmental Protection Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China* and other applicable environmental laws and regulations in the jurisdictions where we operate, and we integrate environmental protection requirements into our daily operation. As a provider of intelligent cloud communication services, our environmental impact mainly arises from routine office activities. We do not operate any data centres and have not experienced any environmental incidents or been subject to any administrative penalties for material environmental non-compliance.

We are committed to environmental stewardship and promote resource conservation across our operation. For electricity management, we reduce the idle power consumption of electronic devices, conduct daily inspection of the lighting system to prevent unnecessary electricity consumption, and optimize air-conditioning temperature settings to lower operating energy consumption. For water

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management, we implement a regular inspection mechanism to prevent leaks and drips. For paper management, we implement paperless office operation and encourage double-sided printing to reduce the consumption of office paper. At the same time, we encourage staff to conserve water and electricity, promote eco-friendly commuting methods and implement the ‘three switches off’ initiative (Windows & Doors/Power/Equipment) by regular email communication and training, enhancing environmental awareness continuously and fostering a green office environment. To enhance the efficiency of resource utilisation, we have formulated an electricity consumption intensity target of reducing by 8% and a water consumption intensity target of reducing by 5% over the next five years, continuing to optimize resource usage in our business operations.

In our daily operation, we generate only a limited amount of waste. All waste is collected and handled by qualified third-party recyclers, ensuring the 100% compliance of waste disposal. We uniformly collect used batteries, electronic waste and other hazardous waste, and regularly hand them over to professional institutions for recycling and disposal to prevent pollution. For non-hazardous waste, we implement comprehensive garbage sorting and recycling, with professional institutions responsible for centralized collection, ensuring full compliance throughout the process.

In 2023, 2024 and 2025, our resource consumption data is as follows:

Indicator	Unit	2023 ⁽¹⁾	2024	2025 ⁽²⁾
Electricity consumption	kWh	142,141.32	95,175.00	156,150.00
Electricity consumption intensity	kWh per RMB million revenue	740.28	560.22	780.75
Water consumption	Tones	258.20	142.50	157.00
Water consumption intensity .	Tones per RMB million revenue	1.34	0.84	0.79

Note:

- (1) In 2023, we carried out renovation and improvement work at our office premises, which resulted in a temporary increase in electricity and water usage, and accordingly, electricity and water consumption for the year exceeded normal levels.
- (2) In December 2024, the usable office area of our leased premises expanded from 598.46 sq m. to 2,393.84 sq m., increasing daily operational electricity consumption of 2025 accordingly.

Climate Change

We fully recognize the potential impacts of climate change on our business operations and long-term development. We have established mechanisms for identifying, assessing and responding to climate-related risks and opportunities, and we conduct regular reviews to enhance our climate risk management capabilities. These measures ensure that climate-related risks are appropriately managed while enabling us to capture strategic opportunities arising from the low-carbon transition.

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The climate-related risks we have identified are as follows:

Risk Type		Risk Description	Mitigation Measures
Physical Risks . . .	Acute Physical Risks	The frequent occurrence of extreme weather events (such as rainstorms, floods, etc.) may lead to temporary disruptions in power supply or critical equipment malfunction, causing disruption to data processing and storage services. This may result in revenue losses, increased operation and maintenance costs, and potential health and safety risks to employees.	We have set up a mechanism for collecting extreme weather information, enabling early warning through real-time monitoring of meteorological forecasts. We have also set clear safety standards and emergency plans for our operating sites to ensure that employees are familiar with the relevant response procedures.
	Chronic Physical Risks	The long-term increase in temperature may result in increased energy consumption for cooling and higher equipment failure rates, thereby increasing operating costs, reducing computing efficiency and posing threats to data security.	We adopt a multi-cloud and multi-region distributed architecture with server clusters deployed across different climate zones, effectively mitigating the risk of service disruptions caused by extreme high temperatures in a single region, and ensuring business continuity. In selecting cloud service providers and deployment regions, we assess climate risks, local energy profiles and operating costs, and when extreme weather affects system performance in a particular region, our load balancing mechanisms redirect traffic to other regions to maintain stable and reliable services.

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Risk Type	Risk Description	Mitigation Measures
Transition Risks . Policy and Legal Risks	Accelerating national “dual carbon” policy framework and tightening sustainability-related disclosure standards may increase the Company’s compliance costs, affecting our business and operating performance.	We closely monitor relevant policies and regulatory trends, conduct regular compliance and adaptability reviews of our environmental policies and guidelines, and adjust our internal control measures and enhance sustainable-related information disclosure to meet the latest regulatory requirements.

We are progressively enhancing the calculation of our greenhouse gas (“GHG”) emissions and have collected and quantified data for Scope 1, Scope 2, and Category 6 (business travel), Category 7 (employee commuting) and Category 8 (upstream leased assets) under Scope 3 emissions. We plan to expand the coverage of our Scope 3 accounting to additional material categories in order to obtain a more comprehensive understanding of value chain emissions. We are committed to continuously reducing our GHG emissions and promoting the transition of our operations towards a greener and low-carbon model.

In 2023, 2024 and 2025, our greenhouse gas emission data is as follows:

Indicator	Unit	2023	2024	2025
Total GHG emissions (Scope 1 and Scope 2) ⁽¹⁾	tCO ₂ e	76.27	51.07	82.85
GHG emissions intensity (Scope 1 and Scope 2) . . .	tCO ₂ e per RMB million revenue	0.40	0.30	0.41
Scope 3 GHG emissions – Business travel	tCO ₂ e	254.60	250.11	216.09
Scope 3 GHG emissions – Employee commuting	tCO ₂ e	70.47	95.41	96.49
Scope 3 GHG emissions – Upstream leased assets ⁽²⁾ .	tCO ₂ e	596.40	455.44	418.46

Note:

(1) We do not generate Scope 1 greenhouse gas emissions. Scope 2 covers indirect GHG emissions arising from purchased electricity.

(2) Primarily refers to the GHG emissions generated from the use of cloud servers leased by us.

Employment Management

We uphold the principles of diversity, equality and inclusion, and integrate these values throughout the entire employee management process. We oppose all forms of discrimination and harassment, and do not differentiate or treat employees unfairly on the basis of gender, age, race, religious belief, physical condition or any other improper factor. We are committed to fostering a safe, respectful and bias-free workplace environment for all employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any incidents involving child labor, forced labor or discrimination. As of December 31, 2025, we had a total of 178 employees.

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In recruitment, we strictly adhere to the principles of transparency and fairness. We publish job postings through public recruitment platforms and internal communication channels and attract talent via direct applications and employee referrals. Candidates are selected based on comprehensive assessment results. We also actively respond to national policies by including people with disabilities in our recruitment and development plans, offering equal employment opportunities and career development pathways to support them in achieving personal value.

We have established an internal management system covering seven key areas: employee relations, compensation and benefits, performance appraisal, administrative management, expense reimbursement, employee discipline and sanctions, among others. This multi-dimensional system provides comprehensive institutional safeguards for employee rights, ensuring that employees have clear rules to follow throughout all stages of their employment.

In terms of remuneration management, we adhere to the principle of fairness by determining and adjusting compensation based on core factors such as individual performance, professional capability, job grade and market competitiveness. Meanwhile, we adhere to the principle of incentivization to ensure that employee compensation remains competitive and encourages strong performance and value creation.

We place great importance on occupational health and safety. We have established a Company-wide health monitoring system and workplace safety protection mechanism. We regularly conduct workplace safety inspections and maintain firefighting facilities and carry out ongoing safety training and emergency drills with corresponding emergency response plans to enhance employees’ safety awareness and response capabilities. For employees who have served for a specified period, we provide regular health examinations to enable ongoing monitoring of their health conditions. During the Track Record Period and up to the Latest Practicable Date, we did not experience any work-related injuries or fatalities.

We conduct onboarding training, professional skills training and managerial capability training on an irregular basis and are tailored to employee groups at different stages of development. We have also established a “dual-track” promotion system covering managerial and professional pathways, with vacancies prioritized for internal candidates, enabling employees with different career aspirations to follow clear upward trajectories. Performance assessments are structured around positive incentives and incorporate differentiated appraisal methods based on job characteristics. Employees who have concerns regarding their performance appraisal results may file an appeal with the Human Resources and Administration Department, which is responsible for investigation, communication and feedback to ensure fairness, impartiality and transparency throughout the appraisal process.

We value communication with employees and have established a dedicated internal communication email channel. Employees may raise questions or requests via email or through face-to-face communication with the Human Resources Department, ensuring timely responses and proper handling.

Customer Service

Guided by a customer-centric service philosophy, we have developed a full-lifecycle service management system and formulated policy documents such as the *Ticket Handling and Major Customer Support Standards*. We maintain a multi-tiered response mechanism to address differentiated customer needs. We also have a closed-loop customer complaint management system and have established *Customer Complaint Handling Standard Procedures*. Customers may submit complaints through multiple channels including online support, ticketing systems, and corporate WeChat groups. Our service team follows up and provides feedback within prescribed timelines, ensuring full traceability of the entire process. We hold monthly thematic analysis meetings to review recurring issues and challenges and continuously refine service processes and solutions.

We consider customer needs and experience feedback as the driving force for product iteration and service upgrades. We steer product development based on customer requirements and maintain a closed-loop demand management process. We also conduct regular customer satisfaction surveys to proactively collect feedback and continuously improve service quality.

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We place strong emphasis on developing the professional capabilities of our teams. We provide structured, phased capability development programmes for our pre-sales, post-sales and business teams, and implement layered training and ongoing assessment systems to ensure that team competencies evolve alongside business needs.

Product Responsibility

As a professional internet communication service provider, we build our services around technological innovation to deliver highly reliable, easily integrated and widely accessible communication cloud services. Through platform-wide standardized technologies, global high-quality cloud providers and network resources, and industry-leading large-scale messaging distribution technologies, we have established a global communication network capable of supporting concurrent online usage at a hundred-million scale and trillions of message distributions, with robust network adaptability and service availability exceeding 99.99%.

We continuously optimize connection latency, weak network performance and domain name resolution, providing secure and reliable communication solutions to customers across various industries and supporting their operations across different regions.

We place data security and privacy protection at the core of our business and have established a “system-certification-capability” three-pillar framework to ensure full-spectrum security. We maintain a comprehensive information security management system covering all scenarios and processes, with clearly defined governance structures, early-warning mechanisms and emergency response procedures. We have obtained multiple authoritative certifications, including ISO 27001 (Information Security Management), ISO 9001 (Quality Management) and CMMI Level 3, and our core platforms — RongCloud Internet Communication Cloud Service, RongCloud RTC Real-Time Audio and Video, and RongCloud IM Instant Messaging Platform — have passed the Ministry of Public Security’s Class III Classified Cybersecurity Protection assessment, supporting key security functionalities such as sensitive word filtering and audit logging.

We also maintain an ongoing privacy information management training programme, including annual ISO 27701 and data privacy regulation training, to strengthen Company-wide security awareness and embed privacy protection into the entire business process.

Technology Ethics

While advancing the application of artificial intelligence in our services, we remain fully aware of the accompanying ethical responsibilities. Although our AI capabilities are primarily enabled through third-party large-model APIs and we do not engage in model training or fine-tuning, we nonetheless integrate technology ethics into our considerations, including assessing algorithmic fairness and diversity to ensure outcomes are not influenced by personal preferences, race, gender, political orientation or other improper factors.

We have established an Algorithm Security Management Working Group responsible for overall algorithm governance, and developed policies covering algorithm security management, self-assessment, monitoring, incident response and handling of algorithm-related violations to ensure that operations remain aligned with industry norms and ethical standards.

Looking ahead, we will continue to advance responsible and compliant AI adoption, ensuring fairness, safety, compliance and transparency in our technological applications.

Supply Chain Management

Suppliers are key partners within our value chain. Our “tightly-integrated procurement model” aligns deeply with modern supply chain management principles of resilience and sustainability. This model enables seamless alignment between demand and execution, shortens procurement cycles, enhances operational efficiency and supports the development of a stable, business-aligned supply chain.

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We established the *Supplier Management Measures*. Throughout supplier selection and cooperation, we assess suppliers based on qualifications, product reliability, cost optimization potential and market competitiveness, while maintaining diversified sourcing channels to strengthen supply chain resilience. We strictly uphold the principle of compliance and require suppliers to adhere to applicable laws, regulations and industry standards, uphold ethical business conduct, and avoid bribery, unfair competition or other misconduct. Together with our partners, we are committed to safeguarding a fair and orderly market environment.

Going forward, we will continue to optimize our supply chain management system, gradually integrate ESG considerations into supplier selection and cooperation, and deepen collaboration with suppliers on green and low-carbon transition and social responsibility initiatives to build a responsible, value-sharing and sustainable modern supply chain network.

Social Contribution

We remain committed to the principle of “tech for good” and contribute to industry advancement and social development through diverse initiatives. While enhancing our technological leadership, we expand compatibility with domestic IT innovation ecosystems, promoting the widespread adoption of domestically developed digital solutions among government and enterprise clients. With longstanding industry experience, we serve as the lead organization of the Secure Office Communication Working Group under the Information Technology Application Innovation Committee, spearheading the development of standards and fostering multi-dimensional cooperation across research, industry and applications. We contribute to the development of secure, autonomous and controllable communication technologies, supporting China’s technological advancement.

As a long-standing participant in the communication industry, we actively promote industry-wide communication and collaboration. In 2019, we initiated and hosted the industry’s first international conference focused on internet communication cloud technologies — the World Internet Communication Cloud Conference (WICC). The conference has since been successfully held in Shanghai, Shenzhen, Beijing and Guangzhou, bringing together technology leaders from Amazon, Twilio, Alibaba and other global companies, attracting thousands offline participants and hundreds of thousands of online attendees. Through official channels such as WeChat accounts and our website, we regularly share industry insights and lead the development and evolution of cloud communication standards, injecting long-term momentum into the industry ecosystem.

Business Ethics and Anti-Corruption

We adhere firmly to the principles of integrity and conduct business in compliance with laws and regulations. We embed ethical business standards and anti-corruption requirements throughout our operations. To ensure that all business activities are carried out legally, fairly and transparently, we clarify employee conduct requirements via establishing the *Employee Handbook*.

Additionally, we established dedicated reporting channels and mechanisms, including a separate reporting email managed by the Human Resources and Administration Department. We encourage employees to report any suspected violations of laws, regulations, company policies, or ethical standards, either anonymously or under their real names. We also established a whistleblower protection policy. During investigations, we strictly safeguard the legitimate rights and interests of whistleblowers and prohibit any form of retaliation.

INTERNAL CONTROL AND RISK MANAGEMENT

Our approach to internal control and risk management is meticulously designed to safeguard our assets, ensure operational continuity, and promote compliance with industry regulations. We implement a robust framework to proactively identify, assess, and address risks arising from various aspects of our operations. This framework aligns with industry best practices and regulatory requirements, providing us with the tools to manage potential risks that could impact our operations, financial performance, and reputation.

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We have a well-defined internal control system, which is consistently updated to adapt to changes in the business environment and evolving regulatory requirements. These controls are integral to our business strategy and play a crucial role in monitoring key risk areas, such as financial reporting, operational effectiveness, and compliance with legal obligations. Regular audits and evaluations are conducted to identify any gaps, and corrective actions are implemented to strengthen the internal control environment. The framework aims to mitigate risks related to financial inaccuracies, fraud, regulatory non-compliance, and operational inefficiencies.

In preparation for the [REDACTED], our Group has engaged an independent third party consultant (the “**Internal Control Consultant**”) to perform a review over selected areas of our internal controls over financial reporting in January 2026 (the “**Internal Control Review**”). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between us, the Sponsor and the Internal Control Consultant. The selected areas of our internal controls over financial reporting that were reviewed by the Internal Control Consultant included entity-level controls and business process level controls, including revenue and receivables, purchases and payables, fixed assets, treasury, financial reporting, payroll and general controls of information technology.

The Internal Control Consultant performed a follow-up review in March 2026 to review the status of the management actions taken by our Group to address the findings of the Internal Control Review (the “**Follow-up Review**”). The Internal Control Consultant did not have any further recommendation in the Follow-up Review except that the Directors’ liability insurance had not been purchased. This matter is expected to be completed by our Group before the [REDACTED]. The Internal Control Review and the Follow-up Review were conducted based on information provided by our Group and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

DATA PRIVACY AND SECURITY

Data Privacy and Security

We recognize data security, cybersecurity and personal information protection as critical to our operations and long-term sustainability. Given the diversified nature of our solutions and deployment models, we have established a structured data governance framework to ensure appropriate data handling practices across different business scenarios.

Deployment-Based Data Responsibility Model

Our role in data processing varies depending on the nature of the solution and the deployment arrangement.

For our internet application solutions deployed on public cloud infrastructure, we primarily provide standardized communication infrastructure to our customers through SDKs and APIs. We do not offer direct services to end users, who solely interact with our customers’ applications.

Our customers independently determine the purposes and means of processing their end-user data within their own applications. We act solely as an entrusted data processor, handling such data strictly in accordance with customer instructions, within the scope of their entrustment and authorization, and under our contractual arrangements.

Under our core service model, we only store and perform minimal processing of end-user data generated in the course of using our services, including random user/group/chatroom IDs, IP addresses, connection timestamps, device information, and chat messages (text, images, files). We cannot map these random user IDs to any natural persons, and our processing activities are limited to those necessary to enable communication transmission, routing, system performance optimization and technical support. The data is retained only until deletion at the customer’s request.

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Some customers further entrust us with additional, optional services:

1. **Classified storage:** At the customer’s direction, we set up dedicated storage spaces where customers may selectively store optional end-user and group attributes (such as nicknames, profile photos, emails, birthdays, genders, locations, roles, friend remarks, custom user attributes, and group names, avatars, descriptions, announcements, and custom group attributes). We do not process this stored data beyond storage.
2. **Compliance monitoring and content filtering:** We strictly follow the customer’s entrustment to monitor communications for and filter out illegal information generated during end users’ use of the customer’s products.

For our vertical industry solutions and overseas nationwide communication solutions, which are typically deployed in private or hybrid environments designated or controlled by customers, data storage and operational management are performed entirely within the customer’s controlled systems. We do not have any inherent access to, or processing rights over, customer data, including end-user data, in these environments. Our involvement in such projects is limited to system architecture design, deployment, maintenance and technical support services. Where we are required by the customer to provide maintenance and technical support within the customer’s environment, any access to or processing of data (if any) is strictly limited to maintenance-related data necessary for providing the requested services, subject to the customer’s authorization and contractual arrangements, and does not include any customer end-user data.

Given the diversified nature of our services and customers’ deployment choices, our responsibilities under applicable data protection laws may differ across projects and are determined based on the factual circumstances and contractual allocation of responsibilities.

Technical and Organizational Safeguards

We implement a combination of technical and organizational measures designed to safeguard data security, including:

- encryption of data transmission and storage where applicable;
- role-based access control and internal authorization management;
- logical segregation of customer environments;
- secure server infrastructure and network protection mechanisms;
- monitoring and incident response procedures; and
- periodic internal review of security practices.

Internal Control and Employee Training

We have implemented internal rules and policies to ensure the security of our data and our customers’ data. We have established an information security management framework comprising an Information Security Leading Group, which is primarily responsible for overall leadership and decision-making, and an Information Security Working Group, which is primarily responsible for day-to-day implementation and execution. The Information Security Working Group also includes dedicated functions for information security audit and security incident response. Within the framework, we focus on information security, cybersecurity, data security and personal information protection to comprehensively protect the privacy of our customers and us.

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Additionally, we prioritize raising employees’ awareness of information security risk prevention. Our Information Security Working Group is responsible for organizing and revising our security management system actions. The Information Security Working Group collaborates with the General Administration Department annually to organize relevant departments for information security education and training to enhance employees’ awareness of information security risk prevention. We have obtained ISO 27001 information security management system certification, ISO/IEC 27701 privacy information management system, and ISO 9001 quality management system. During the Track Record Period, we did not experience any major information security incidents.

PROPERTIES

As of December 31, 2025, we did not have any owned properties. Our corporate headquarters is located at Beijing, China. As of the Latest Practicable Date, we did not own any property but were leasing six properties in China with a total gross floor area of approximately 2,466.7 square meters, including properties located in Beijing, Shanghai, Guangzhou and Shenzhen, all of which were used primarily as offices and for company registration purposes. As of the Latest Practicable Date, the lease agreements in respect of all of our six leased properties had not been duly registered with the relevant government authorities in accordance with PRC laws. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, the failure to register lease agreements did not affect their legality, validity or enforceability, and such defects had not affected our actual use of such properties.

INSURANCE

Insurance policy and compulsory social insurance for employees which we have maintained during the Track Record Period, we do not maintain any other insurance policies to cover potential liabilities in our daily operation. We consider our insurance coverage to be adequate for our present operations and is in line with the industry norm.

During the Track Record Period, we did not make and were not the subject of any insurance claims which are material to our business or financial condition. We consider our insurance coverage to be adequate and consistent with the customary industry practices in the jurisdictions in which we operate. However, our insurance coverage may not always be sufficient to cover all potential losses, liabilities or damages, including those arising from unexpected or uninsured risks. For details, please refer to “Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage to cover our business risks.” in this Document.

EMPLOYEES

As of December 31, 2025, we had a total of 178 full-time employees, all of whom were located in Chinese Mainland. The tables below set forth a breakdown of our employees by department or function as of the same date:

Functionality	Number of Employees	Percentage
		%
Solution Design	13	7.3
Sales	39	21.9
R&D	107	60.1
Finance and Legal	7	3.9
Administration	12	6.7
Total	178	100.0

We place strong emphasis on talent acquisition and employee development. Our recruitment channels include online platforms internal referrals and third-party headhunting services. All candidates undergo multi-stage screening, including video or in-person interviews and technical assessments, to ensure alignment with our job expectations and corporate values.

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To support employee onboarding and integration, we offer systematic training programs and mentorship. We also strive to maintain a supportive and balanced working environment with the provision of statutory benefits such as pension and medical insurance for our employees.

None of our employees are represented by a union or collective bargaining agreements. We believe that we have good employment relationships with our employees. During the Track Record Period, we did not experience any strikes, work stoppages, labor disputes or other actions which had a material adverse effect on our business and operations.

Insufficient Social Insurance and Housing Provident Fund Contributions

Pursuant to applicable PRC laws and regulations, employers are required to establish social insurance registration accounts and housing provident fund accounts for their employees and make contributions to social insurance and housing provident funds accordingly.

During the Track Record Period, the Company failed to make social insurance and housing provident fund contributions in full by reference to certain employees’ actual wage base. Our PRC Legal Advisor is of the view that the likelihood that the relevant authorities would proactively initiate collective action to recover shortfalls and that we would be subject to material administrative penalties is remote in the absence of employee’s complaints, provided that there are no significant changes in current policies, regulations, local government supervision, and law enforcement requirements related to social insurance and housing provident fund and based on the following reasons: (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from relevant government authorities requiring us to pay shortfalls or the penalties with respect to social insurance or housing provident funds; (ii) we had not been subject to any administrative penalties with respect to social insurance or housing provident funds; (iii) based on the confirmation from relevant authority of us, we have not been subject to any material or pending investigations, disputes or administrative penalties regarding the social insurance or housing provident fund, we have not been required by the relevant authority to pay for the shortfalls of social insurance and housing provident fund, and the relevant authority has not been aware of any circumstances involving ongoing disputes, or litigation of us related to labor, social insurance or housing provident fund; and (iv) we undertake that, to the extent we and our PRC subsidiaries are ordered by the relevant government authorities to pay the shortfall of the social insurance and/or housing provident fund or make rectifications, we will proactively take actions and perform obligations as so ordered within the prescribed period.

Our Directors are of the view that (i) the shortfall arose from historically common practices among PRC enterprises, including not making contributions strictly based on certain employees’ actual wage base of the preceding year, and not making housing provident fund contributions for certain employees who voluntarily waived participation, (ii) no administrative penalties have been imposed on us by any competent authority in relation to social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date, (iii) as advised by our PRC legal advisor, the likelihood that the relevant authorities would proactively initiate collective action to recover shortfalls and that the we would be subject to material administrative penalties is remote in the absence of employee’s complaints, and (iv) the relatively limited financial impact of the potential maximum exposure as compared to our revenue during the Track Record Period, the Directors are of the view that the matter does not have a material adverse impact on our financial position or operations and does not affect our suitability for [REDACTED].

We will continue to monitor our compliance with the applicable PRC laws and regulations relating to social insurance and housing provident fund contributions and take appropriate measures to ensure ongoing compliance. See “Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds or other PRC labor related regulations may subject us to fines and other legal or administrative sanctions.”

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LICENSES, APPROVALS AND PERMITS

We are required to obtain and maintain various licenses, approvals and permits to ensure compliance with applicable laws and regulations in the regions where we conduct business. These authorizations are fundamental to our production and operations and affirm our adherence to industry standards in safety, environmental protection and technical competency.

The following table sets forth details of our material licenses, approvals and permits and their respective holding entities:

License/approval/permit	Holder	Issuing authority	Validity Period
MLPS (Multi-Level Protection Scheme) Level 3 Filing Certificate (RongCloud RTC Real-time Audio and Video System)	Company	Chaoyang Branch of Beijing Municipal Public Security Bureau	Long-term
MLPS Level 3 Filing Certificate (RongCloud IM Instant Messaging Platform Software System)	Company	Chaoyang Branch of Beijing Municipal Public Security Bureau	Long-term
MLPS Level 3 Filing Certificate (RongCloud Internet Communication Cloud Service Platform System)	Company	Chaoyang Branch of Beijing Municipal Public Security Bureau	Long-term
RongCloud Generative AI Text Generation Algorithm	Company	Office of the Central Cyberspace Affairs Commission	Long-term
Beijing Generative AI Service Registration	Company	Office of the Beijing Municipal Cyberspace Affairs Commission	Long-term

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any administrative penalties, bankruptcy or receivership proceedings), which we believe would have a material adverse effect on our business, results of operations or financial condition. As of the Latest Practicable Date, we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or any of our Directors, which we believe would have a material adverse effect on our business, results of operations or financial condition.

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

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AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognitions in respect of our solutions and operations. The following table sets forth the details of some of the notable awards and recognitions which we have received:

Award/Recognition	Issuing Entity	Year of Receipt
National-Level Specialized, Sophisticated and Innovative Little Giant Enterprise (國家級專精特新“小巨人”企業)	Ministry of Industry and Information Technology	2025
Most Popular Product/Tool Among Developers in 2025 (2025年度最受AI Builder喜愛產品/工具)	InfoQ/Geek Media	2025
2025 Beluga Pioneer Award: AI Ecosystem Tech Innovation Enterprise of the Year (2025鯨鳴獎:年度AI生態技術創新企業)	Beluga Global	2025
2024 China Tech Go-Global: Most Commercial Potential List (2024中國科技出海領域最具商業潛力榜)	Jazzyear	2024
2024 Outstanding Global Expansion Service Provider (2024年度優秀出海服務商)	InfoQ/Geek Media	2025
2023 China Developer Influence Annual List: Innovative Enterprise (2023中國開發者影響力年度榜單:創新企業)	Chinese Software Developer Network	2024
2023 China New Economy Excellence Award (2023年中國新經濟卓越企業獎)	iiMedia Research	2024
2023 Digital Economy Invisible Unicorn Enterprise (2023數字經濟隱形獨角獸企業)	Digital Economy Unicorn Evaluation Committee	2023
High-Tech Enterprise (高新技術企業)	Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Taxation Bureau of the State Taxation Administration	2023
National-Level Specialized, Sophisticated and Innovative Little Giant Enterprise (國家級專精特新“小巨人”企業)	Ministry of Industry and Information Technology	2022
METIS Enterprise Mobility Management (EMM) Practice Award (企業移動化管理(EMM)實踐獎)	Mobile Intelligent Terminal Technology Innovation and Industry Alliance	2018
Annual Instant Messaging Service Innovation Award (年度即時通訊服務創新獎)	Mobile Intelligent Terminal Technology Innovation and Industry Alliance	2016

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wang Cheng held an aggregate of approximately 36.73% of the total issued share capital of our Company, comprising (i) approximately 13.81% of the total issued share capital of the Company held by him; (ii) approximately 17.31% of the total issued share capital of the Company held by Tianjin Rongyun by virtue of his role as the sole general partner of Tianjin Rongyun; (iii) approximately 5.61% of the total issued share capital of the Company held by Tianjin Yunchuang by virtue of his role as the sole general partner of Tianjin Yunchuang.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), Mr. Wang Cheng, Tianjin Rongyun and Tianjin Yunchuang will hold in aggregate approximately [REDACTED]% of our total issued share capital. Therefore, Mr. Wang Cheng, Tianjin Rongyun, and Tianjin Yunchuang will be deemed together as our Controlling Shareholders upon [REDACTED].

Information about our Controlling Shareholders

Mr. Wang Cheng is also our chairman of the Board and our executive Director. For further information of Mr. Wang Cheng, see the section headed “Directors and Senior Management”. Tianjin Rongyun is a limited partnership enterprise which serves as a shareholding platform for certain directors and senior management as controlled by Mr. Wang Cheng, its sole general partner. Tianjin Yunchuang is an employee ownership platform with Mr. Wang Cheng as its sole general partner. For further information of Tianjin Rongyun and Tianjin Yunchuang, see the section headed “History, Development and Corporate Structure”.

Each of our Controlling Shareholders confirms that, as of the Latest Practicable Date, he or it did not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

See the section headed “Directors and Senior Management — Board of Directors” for further information of Mr. Wang Cheng.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (excluding our Company) after the [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of 11 Directors, including four executive Directors, three non-executive Directors and four independent non-executive Directors. See “Directors and Senior Management” for more details of our Directors.

Save for Mr. Wang Cheng, who is the sole general partner of each of Tianjin Rongyun and Tianjin Yunchuang, none of our Directors or senior management of our Company have had any roles or responsibilities in managing our Controlling Shareholders or their respective close associates (excluding our Company) during the Track Record Period and up to the Latest Practicable Date.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

We believe that our Directors and senior management are able to perform their roles in our Company independently, and our Company is capable of managing its business independently from our Controlling Shareholders and their respective close associates for the following reasons:

- our executive Directors devote sufficient time to discharge their duties to our Company. Other than their positions held in our Company, they are not involved in the day-to-day operations of our Controlling Shareholders or their close associates (excluding our Company);
- the day-to-day management and operations of our Company are carried out by our executive Directors and senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. For details of the background of the executive Directors and senior management, see “Directors and Senior Management”;
- each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow his or her personal interests to interfere with our Company’s best interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director or his or her respective close associates, he or she shall abstain from voting on any Board resolutions approving any contract, arrangement or any other proposal in which he or she or any of his or her close associates has a material interest and shall not be counted in the quorum present at the relevant Board meeting;
- we have appointed four independent non-executive Directors, comprising more than one third of our Board of Directors, to provide a balance on our Board of Directors and with a view to ensuring the decisions of our Board of Directors are made only after due consideration of independent and impartial opinions and promoting the interests of our Company and our Shareholders as a whole. We believe our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interests of our Company and our Shareholders as a whole; and
- we have established corporate governance measures and adopted sufficient and effective control mechanisms to manage conflicts of interest, if any, between our Company and our Controlling Shareholders, which would support our independent management. See “— Corporate Governance” for further details.

Based on the above, our Directors are of the view that our Board of Directors, together with our senior management team, are able to perform their managerial roles in our Company independently from our Controlling Shareholders and their respective close associates (excluding our Company).

Operational Independence

Our Company is operationally independent of our Controlling Shareholders and their respective close associates. We can make decisions and carry out our own business operations independently. We have sufficient capital, facilities, technology and employees to operate our business independently. We hold or enjoy the benefits of all relevant licenses and intellectual properties necessary to operate our business. We own or have the right to use all the operational facilities relating to our business.

We have our own organizational structure made up of individual functional departments, each with specific areas of responsibilities. We have not shared any operational resources, such as risk management and general administration resources with our Controlling Shareholders or their respective close associates. We have also established a set of internal control procedures to facilitate the effective operation of our business. We independently manage and have independent access to our suppliers.

We had entered into certain related party transactions with our Controlling Shareholders and/or their respective associates, the details of which are set out in the section headed “Financial Information — Related Party Transactions” and in note 34 to the Accountants’ Report included in Appendix I to this Document.

All such transactions were conducted on arm’s length and on normal commercial terms in the ordinary and usual course of business of our Group. Therefore, our Directors believe that these transactions did not affect our operational independence as a whole.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Based on the above, our Directors are of the view that we are able to operate independently of our Controlling Shareholders and their respective close associates (excluding our Company).

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control of our Company. Our finance department is able to function without any undue influence from our Controlling Shareholders. We have also established an internal control system, an independent audit system, and a standardized financial and accounting system and have set our own accounting policy based on the applicable PRC accounting principles and standards and IFRS Accounting Standards.

During the Track Record Period, (i) we had certain receivables due from a close associate of our Controlling Shareholders resulting from the payment arrangement with our certain customers; and (ii) we obtained certain bank borrowings for which our Controlling Shareholders and Directors, namely, Mr. Wang Cheng, Ms. Dong Han and Mr. Han Ying, provided personal guarantees. For details, see “Financial Information — Related Party Transactions” and note 33 to the Accountants’ Report included in Appendix I to this Document.

As of the Latest Practicable Date, the payment arrangement mentioned above had been terminated and there was no such receivable due from such close associate of our Controlling Shareholders. As of the date of this Document, the relevant borrowings had either been fully repaid or the corresponding guarantees had been released, and no such arrangements remained outstanding.

Other than the above, our source of funding and our finances are independent from our Controlling Shareholders and none of our Controlling Shareholders and their respective close associates financed our operations during the Track Record Period. Our Directors confirm that we do not intend to obtain any further borrowing, guarantees, pledges and mortgages from any of our Controlling Shareholders or their respective close associates. Having considered the above factors, our Directors are of the view that we have no financial dependence on our Controlling Shareholders.

Based on the above, our Directors are of the view that our Company is able to maintain financial independence from our Controlling Shareholders and their respective close associates (excluding our Company).

CORPORATE GOVERNANCE

In order to further safeguard the interests of our minority Shareholders, we will adopt the following corporate governance measures to manage potential conflicts of interest between our Company and our Controlling Shareholders:

- our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company;
- our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Company and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual reports or by way of announcement to [REDACTED] in compliance with the requirements of the Listing Rules;

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- our Directors (including the independent non-executive Directors) will seek independent and professional advice from external advisers at our Company’s cost as and when appropriate in accordance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
- any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent Shareholders’ approval requirements (if applicable) under the Listing Rules;
- in the event of any potential conflict of interests, our Director(s) with an interest in the relevant transaction(s) shall abstain from voting at the relevant Board meeting and shall not be counted towards the quorum in respect of the relevant resolution(s) at such Board meeting;
- in the event of any potential conflict of interests at the Shareholders’ level, our Controlling Shareholders shall abstain from voting at the Shareholders’ meeting of our Company with respect to the relevant resolutions;
- our Controlling Shareholders have undertaken, and will continue to undertake, to provide all information reasonably required by our Company to enable compliance with the Listing Rules and applicable laws and regulations, including information relating to its interests in competing businesses, if any;
- our Company has adopted information management and reporting procedures to ensure that price-sensitive and confidential information relating to our Company is handled appropriately and is not improperly shared with our Controlling Shareholders or their close associates; and
- we have appointed Rainbow Capital (HK) Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including matters relating to corporate governance, connected transactions and disclosure obligations.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflicts of interest between our Company and our Controlling Shareholders, and to protect the interests of our minority Shareholders as a whole after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

The Board consists of 11 Directors, including four executive Directors, three non-executive Directors and four independent non-executive Directors. The Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The following table sets forth certain information regarding the Directors.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibilities	Relationship with other Directors and members of senior management
Mr. Wang Cheng (汪鉞)	52	Chairman of Our Board and executive Director	March 2015	March 2015	Overall management, strategic planning and decision-making for business and operations	None
Ms. Dong Han (董晗)	42	Executive Director and Chief Executive Officer	October 2015	January 2020	Overall management, strategic planning and decision-making for business and operations	None
Mr. Ren Jie (任傑)	49	Executive Director and chief scientist	September 2020	March 2022	Overall management and strategy of technology and product	None
Mr. Cen Yu (岑裕)	36	Executive Director and chief technology officer	June 2015	July 2025	Overall technology strategy and process of research and development	None
Mr. Tang Zujia (唐祖佳)	52	Non-executive Director	March 2016	March 2016	Provide strategic advice on the development of the Company	None
Ms. Huang Shuo (黃燦)	39	Non-executive Director	June 2023	June 2023	Provide strategic advice on the development of the Company	None
Mr. Zhou Fan (周凡)	32	Non-executive Director	May 2025	May 2025	Provide strategic advice on the development of the Company	None
Mr. Sun Kai (孫凱)	50	Independent non-executive Director	December 2025	December 2025	Providing independent advice and judgement to the Board	None
Mr. Wang Wenbo (王文博)	43	Independent non-executive Director	December 2025	December 2025	Providing independent advice and judgement to the Board	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibilities	Relationship with other Directors and members of senior management
Mr. Ye Lingwei (葉凌偉)	50	Independent non-executive Director	December 2025	December 2025	Providing independent advice and judgement to the Board	None
Ms. Zhang Yi (張翼)	46	Independent non-executive Director	December 2025	December 2025	Providing independent advice and judgement to the Board	None

Executive Directors

Mr. Wang Cheng (汪鉞), aged 52, is the chairman of our Board and our executive Director. He joined our Group and was appointed as our executive Director in March 2015 and was appointed as our chairman of the Board in March 2016. From January 2010 to May 2016, he served as the deputy general manager and from December 2014 to March 2018, he served as the Director of Ultrapower Software Co., Ltd. (北京神州泰嶽軟件股份有限公司), a listed company on the Shenzhen Stock Exchange (stock code: 300002) and the shareholder of our Group. After that, Mr. Wang worked as Director at Beijing Bailing Century Network Technology Co., Ltd. (北京百靈世紀網絡科技有限公司), a wholly-owned subsidiary of our Group, from July 2019 to June 2025. Since December 2025, Mr. Wang has been serving as a director at RCLLOUD GLOBAL PTE. LTD., a wholly-owned subsidiary of our Group.

Mr. Wang has extensive experience in corporate management, product development, technology operation and strategic leadership. From March 1998 to September 2004, he worked at Lenovo (Beijing) Co., Ltd. (聯想(北京)有限公司). From October 2004 to April 2007, he worked at Beijing D-Times Communication Technology Co., Ltd. (北京互聯時代科技有限公司), a company principally engaged in software and IT services. From May 2007 to December 2018, he worked at Beijing New Media Communication Technology Co., Ltd. (北京新媒傳信科技有限公司), a wholly-owned subsidiary of Ultrapower Software Co., Ltd. that also engaged in software and IT.

Mr. Wang obtained a bachelor’s degree in computer applications from Wuhan University of Surveying and Mapping Technology (武漢測繪科技大學) in July 1996. Mr. Wang was recognised as a “New National Gateway Leading Talent” by the Daxing District Government of Beijing in December 2021.

Ms. Dong Han (董晗), aged 42, is an executive Director and chief executive officer of our Group. She joined our Group in October 2015. Ms. Dong was appointed as an executive Director on January 2020 and the chief executive officer on January 2022. She is primarily responsible for decision-making, overseeing the operations of our Group, and managing financial health and core talent development.

Ms. Dong has over 15 years of experience in marketing strategy and corporate management. From December 2007 to December 2008, she worked at ET Mobile (China) Co., Ltd. (北京創訊信息科技有限公司), a company principally engaged in software and information technology service, where she served as the sales and planning manager responsible for building and executing the company’s marketing strategy system, leading brand positioning, market insights and integrated marketing strategy formulation, managing marketing budgets and resources, and overseeing the planning and execution of large-scale marketing campaigns. From December 2009 to December 2012, she served as the product operation specialist and from December 2012 to October 2015, she served as the manager of Beijing New Media Communication Technology Co., Ltd. (北京新媒傳信科技有限公司), a company also engaged in software and IT service, where she was responsible for the overall brand strategy, market positioning and integrated marketing strategy of the company. Since December 2025, Ms. Dong has been serving as a director at RCLLOUD GLOBAL PTE. LTD., a wholly-owned subsidiary of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Dong obtained a bachelor’s degree in computer science and technology from Liaoning University of Science and Technology (遼寧科技大學) (formerly known as Anshan Technology University (鞍山科技大學) in July 2006. Besides, Ms. Dong has received several recognitions, including the “Most Valuable Technology Driver Award” from InfoQ Geek Media in January 2022, the “2023 China Digital Economy Innovation Figure” awarded by JAZZYEAR (甲子光年) in December 2023, the “Outstanding Global Expansion Leader of the Year” awarded by Beluga Global (白鯨出海) in December 2023, the “Technology Influence Figure of the Year” awarded by 51CTO in January 2023, inclusion in the “Forbes China Globalisation Selection 30&30 — Top 30 Globalisation Figures” by Forbes China in January 2024, the “Annual Digitalisation Leader” awarded by InfoQ Geek Media in January 2024, and recognition as one of the “30 Globalisation Service Leaders” by EqualOcean in June 2024, as well as the “Outstanding Global Expansion Leader of the Year” awarded by Beluga Global in November 2024.

Mr. Ren Jie (任傑), aged 49, is an executive Director and the chief scientist of our Group. He joined our Group in September 2020 and served as the chief technology officer of the Group from September 2020 to January 2022. Since January 2022, he has been appointed as the chief scientist of the Group, where he has been responsible for leading the Group’s technology and product strategy. Since March 2022, he has been appointed as the executive Director of the Group. Since May 2019, Mr. Ren also served as the director of Beijing Bailing Century Network Technology Co., Ltd. (北京百靈世紀網絡科技有限公司), a wholly-owned subsidiary of the Group. From May 2016 to January 2018, he served as vice president of the Fetion research and development team at Ultrapower Software Co., Ltd. (北京神州泰嶽軟件股份有限公司), a listed company on the Shenzhen Stock Exchange (stock code: 300002) and one of the Shareholders of our Group.

Mr. Ren has over 20 years of experience in product development, technology leadership and research and development management. From April 2002 to November 2008, he worked at Microsoft China Ltd. (微軟(中國)有限公司), where he served as a consultant responsible for implementing telecommunications industry solutions.

Mr. Ren obtained a bachelor’s degree in computer software from Ningxia University (寧夏大學) in November 1998.

Mr. Cen Yu (岑裕), aged 36, is an executive Director and the chief technology officer of our Group. He joined our Group in June 2015 and was appointed as our chief technology officer in January 2022. Since July 30, 2025, he has served as our executive director. Mr. Cen is primarily responsible for formulating technology strategies, leading the core research and development team and ensuring alignment between the Group’s technology strategies and business objectives.

Mr. Cen has over 10 years of experience in research and development in the communications industry. From July 2011 to May 2015, he worked at China Samsung Telecom R&D Center (北京三星通信技術研究有限公司).

Mr. Cen obtained a bachelor’s degree in electronic science and technology from Beijing University of Posts and Telecommunications (北京郵電大學) in June 2011. He was accredited as an Outstanding Young Talent (Fifth Batch) of Beijing Daxing District by the Communist Party of China Beijing Daxing District Committee (中國共產黨北京市大興區委員會) in July 2023.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Tang Zujia (唐祖佳), aged 52, is a non-executive Director of our Group. He joined our Group and was appointed as a non-executive Director in March 2016. Mr. Tang is responsible for providing strategic advice on the development of the Company.

Mr. Tang has over 20 years of experience in corporate management and investment management. From July 2003 to June 2010, he worked at ZTE Corporation (中興通訊股份有限公司) (listed on the Hong Kong Exchange and the Shenzhen Stock Exchange, stock code: 763.HK and 000063.SZ). From July 2010 to April 2013, he worked at ZTC Holdings, and from May 2013 to March 2017, he worked at Shenzhen Zhongxing Hechuang Investment Management Co., Ltd. (深圳市中興合創投資管理有限公司). From April 2017, Mr. Tang has been a director and managing partner of Shenzhen Hechuang Capital Management Co., Ltd. (深圳市合創資本管理有限公司). Since March 2014, he has also served as a director of Duoliheng (Beijing) Energy Technology Co., Ltd. (多立恒(北京)能源技術股份公司), a company listed on the National Equities Exchange and Quotations (stock code: 870802.NQ).

Mr. Tang obtained a bachelor’s degree in information engineering from Huazhong University of Science and Technology (華科技大學) (formally known as “華中理工大學”) in July 1995.

Ms. Huang Shuo (黃燦), aged 39, is a non-executive Director of our Group. She joined our Group and was appointed as the non-executive Director in June 2023. She is responsible for providing strategic advice on the development of the Company. Since January 2020, Ms. Huang has been serving as the founding and managing partner of eWTP Arabia Technology Innovation Fund GP I Limited.

Ms. Huang obtained a bachelor’s degree in law and Chinese language and literature from South China Agricultural University (華南農業大學) in July 2010. Ms. Huang received the “S50 Female Investor” award by the Investment Community in 2023, 2024 and 2025.

Mr. Zhou Fan (周凡), aged 32, is a non-executive Director of our Group. He joined our Group and was appointed as a non-executive Director in May 2025. Mr. Zhou is responsible for providing strategic advice on the development of the Company. Since September 2022, Mr. Zhou has been serving as a senior investment manager, vice president and senior vice president of eWTP Arabia Technology Innovation Fund GP I Limited, where he is responsible for primary market equity investment. From October 2020 to September 2022, he worked at Nanjing Jiangning Economic and Technological Development Group Co., Ltd. (南京江寧經濟技術開發集團有限公司), a company principally engaged in industrial investment.

Mr. Zhou obtained a bachelor’s degree in finance from Shanghai University of International Business and Economics (上海對外經貿大學) in July 2015. He received the securities investment fund professional qualification issued in the PRC in June 2025.

Independent non-executive Directors

Mr. Sun Kai (孫凱), aged 50, is an independent non-executive Director of our Group. He joined and was appointed as the independent non-executive Director in December 2025. Mr. Sun is responsible for supervising and providing independent judgment to our Board.

Mr. Sun has over twenty years of experience in strategic investment and corporate governance. From August 2004 to August 2006, he worked at Asus Computer (Shanghai) Co., Ltd. Beijing Branch (華碩電腦(上海)有限公司北京分公司), a company primarily engaged in the manufacture of computers, communications and other electronic equipment. From May 2008 to January 2015, Mr. Sun worked at Rongxin Jiade Supply Chain Management (Beijing) Co., Ltd. (融信嘉德供應鏈管理(北京)有限公司), a company principally engaged in supply chain finance services.

Mr. Sun commenced his bachelor’s degree programme in electronic engineering at Shenyang University of Technology (瀋陽工業大學) and studied there for two years from September 1995 to March 1998.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang Wenbo (王文博), aged 43, is an independent non-executive Director of our Group. He joined our Group and was appointed to this role in December 2025. Mr. Wang is responsible for supervising and providing independent judgment to our Board.

Mr. Wang has extensive industry experience in marketing science, digital ecosystem and customer analytics. Since September 2024, he has served as an independent non-executive director of FIYTA Precision Technology Group Co., Ltd. (飛亞達精密科技集團股份有限公司, stock code: 000026.SZ), a company principally engaged in the design, manufacturing and sales of watches and precision components. Since September 2025, he has served as an independent non-executive director of Haoxiangni Health Food Co., Ltd. (好想你健康食品股份有限公司, stock code: 002582.SZ). He is responsible for performing duties as an independent director in accordance with PRC regulatory requirements.

Mr. Wang obtained a bachelor’s degree in business administration from Guanghua School of Management of Peking University (北京大學光華管理學院) in 2005, a master’s degree in business administration from the same school in 2007, and a doctoral degree in marketing from the Stern School of Business of New York University in 2012. He currently serves as an associate professor on a substantive basis at the Hong Kong University of Science and Technology (香港科技大學). He has also been the recipient of the Early Career Award granted by the Research Grants Council of the Hong Kong SAR Government in 2013 and has served as an expert advisor to ACCA China since 2024.

Mr. Ye Lingwei (葉凌偉), aged 50, is an independent non-executive Director in our Group. He joined our Group and was appointed to this role in December 2025. Mr. Ye is responsible for supervising and providing independent judgment to our Board.

Mr. Ye has nearly 25 years of experience in telecommunications, mobile internet, IoT, and AI. From July 2000 to October 2013, he worked at China Mobile Communications Group Chongqing Co., Ltd. (中國移動通信集團重慶有限公司) as a department manager. From November 2013 to October 2018, he worked at China Mobile IoT Co., Ltd. (中移物聯網有限公司), a company principally engaged in IoT technology development and IoT application solutions under the China Mobile Group. From November 2018 to December 2022, he served as vice president of Orbbec Inc. (奧比中光科技集團股份有限公司, stock code: 688322.SH), a technology innovation company engaged in 3D sensing modules, AI chips and industry-specific application algorithms, where he was responsible for corporate strategy, organisational management and business development. Since November 2023, he has served as the chief strategy officer of Qwinning Robotics Co., Ltd. (七騰機器人有限公司), a national high-tech enterprise engaged in the design, research, development and production of special-purpose robots, including explosion-proof robots, wheeled inspection robots and rail-mounted inspection robots, where he is responsible for corporate strategic planning and industry development.

Mr. Ye obtained a master’s degree in applied computer technology from Chongqing University of Posts and Telecommunications (重慶郵電大學). He was awarded the professional title of professor-level senior engineer in November 2017.

Ms. Zhang Yi (張翼), aged 46, is an independent non-executive Director of our Group. She joined our Group and was appointed to this role in December 2025. Ms. Zhang is responsible for supervising and providing independent judgment to our Board.

From May 2010 to June 2016, she worked at Lenovo (Beijing) Limited (聯想(北京)有限公司). From June 2016 to April 2017, she worked at LeEco Holdings (Beijing) Co Ltd. From November 2017 to August 2018, she worked at HNA General Aviation Investment Co., Ltd. Since August 2020, she worked at Lenovo New Vision (Beijing) Technology Co., Ltd. and currently serving as the chief strategy and financial advisor.

Ms. Zhang serves as the global head of the Sustainable Development SIG of the Institute of Management Accountants (IMA) and serves concurrently as the chairperson of the China Sustainability Advisory Committee. She previously served as a global board director of IMA and as chairperson of IMA’s Global Market Committee from July 2020 to July 2022. She has also served as a member of the Strategic

DIRECTORS AND SENIOR MANAGEMENT

Planning Committee, Performance Oversight Committee and Investment Committee of the IMA. Ms. Zhang is also an industry mentor at Beijing Foreign Studies University (北京外國語大學). She is a co-founder of the Future Technology Fund and an independent director of Beken Corporation (博通集成, 603068.SH), a company principally engaged in advanced chip solutions for Internet of Things (IoT) applications.

Ms. Zhang obtained master’s degrees in accounting and business administration from the University of Illinois (美國伊利諾伊大學) in August 2008 and December 2009, respectively. She was awarded as a Certified Management Accountant (CMA) of the United States in September 2018 and a Certified in Strategy and Competitive Analysis (CSCA) holder in November 2020.

SENIOR MANAGEMENT

The following table sets out certain information regarding our senior management.

Name	Age	Position	Date of joining our Group	Date of appointment as a senior management member	Responsibilities	Relationship with other Directors and members of senior management
Ms. Dong Han (董晗)	42	Executive Director and Chief Executive Officer	October 2015	January 2020	Overall management, strategic planning and decision-making for business and operations	None
Mr. Ren Jie (任傑)	49	Executive Director and chief scientist	September 2020	September 2020	Overall management and strategy of technology and product	None
Mr. Cen Yu (岑裕)	36	Executive Director and chief technology officer	June 2015	January 2022	Overall technology strategy and process of research and development	None
Mr. Song Wei (宋巍)	45	Chief financial officer and Board secretary	September 2023	September 2023	Overall financial management, risk control and financial strategy	None

Ms. Dong Han (董晗), aged 42, is an executive Director and Chief Executive Officer of Our Group. For the biography of Ms. Dong, please refer to “— Board of Directors — Executive Directors” in this section.

Mr. Ren Jie (任傑), aged 49, is an executive Director and chief scientist of Our Group. For the biography of Mr. Ren, please refer to “— Board of Directors — Executive Directors” in this section.

Mr. Cen Yu (岑裕), aged 36, is an executive Director and chief technology officer of Our Group. For the biography of Mr. Cen, please refer to “— Board of Directors — Executive Directors” in this section.

Mr. Song Wei (宋巍), aged 45, is the chief financial officer and the Board secretary of our Group. He joined our Group and was appointed as the chief financial officer in September 2023. Mr. Song is primarily responsible for overseeing the Group’s financial management, financial reporting, funding management, risk control, internal control and financial strategy.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Song has over 15 years of experience in finance, corporate management and investment. From August 2008 to December 2012, he worked at Fresenius Kabi (China) Investment Co., Ltd. (費森尤斯卡比(中國)投資有限公司). From December 2012 to April 2015, he worked at Lenovo (Beijing) Co., Ltd. (聯想(北京)有限公司), where he served as the Asia-Pacific regional finance director responsible for regional financial management. From March 2015 to September 2016, he worked at Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), a company principally engaged in commercial manufacturing and supply chain. From September 2016 to February 2017, he worked at LeEco Holding (Beijing) Co., Ltd. (樂視控股(北京)有限公司), a company principally engaged in the television industry. From February 2017 to July 2020, he worked at Yicheng Yijia Network Technology Co., Ltd. (一城一家網絡科技有限公司), a company principally engaged in technical services, where he served as the chief financial officer responsible for overall financial management. From July 2020 to June 2021, he worked at Huakong Qingjiao Information Technology (Beijing) Co., Ltd. (華控清交信息科技(北京)有限公司), a company principally engaged in building data circulation infrastructure, where he served as the chief financial officer responsible for overall financial management. From July 2021 to July 2023, he worked at Hainan Qingjiao Data Technology Co., Ltd. (海南清交數據科技有限公司), a company principally engaged in the sale of computer information system security product, where he served as the general manager.

Mr. Song obtained a bachelor's degree in economics in July 2003 from Peking University (北京大學) and a master's degree in MBA in September 2016 from Oxford Brookes University. He is also a member of the Association of Chartered Certified Accountants (ACCA).

JOINT COMPANY SECRETARIES

Mr. Song Wei (宋巍), aged 45, is the chief financial officer and the Board secretary of Our Group and one of the joint company secretaries of the Company. For the biography of Mr. Song, please refer to “— Senior Management” in this section.

Ms. Tsui Ka Yan (崔嘉欣), aged 30, is one of the joint company secretaries of the Company. She is an assistant manager of the listing services department at TMF Hong Kong Limited., a company providing corporate accounting and corporate secretarial services in Hong Kong. She has over 8 years of experience in company secretarial profession and has been serving as the company secretary of several listed companies in Hong Kong.

Ms. Tsui is an associate member of both the Hong Kong Chartered Governance Institute and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Ms. Tsui received her bachelor's degree in business administration from the City University of Hong Kong in July 2017.

BOARD COMMITTEES

Our Company has established three committees under our Board of Directors, namely the audit committee, the nomination committee and the remuneration committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “Corporate Governance Code”). The audit committee consists of three Directors, namely Mr. Tang Zujia, Ms. Zhang Yi and Mr. Ye Lingwei with Ms. Zhang Yi, who is our independent non-executive Director possessing the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serving as the chairperson.

The audit committee exercises the functions and powers of the board of supervisors as prescribed by the Company Law of the PRC (《中華人民共和國公司法》), including reviewing and overseeing the financial reporting process and internal control system of our Group. In addition, it is mainly responsible for reviewing and overseeing the financial reporting procedures and internal control system of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

We have established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The remuneration committee consists of three Directors, namely Mr. Wang Cheng, Mr. Sun Kai and Mr. Ye Lingwei, with Mr. Ye Lingwei serving as the chairman. The remuneration committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to our Board of Directors.

Nomination Committee

We have established a nomination committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of part 2 of the Corporate Governance Code. The nomination committee consists of three Directors, namely Mr. Wang Cheng, Mr. Wang Wenbo and Mr. Sun Kai, with Mr. Sun Kai serving as the chairman. The nomination committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as Directors and monitoring the procedures for evaluating the performance of our Board of Directors.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. Our Company is committed to the view that our Board should include a balanced composition of executive directors, non-executive directors and independent non-executive directors so that there is a strong independent element on our Board of Directors, which can effectively exercise independent judgment.

To accomplish the above, our Company complies or intends to comply with the corporate governance requirements under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the [REDACTED].

BOARD DIVERSITY POLICY

To enhance the efficiency of our Board and maintain a high standard of corporate governance, we seek to achieve board diversity through consideration of several factors when selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall management, accounting, marketing, and specialty knowledge. They obtained degrees in diversified majors, including law, economics, accounting, business administration, and business management. The Board of Directors is of the view that our Board of Directors satisfies the board diversity policy. In addition, our Board of Directors has a wide age range, ranging from 32 years old to 52 years old.

Besides, we particularly recognize the importance of gender diversity. We endeavor to ensure that the Board and the Nomination Committee include at least one director whose gender is different from that of the other members. Our nomination committee will, as far as reasonably practicable, identify and nominate suitable female candidates for the Board and the committees of the Board. The Company will continue to strengthen the development of female talent and provide more advancement opportunities for women, especially when recruiting senior management personnel.

DIRECTORS AND SENIOR MANAGEMENT

Our nomination committee is responsible for reviewing the diversity of the Board of Directors. After [REDACTED], our nomination committee will monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness. Our nomination committee will also include in successive annual reports a summary of the board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 12, 2026, and (ii) understands all the requirements under the Listing Rules that are applicable to him or her as a director of a [REDACTED] and the possible consequences of making false statements or providing false information to the Hong Kong Stock Exchange.

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

Except as disclosed in this section, each of the Directors and senior management (1) had no other relationship with any of the Directors and senior management as of the Latest Practicable Date; and (2) did not hold any other directorship in listed companies in the three years prior to the Latest Practicable Date. To the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, there was no other matter with respect to our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date. For the Directors’ interests in our Shares within the meaning of Part XV of the SFO, please refer to the paragraph headed “C. Further Information about our Directors and Substantial Shareholders — 3. Disclosure of interests — Disclosure of Interests of Directors and Chief Executive of our Company” in Appendix IV to this Document.

Save as disclosed in the section headed “Relationship with Controlling Shareholders” in this Document, none of the Directors and their respective associates has any business or interest, apart from our business, which competes or may compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10(2) of the Listing Rules.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive remuneration from our Group in the form of salaries, bonuses, contributions to social security plans and housing provident fund plans and other benefits.

The aggregate amount of remuneration (including salaries, discretionary bonuses, contributions to pension plans, other social security costs, housing benefits and other employee benefits and share-based compensation) paid to our Directors for the three years ended December 31, 2025, was approximately RMB4.2 million, RMB3.9 million and RMB3.0 million, respectively.

The aggregate amount of remuneration (including wages and salaries, discretionary bonuses, pension costs, other social security costs, housing benefits and other employee benefits, and share-based compensation) paid to our five highest paid individuals, including Directors, for the three years ended December 31, 2025, was approximately RMB6.1 million, RMB5.1 million and RMB3.4 million, respectively.

No remuneration was paid by us to our Directors or our five highest paid individuals as an inducement to join or upon joining our Group during the Track Record Period. No compensation was paid to, or receivable by, our Directors or past directors during the Track Record Period for the loss of office

DIRECTORS AND SENIOR MANAGEMENT

as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

For additional information on our Directors’ remuneration during the Track Record Period, as well as information on our five highest paid individuals, please refer to note 10 to the Accountant’s Report included in Appendix I to this Document.

COMPLIANCE ADVISER

Our Company appointed Rainbow Capital (HK) Limited as our Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise us in the following circumstances:

- before [REDACTED] of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share [REDACTED];
- where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate, or other information in this Document; and
- where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] of our [REDACTED] securities, the possible development of a false market in our securities, or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment of the Compliance Adviser will commence on the [REDACTED] and end on the date when our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and the conversion of our Unlisted Shares to H Shares (assuming the [REDACTED] is not exercised), the following persons will have, or be deemed, or taken to have an interest and/or a short position in our Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/Nature of interest ⁽¹⁾	Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)		
		Number of Shares ⁽²⁾	Approximate percentage in the total issued share capital	Description of Shares	Number of Shares ⁽²⁾	Approximate percentage in the total issued share capital ⁽³⁾
Mr. Wang Cheng	Beneficial owner	15,662,220	13.81%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁴⁾	19,632,359	17.31%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁵⁾	6,360,438	5.61%	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Rongyun	Beneficial owner	19,632,359	17.31%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Shanju Investment Management Co., Ltd.	Interest in controlled corporation ⁽⁴⁾	19,632,359	17.31%	[REDACTED]	[REDACTED]	[REDACTED]
eWTP Arabia Technology Innovation Fund GP I Limited	Interest in controlled corporation ⁽⁶⁾	32,656,488	28.79%	[REDACTED]	[REDACTED]	[REDACTED]
eWTP Innovation Fund	Interest in controlled corporation ⁽⁶⁾	32,656,488	28.79%	[REDACTED]	[REDACTED]	[REDACTED]
Digital Communication	Beneficial owner	26,848,972	23.67%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁶⁾	5,807,516	5.12%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Rongyao	Beneficial Owner	11,341,579	10.00%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Dong Han	Interest in controlled corporation ⁽⁷⁾	11,341,579	10.00%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Hechuang	Beneficial Owner	9,200,000	8.11%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Ding Mingfeng	Interest in controlled corporation ⁽⁸⁾	9,200,000	8.11%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Cai Shaohong	Interest in controlled corporation ⁽⁸⁾	9,200,000	8.11%	[REDACTED]	[REDACTED]	[REDACTED]
Ultrapower ⁽⁸⁾	Beneficial Owner	6,900,000	6.08%	[REDACTED]	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Capacity/Nature of interest ⁽¹⁾	Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)		
		Number of Shares ⁽²⁾	Approximate percentage in the total issued share capital	Description of Shares	Number of Shares ⁽²⁾	Approximate percentage in the total issued share capital ⁽³⁾
	Interest in controlled corporation ⁽¹⁰⁾	2,146,909	1.89%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽¹¹⁾	1,186,909	1.05%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽¹²⁾	616,727	0.54%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) All interests stated are long positions.
- (2) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the Share capital of our Company and are considered as one class of Shares.
- (3) The calculation is based on the total number of [1,476,655] Unlisted Shares and [REDACTED] H Shares in issue immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised).
- (4) Tianjin Rongyun is a limited partnership established in the PRC. As of the Latest Practicable Date, Tianjin Rongyun was owned as to approximately 41.51% by its sole general partner, Mr. Wang Cheng and with Beijing Shanju Investment Management Co., Ltd. (北京善聚投资管理有限公司) holding approximately 31.14% of its partnership interest. Therefore, Mr. Wang Cheng and Beijing Shanju Investment Management Co., Ltd. are deemed to be interested in the 19,632,359 Shares held by Tianjin Rongyun.
- (5) Tianjin Yunchuang is a limited partnership established in the PRC. Tianjin Yunchuang is our employee ownership platform. As of the Latest Practicable Date, Tianjin Yunchuang held 6,360,438 Shares in our Company and was owned as to approximately 26.40% by its sole general partner, Mr. Wang Cheng. Therefore, Mr. Wang Cheng is deemed to be interested in the 6,360,438 Shares held by Tianjin Yunchuang.
- (6) Digital Communication is a limited liability company established under the laws of Hong Kong. As of the Latest Practicable Date, (i) Digital Communication was wholly owned by eWTP Innovation Fund; and (ii) the sole general partner of Digital Communication was eWTP ArabiaTechnology Innovation Fund GP I Limited (“GP I Limited”); (iii) none of the limited partners of eWTP Innovation Fund held 30% or more of its partnership interests; and (iii) none of the shareholders of GP I Limited held 30% or more of its total issued share capital.

Beijing Chenxi is a limited company established under the laws of the PRC. As of the Latest Practicable Date, Beijing Chenxi held 5,807,516 Shares in our Company and was wholly owned by Digital Communication. As a result, Digital Communication is deemed to be interested in the 5,807,516 Shares held by Beijing Chenxi.

Based on the above, eWTP Innovation Fund and GP I Limited are deemed to be interested in the 26,848,972 Shares held by Digital Communication and 5,807,516 Shares held by Beijing Chenxi.
- (7) As of the Latest Practicable Date, Beijing Rongyao was controlled by Ms. Dong Han, our executive Director. Therefore, Ms. Dong Han is deemed to be interested in the Shares held by Beijing Rongyao.
- (8) Shenzhen Hechuang is a limited partnership established under the laws of the PRC. As of the Latest Practicable Date, Shenzhen Hechuang was (i) managed by its sole general partner, Mr. Ding Mingfeng, and (ii) owned by its largest limited partner, Ms. Cai Shaohong, as to approximately 94.63% of its partnership interests. Therefore, Mr. Ding Mingfeng and Ms. Cai Shaohong are deemed to be interested in the Shares held by Shenzhen Hechuang.
- (9) Ultrapower is a joint stock company with limited liability established under the laws of the PRC, the shares of which are listed on ChiNext (stock code: 300002). As of March 31, 2026, there was no shareholder of Ultrapower holding 30% or more of its issued share capital.
- (10) As of the Latest Practicable Date, Taiyue Emerging held 2,146,909 Shares in our Company. As of the Latest Practicable Date, Taiyue Emerging was managed by its general partner, Zhuhai Taiyue, which was owned as to 49.00% by Ultrapower. Therefore, Ultrapower is deemed to be interested in the Shares held by Taiyue Emerging.

SUBSTANTIAL SHAREHOLDERS

- (11) As of the Latest Practicable Date, Beijing Yunzhi held 1,186,909 Shares in our Company. As of the Latest Practicable Date, Beijing Yunzhi was managed by its general partner Taiyue Investment, which is a limited partnership established under the laws of the PRC. Taiyue Investment is managed by its general partner Beijing Taiwu. As of the Latest Practicable Date, Beijing Taiwu was owned as to 40% by Ultrapower. Therefore, Ultrapower is deemed to be interested in the Shares held by Beijing Yunzhi.
- (12) As of the Latest Practicable Date, Taiyue Investment held 616,727 Shares in our Company. Taiyue Investment is a limited partnership established under the laws of the PRC. Taiyue Investment is managed by its general partner Beijing Taiwu. As of the Latest Practicable Date, Beijing Taiwu was owned as to 40% by Ultrapower. Therefore, Ultrapower is deemed to be interested in the Shares held by Taiyue Investment.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may result in any change of control of our Company at any subsequent date.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the date of this Document, the share capital of our Company was RMB113,415,789 comprising 113,415,789 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Assuming the [REDACTED] is not exercised, the share capital of our Company immediately after completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital (%)
Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital (%)
Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100

RANKING

Upon completion of the [REDACTED] and Conversion of Unlisted Shares into H Shares, the Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

SHARE CAPITAL

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been filed by the securities regulatory authorities of the State Council. In addition, such conversion, trading and listing shall complete any requisite internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register. As any [REDACTED] of additional H Shares after our initial [REDACTED] on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of such conversion.

No class Shareholder voting is required for the listing and trading of the converted Shares on the Hong Kong Stock Exchange. Any application for listing of the converted Shares on the Hong Kong Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the [REDACTED] to issue [REDACTED]. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of [REDACTED]; and (b) the admission of the H Shares to trade on the Stock Exchange in compliance with the Listing Rules, the General Rules of CCASS and the CCASS Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

SHARE CAPITAL

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix III — Summary of the Articles of Association” in this Document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for each of the years ended December 31, 2023, 2024 and 2025 included in the Accountant’s Report set out in Appendix I to this Document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”).

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this Document.

OVERVIEW

We are a provider of intelligent cloud-based instant messaging solutions, delivering reliable and scalable communication capabilities to support global digital transformation. Leveraging cloud computing and distributed network architecture, we offer a comprehensive communications cloud platform available as both PaaS and SaaS for developers across diverse applications, including Apps and mini-programs, integrating instant messaging and AI-enabled communications. Our business is underpinned by a unified and self-developed AICP, which is the technical cornerstone for all our solutions. As the common technology base, the AICP enables us to provide solutions across diverse scenarios, including internet applications, vertical industries and nationwide communication platforms, without heavy cost on repetitive development, therefore increasing our profit margins. Consistent with the above customer profiles and their deployment preferences, our revenue is primarily derived from internet application solutions, vertical industry solutions, and overseas nationwide communication solutions.

We recorded revenue of RMB191.5 million, RMB167.6 million and RMB197.4 million in 2023, 2024, and 2025, respectively. Our gross profit was RMB120.9 million, RMB125.2 million and RMB158.9 million, respectively, with a gross profit margin of 63.1%, 74.7% and 80.5% for the same years. Our adjusted profit for the year (non-IFRS measure) was RMB18.8 million, RMB36.5 million and RMB53.0 million, respectively, with an adjusted profit margin for the year (non-IFRS measure) of 9.8%, 21.7% and 26.8% for the same years.

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board.

All effective standards, amendments to standards and interpretations, which are mandatory for the financial period ended December 31, 2025, are consistently adopted by the Group throughout the Track Record Period, and have not early adopted the new or amended standards and annual improvements.

For more information on the basis of preparation of the financial information included herein, please refer to Note 2 to the Accountant’s Report in Appendix I to this Document.

FINANCIAL INFORMATION

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial conditions have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

- development of macroeconomic conditions;
- adoption and acceptance of intelligent cloud-based instant messaging solutions as a key enabler for industry-wide digital transformation across China and globally;
- digitalization and transformation of industries in China and globally;
- advancement of technology and development of cloud infrastructure; and
- governmental policies, initiatives and incentives shaping the market environment for intelligent cloud-based instant messaging solutions across industries, especially data sovereignty mandates and data localization requirements.

Specific Factors

Our results of operations are also affected by certain company-specific factors, including:

Our Ability to Maintain Growth in Intelligent Cloud-Based Instant Messaging Solutions

According to Frost & Sullivan, the global intelligent cloud-based instant messaging solutions market has grown, and will grow, rapidly. From 2021 to 2025, the global market size of such solutions in terms of revenue increased from RMB13.9 billion to RMB19.0 billion, with a CAGR of 8.1%. Looking ahead, the continuous expansion of downstream application scenarios is expected to further propel market growth. By 2030, the global market size of such solutions is expected to reach RMB38.9 billion, growing at a CAGR of 15.4% from 2025 to 2030. From 2021 to 2025, the market size of intelligent cloud-based instant messaging solutions market in China in terms of revenue increased from RMB5.5 billion to RMB7.2 billion, with a CAGR of 7.0%. By 2030, the market size of such solutions in China is expected to reach RMB14.1 billion, growing at a CAGR of 14.4% from 2025 to 2030.

Our ability to maintain growth in this surging market is supported by our platform-based business model and diversified solution offerings. We provide internet application solutions, vertical industry solutions and overseas nationwide communication solutions, all built on our self-developed AICP, which enables standardized deployment across different application scenarios and customer requirements. The ongoing integration of artificial intelligence into our AICP, including AI agents, conversational AI modules and AI-enabled operational tools, further expands the scope of application scenarios and enhances the value proposition of our intelligent cloud-based instant messaging solutions.

Our financial performance has been and will be largely dependent on the market demand for intelligent cloud-based instant messaging solutions market, which is subject to several factors beyond our control. For example, market demand may be affected by regulations in the jurisdictions in which we operate, and the business needs of our existing customers. We may become unable to provide services and solutions in response to new legislation, regulations, or government policies. Another example is that we may fail to satisfy additional compliance requirements of our customers and suppliers as a result of the regulatory changes they are subject to. For risks related to our potential growth not meeting expectations, see “Risk Factors — Risks Relating to Our Business and Industry — If we fail to enhance our existing solutions or develop new solutions that meet evolving customer needs and adapt to technological developments, our business, results of operations and financial condition could be materially and adversely affected.”

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Customer Acquisition and Retention

Our results of operations are highly dependent on our ability to acquire and generate business opportunities across our different revenue streams. For our internet application solutions, customers primarily include internet application developers and operators. Such customers are typically charged under a hybrid pricing framework that combines subscription-based fees, usage-based tiered fees and optional service features. Customers may initially subscribe to our services at a relatively low cost and subsequently increase their spending as their user base and usage volume grow through higher traffic limits, additional functionalities and service upgrades. We monitor a number of operating metrics for internet application solutions, including average revenue per customer, which increased from RMB62 thousand in 2023 to RMB66 thousand in 2024 and further to RMB94 thousand in 2025, and net dollar retention rate, which increased from 87.2% in 2023 to 88.4% in 2024 and further to 93.6% in 2025. In addition, demand for our internet application solutions is affected by developments in the industries in which our customers operate, including changes in the number and activity levels of internet applications. Accordingly, our revenue and profitability from internet application solutions are affected by our ability to attract, retain and expand customer base, as well as overall industry demand for internet application development and operation.

For our vertical industry solutions and overseas nationwide communication solutions, customers typically include enterprises and nationwide communication platforms with higher requirements for system stability, data security, customization and long-term technical support, and depending on the nature of the engagement, may also involve project acceptance procedures. Such solutions involve longer customer acquisition, implementation and acceptance cycles. Accordingly, our ability to generate revenue under these revenue streams depends largely on our ability to acquire customers, successfully deliver customized solutions, complete acceptance procedures and provide ongoing maintenance and support services. As a result, our revenue and profitability from these revenue streams are affected by our ability to acquire new customers, secure new projects and execute such projects efficiently and successfully.

Our Ability to Continuously Develop Services and Solutions

R&D is the core of our business. Our ability to continuously develop and enhance our services and solutions is an important factor affecting our results of operations. For example, our self-developed R&D achievement, the AICP, integrates both traditional communication functions and selected conversational AI features within a unified platform, enabling us to apply standardized core technologies across multiple application scenarios while supporting flexible customization for different customer needs.

In 2023, 2024 and 2025, our research and development expenses were RMB48.7 million, RMB45.2 million and RMB58.8 million, respectively, accounted for 25.4%, 27.0% and 29.8% of our revenue in the same year, respectively. We focus on continuous investment in research and development to improve system performance, stability and scalability, and to expand AI-enabled communication functionalities across our internet application solutions, vertical industry solutions and overseas nationwide communication solutions. The ongoing integration of artificial intelligence with cloud-based communication enhances the functionality and value of our services and supports the expansion of mission-critical application scenarios.

Our Ability to Control Costs

Our cost of sales primarily consists of employee benefit costs, bandwidth and servers custody fee and outsourced technical services, among which bandwidth and servers custody fee are closely associated with the delivery of our intelligent cloud-based instant messaging services across different regions and application scenarios. In 2023, 2024 and 2025, our bandwidth and servers custody fee accounted for 39.4%, 50.8% and 52.7% of our total cost of sales for the respective year.

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We rely on cross-region cloud infrastructure and network resources to provide stable, low-latency communication services for our services and solutions. Through our scalable platform architecture and standardized deployment model, we seek to improve infrastructure utilization efficiency which supports both standardized cloud services and customized deployments. In addition, the adoption of AI-enabled operational tools and automation technologies within our service delivery and support processes may reduce reliance on manual intervention, improve resource allocation efficiency and support cost control, including optimization of personnel-related expenses in areas such as technical support and customer service. Over time, AI-driven automation may contribute to improvements in operational leverage as service scale expands. The effective management of cloud infrastructure and network resource-related cost of sales, together with ongoing optimization of operational efficiency and solution mix, supports the stability of our cost structure and gross profitability.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

We prepare our consolidated financial information in accordance with IFRS Accounting Standards, which requires us to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the consolidated financial information and the reported amounts of revenue and expenses during the Track Record Period. We continuously evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. As the use of estimates is an integral component of the financial reporting process, actual results in subsequent financial reporting that differ from estimates could result in deviations from previous financial reporting. We consider the policies and estimates discussed below to be critical to an understanding of our consolidated financial information as their application places the most significant demands on our management’s judgment. For details of our material accounting policies, significant accounting judgments and estimates, see Notes 2 and 4 to the Accountant’s Report in Appendix I to this Document.

KEY ITEMS OF THE 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 a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	191,455	100.0	167,620	100.0	197,354	100.0
Cost of sales	(70,602)	(36.9)	(42,382)	(25.3)	(38,420)	(19.5)
Gross profit	120,853	63.1	125,238	74.7	158,934	80.5
Selling and marketing expenses	(36,274)	(18.9)	(34,770)	(20.7)	(39,440)	(20.0)
General and administrative expenses	(23,197)	(12.2)	(11,550)	(6.8)	(19,043)	(9.6)
Research and development expenses	(48,705)	(25.4)	(45,225)	(27.0)	(58,776)	(29.8)
Net impairment reversal/(losses) on financial assets	317	0.2	(1,617)	(1.0)	(4,854)	(2.5)
Other income	3,510	1.8	2,191	1.3	815	0.4
Other gains, net	1,688	0.9	1,749	1.0	1,540	0.8
Operating profit	18,192	9.5	36,016	21.5	39,176	19.8
Finance costs	(32,922)	(17.2)	(32,865)	(19.6)	(13,051)	(6.6)
(Loss)/profit before income tax	(14,730)	(7.7)	3,151	1.9	26,125	13.2
Income tax credit	—	—	—	—	5,718	2.9
(Loss)/profit for the year	(14,730)	(7.7)	3,151	1.9	31,843	16.1

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NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also used adjusted profit for the year (non-IFRS measure) and adjusted profit margin for the year (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that such non-IFRS measures facilitate comparisons of operating performance from year to year. We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and [REDACTED] should not consider them in isolation from, or as a substitute for analysis of, our consolidated statements of profit or loss and other comprehensive income or financial conditions as reported under IFRS Accounting Standards.

We define adjusted profit for the year (non-IFRS measure) as (loss)/profit for the year by adding back share-based compensation, interest expense on redemption liabilities and [REDACTED]. We define adjusted net profit margin for the year (non-IFRS measure) as adjusted net profit (non-IFRS measure) for the year, divided by revenue for the year.

The following table reconciles our adjusted profit for the year (non-IFRS measure) and adjusted profit margin for the year (non-IFRS measure) presented to the most directly comparable financial measures calculated and presented in accordance with IFRS Accounting Standards, which is profit for the year.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit for the year	(14,730)	3,151	31,843
Add back:			
Share-based compensation	1,403	1,082	4,515
Interest expense on redemption liabilities	32,132	32,219	12,589
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted profit for the year			
(non-IFRS measure)	18,805	36,452	52,980
Adjusted profit margin for the year			
(non-IFRS measure)	9.8%	21.7%	26.8%

Our management considers that (i) share-based compensation, which relates to restricted stock units that we granted to our employees for their contribution to us, is non-cash in nature and does not result in cash outflow, (ii) interest expense on redemption liabilities is a non-cash item and is not indicative of our operating performance, and such redemption liabilities in relation to preferred rights granted to investors have been cancelled in full in May 2025, and (iii) [REDACTED], which relate to this [REDACTED]. Therefore, by eliminating the impacts of such items in the calculation of such non-IFRS measures, the results could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.

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KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Revenue Streams

During the Track Record Period, we derived our revenue from providing (i) internet application solutions, (ii) vertical industry solutions, and (iii) overseas nationwide communication solutions. The following table sets forth a breakdown of our revenue by revenue streams in absolute amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Internet application solutions . .	126,208	65.9	127,417	76.0	132,592	67.1
Vertical industry solutions	26,814	14.0	26,773	16.0	48,082	24.4
Overseas nationwide communication solutions . . .	38,433	20.1	13,430	8.0	16,680	8.5
Total	191,455	100.0	167,620	100.0	197,354	100.0

Our revenue increased from RMB167.6 million in 2024 to RMB197.4 million in 2025, primarily driven by a strategic expansion of our vertical industry solutions, including the revenue contribution from certain large-scale customized projects in 2025.

Our revenue decreased from RMB191.5 million in 2023 to RMB167.6 million in 2024, primarily driven by the phased transition of the Saudi Nationwide Communication Project, as the implementation and development work under an earlier stage of the project gradually approached completion in 2024 prior to the commencement of the subsequent stage of the project, under which revenue would be generated primarily through licence fees, resulting in lower revenue contribution during 2024.

For more details in relation to the changes in our revenue by revenue stream during the Track Record Period, see “— Review of Historical Results of Operations.”

Revenue by Geographical Region

Our revenue was generated both from Chinese Mainland and outside of Chinese Mainland during the Track Record Period. The following table sets forth a breakdown of our revenue by geographical region, determined based on, for internet application solutions, the location of data centers, and for vertical industry solutions and overseas nationwide communication solutions, the location of acceptance of the solutions or services, in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Chinese Mainland	114,075	59.6	102,041	60.9	119,090	60.3
Outside of Chinese Mainland . .	77,380	40.4	65,579	39.1	78,264	39.7
– Saudi Arabia	41,530	21.7	29,044	17.3	35,973	18.2
– Singapore	33,816	17.7	34,437	20.5	36,132	18.3
– Others ⁽¹⁾	2,034	1.0	2,098	1.3	6,159	3.2
Total	191,455	100.0	167,620	100.0	197,354	100.0

Note:

(1) Others include Hong Kong, Oman and the United States.

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Our revenue generated from Chinese Mainland decreased from 2023 to 2024, primarily due to a reduction in the number of mobile internet applications in operation in the Chinese Mainland as the industry underwent standardization, which led to lower demand for certain internet application solutions and, in turn, a decrease in our business volume in the Chinese Mainland. Our revenue generated from Chinese Mainland increased from 2024 to 2025, primarily attributable to higher project income from the expansion of our vertical industry solutions in Chinese Mainland, including contributions from certain newly acquired customers with relatively large contract values in 2025. Our revenue generated from outside of Chinese Mainland decreased from 2023 to 2024, mainly because the implementation and development workload of the Saudi Nationwide Communication Project decreased in 2024 due to the progress of the project and prior to the commencement of the subsequent stage of the Saudi Nationwide Communication Project, resulting in a decrease in the contribution of the Saudi Nationwide Communication Project to our total revenue. Our revenue generated from outside of Chinese Mainland increased from 2024 to 2025, primarily attributable to (i) the continued expansion of our internet application solutions business outside Chinese Mainland, as reflected by the increase in the number of customers of internet application solutions outside Chinese Mainland from 569 in 2024 to 653 in 2025, and (ii) the steady growth of our revenue from a newly signed overseas nationwide communication project in Oman in 2025.

Cost of Sales

Our cost of sales primarily consists of (i) employee benefit costs, (ii) bandwidth and servers custody fee and (iii) outsourced technical services. Our cost of sales was RMB70.6 million, RMB42.4 million and RMB38.4 million, in 2023, 2024 and 2025, respectively.

Cost of Sales by Nature

The following table sets forth the breakdown of our cost of sales by nature for the years indicated, both in absolute amounts and as a percentage of our total cost of sales:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Cost of Sales						
Employee benefit costs	35,186	49.8	20,184	47.6	8,336	21.7
Bandwidth and servers custody fee	27,843	39.4	21,513	50.8	20,263	52.7
Outsourced technical services	4,042	5.7	4,164	9.8	2,646	6.9
Changes in capitalized contract fulfilment cost	(47)	(0.1)	(5,358)	(12.6)	5,465	14.2
Others ⁽¹⁾	3,578	5.2	1,879	4.4	1,710	4.5
Total	70,602	100.0	42,382	100.0	38,420	100.0

Note:

(1) Others comprise depreciation charges, travelling expenses and taxes and surcharges.

Gross Profit and Gross Profit Margin

In 2023, 2024 and 2025, our gross profit was RMB120.9 million, RMB125.2 million and RMB158.9 million, respectively. Our gross profit margin was 63.1%, 74.7% and 80.5% for the corresponding years.

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Gross Profit and Gross Profit Margin by Revenue Streams

The following table sets forth the breakdown of our gross profit and gross profit margin by revenue streams for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%
Internet application solutions . .	91,878	72.8	101,365	79.6	108,204	81.6
Vertical industry solutions	22,863	85.3	22,601	84.4	34,275	71.3
Overseas nationwide communication solutions . . .	6,112	15.9	1,272	9.5	16,455	98.7
Total	120,853	63.1	125,238	74.7	158,934	80.5

Our gross profit increased from RMB120.9 million in 2023 to RMB125.2 million in 2024 and further to RMB158.9 million in 2025, while our gross profit margin increased from 63.1% in 2023 to 74.7% in 2024 and further to 80.5% in 2025. The increase in our overall gross profit margin was primarily driven by the increasing contribution from our internet application solutions, which generally carried relatively high gross profit margins due to their standardized cloud-based service model and the increase in average revenue per customer of internet application solutions, reflecting our continued focus on customers with relatively higher spending levels, and reduced server-related costs, primarily attributable to server migration to a new cloud service provider. The increase was also supported by the increasing contribution from licensing-related revenue from our Saudi Nationwide Communication Project in 2025, which carries a higher gross profit margin than the development stage of such project. The decrease in the gross profit margin of our vertical industry solutions were primarily attributable to the higher manpower requirements of certain large-scale customized projects in 2025.

See “— Review of Historical Results of Operations” in relation to changes in gross profit and gross profit margin of our revenue stream.

Other Income

During the Track Record Period, our other income consists primarily of (i) government grants, (ii) value-added tax and other tax refunds, and (iii) interest income from bank deposits. Government grants we received were mainly from the local governments of the regions where we operate, the purposes of which were primarily to support our research and development activities, innovations, talent recruitment and other aspects of our operations conducted in the ordinary course of business and financing activities.

In 2023, 2024 and 2025, our other income was RMB3.5 million, RMB2.2 million and RMB0.8 million, respectively.

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The following table sets forth a breakdown of our other income for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other income			
Government grants	2,290	1,027	–
Value-added tax and other tax refunds	1,090	1,013	722
Interest income from bank deposits	17	151	93
Others	113	–	–
Total	3,510	2,191	815

Other Gains, Net

During the Track Record Period, our other gains, net consists primarily of (i) fair value changes on financial assets at fair value through profit or loss and (ii) foreign exchange gains/(losses).

In 2023, 2024 and 2025, our other gains, net was RMB1.7 million, RMB1.7 million, and RMB1.5 million, respectively.

The following table sets forth a breakdown of our other gains, net for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other gains, net			
Fair value changes on financial assets at fair value through profit or loss			
– Fund investments	65	567	147
– Investments in wealth management products . .	–	144	1,118
Foreign exchange gains/(losses), net	2,273	804	(142)
Others	(650)	234	417
Total	1,688	1,749	1,540

Selling and Marketing Expenses

Our selling and marketing expenses preliminarily consist of (i) employee benefit expenses of our sales and marketing team, (ii) promotion and advertising expenses, which primarily include user acquisition service fees and promotion expenses, (iii) business development expenses, and (iv) travelling expenses. Employee benefit expenses of our sales and marketing team remained the largest component of our selling and marketing expenses during the Track Record Period.

In 2023, 2024 and 2025, our selling and marketing expenses were RMB36.3 million, RMB34.8 million and RMB39.4 million, respectively.

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The following table sets forth a breakdown of our selling and marketing expenses for the years indicated, both in absolute amounts and as a percentage of our total selling and marketing expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Selling and marketing expenses						
Employee benefit expenses . . .	23,455	64.7	20,122	57.9	22,380	56.7
Promotion and advertising expenses	7,565	20.9	10,966	31.5	13,262	33.6
Business development expenses	1,994	5.5	1,923	5.5	1,642	4.2
Travelling expenses	1,621	4.4	1,037	3.0	1,302	3.3
Others ⁽¹⁾	1,639	4.5	722	2.1	854	2.2
Total	36,274	100.0	34,770	100.0	39,440	100.0

Note:

(1) Others comprise depreciation charges and transportation expenses.

General and Administrative Expenses

Our general and administrative expenses preliminarily consist of (i) employee benefit expenses of our administrative staff, (ii) utilities and office expenses, (iii) other professional consulting fees, and (iv) [REDACTED]. In 2023, 2024 and 2025, our general and administrative expenses were RMB23.2 million, RMB11.6 million and RMB19.0 million, respectively.

The following table sets forth a breakdown of our general and administrative expenses for the years indicated, both in absolute amounts and as a percentage of our total general and administrative expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
General and administrative expenses						
Employee benefit expenses . . .	13,630	58.8	7,292	63.1	9,173	48.2
Utilities and office expenses . .	4,107	17.7	2,292	19.8	2,769	14.5
Other professional consulting fees	1,890	8.1	762	6.6	2,122	11.1
Travelling expenses	959	4.1	438	3.8	216	1.1
Depreciation and amortization charges	751	3.2	129	1.1	162	0.9
Auditors' remuneration	482	2.1	—	0.0	—	0.0
Others ⁽¹⁾	1,378	6.0	637	5.6	568	3.0
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	23,197	100.0	11,550	100.0	19,043	100.0

Note:

(1) Others comprise entertainment expenses and short-term and low-value lease expenses.

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Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses of our research team, and (ii) outsourced technical services, primarily relating to outsourced non-core research and development and testing functions. In 2023, 2024 and 2025, our research and development expense were RMB48.7 million, RMB45.2 million, and RMB58.8 million, respectively.

The following table sets forth a breakdown of our research and development expenses by nature for the years indicated, both in absolute amounts and as a percentage of our total research and development expenses:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Research and development expenses						
Employee benefit expenses . . .	44,319	91.0	42,103	93.1	52,572	89.4
Outsourced technical services .	1,573	3.2	2,059	4.6	4,650	7.9
Others ⁽¹⁾	2,813	5.8	1,063	2.3	1,554	2.7
Total	48,705	100.0	45,225	100.0	58,776	100.0

Note:

(1) Others comprise transportation expenses and depreciation and amortization charges.

Net Impairment Reversal/(losses) on Financial Assets

We recognized net impairment reversal on financial assets of RMB0.3 million in 2023, and net impairment losses on financial assets of RMB1.6 million and RMB4.9 million in 2024 and 2025, respectively.

Finance Costs

Our finance costs consist of interest expense on redemption liabilities, interest expense on lease liabilities, interest expense on borrowings and others. For redemption liabilities, lease liabilities and borrowings, see “— Indebtedness” for details. In 2023, 2024 and 2025, our finance costs were RMB32.9 million, RMB32.9 million and RMB13.1 million, respectively.

The table below sets forth a breakdown of our finance costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finance costs			
Interest expense on redemption liabilities	32,132	32,219	12,589
Interest expense on lease liabilities	115	64	70
Interest expense on borrowings	472	408	192
Others	203	174	200
Total	32,922	32,865	13,051

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Income Tax Credit

In 2023 and 2024, we recorded nil income tax, primarily attributable to the utilization of our accumulated tax losses, which were sufficient to offset our taxable income for the respective years. In 2025, our income tax credit was RMB5.7 million. A reconciliation of the tax expense applicable to profit before tax at the preferential tax rate for the jurisdiction in which our Company and our major subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates. See Note 12 to the Accountant’s Report as set out in Appendix I to this Document. The following summarizes certain tax laws and regulations applicable to us in the PRC.

According to the Corporate Income Tax Law of China (the “**Tax Law**”), our Group’s subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to high and new technology enterprises of 15%. Our Company obtained the certificate of high and new technology enterprise and was subject to income tax rate at 15% during the Track Record Period.

In addition, according to a policy promulgated by the Ministry of Finance of the PRC and the State Taxation Administration that was effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 100% of the eligible research and development expenses incurred as tax deductible expenses in determining tax assessable profits (“**Super Deduction**”). Our Group has made its best estimate for the Super Deduction to be claimed for our Group’s entities in ascertaining their assessable profits during the respective years.

During the Track Record Period and up to the Latest Practicable Date, our Directors were not aware of any outstanding enquiry, audit, investigation, challenge or penalty from tax authorities in relation to our tax filings.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 17.7% from RMB167.6 million in 2024 to RMB197.4 million in 2025, which was primarily attributable to the sustainable growth of our businesses. Specifically,

- Our revenue derived from internet application solutions increased by 4.1% from RMB127.4 million in 2024 to RMB132.6 million in 2025, primarily due to the increase in average revenue per customer from RMB66 thousand in 2024 to RMB94 thousand in 2025, reflecting the continued increase in revenue contribution from customers with relatively higher spending levels. Such increase more than offset the decrease in the number of customers of internet application solutions from 1,932 in 2024 to 1,410 in 2025.
- Our revenue derived from vertical industry solutions increased by 79.6% from RMB26.8 million in 2024 to RMB48.1 million in 2025, which was primarily due to revenue recognized in 2025 resulting from certain large-scale customized projects.
- Our revenue derived from overseas nationwide communication solutions increased by 24.2% from RMB13.4 million in 2024 to RMB16.7 million in 2025, primarily due to the revenue contribution from a newly signed overseas nationwide communication project in Oman in 2025.

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Cost of Sales

Our total cost of sales decreased by 9.3% from RMB42.4 million in 2024 to RMB38.4 million in 2025, primarily due to (i) a reduction in bandwidth and servers custody fees, driven by our continuous optimization server usage to obtain more favorable pricing, together with enhanced bargaining power supported by our stable traffic scale; and (ii) a decline in employee benefit costs, as the Saudi Nationwide Communication Project transitioned into a subsequent stage with lower manpower requirements following the progress of the project in 2025, whereas certain implementation and development work under the project was relatively manpower-intensive during the earlier stage of 2024, which was partially offset by increased employee benefit expenses relating to the expansion of our vertical industry solutions business, including certain large-scale customized projects.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 26.9% from RMB125.2 million in 2024 to RMB158.9 million in 2025. Our gross profit margin increased from 74.7% in 2024 to 80.5% in 2025.

For our internet application solutions, the gross profit increased by 6.7% from RMB101.4 million in 2024 to RMB108.2 million in 2025, and the gross profit margin increased from 79.6% to 81.6%, primarily as a result of increase in average revenue per customer from RMB66 thousand in 2024 to RMB94 thousand in 2025, reflecting the increasing contribution from customers with relatively lower gross profit margin, the economies of scale inherent in our standardized cloud-based service model, and reduced server-related costs, supported by enhanced bargaining power through commercial negotiations with suppliers.

For our vertical industry solutions, the gross profit increased by 51.7% from RMB22.6 million in 2024 to RMB34.3 million in 2025, while the gross profit margin of vertical industry solutions decreased from 84.4% to 71.3%, primarily due to the increased contribution from certain large-scale customization projects for our major customers in 2025, which brought additional revenue but also raised implementation costs.

For our overseas nationwide communication solutions, the gross profit increased by 1,193.6% from RMB1.3 million in 2024 to RMB16.5 million in 2025, and the gross profit margin increased from 9.5% to 98.7%, primarily because the Saudi Nationwide Communication Project progressed from an implementation and development stage with relatively higher manpower requirements to a stage involving increased licensing-related revenue contribution in 2025, together with the contribution from licensing-related revenue generated from a newly signed overseas nationwide communication project in Oman, which generally carried higher gross profit margins.

Other Income

Our other income decreased by 62.8% from RMB2.2 million in 2024 to RMB0.8 million in 2025, primarily due to a decrease in one-off government grants from local government, as well as a decrease in tax refund income.

Other Gains, Net

Our other gains, net decreased by 11.9% from RMB1.7 million in 2024 to RMB1.5 million in 2025, primarily due to a decrease in foreign exchange gains of approximately RMB0.9 million.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 13.4% from RMB34.8 million in 2024 to RMB39.4 million in 2025, primarily due to (i) an increase in the number of sales personnel and their average salaries following the expansion of our sales and marketing efforts; and (ii) an increase in promotion and advertising expenses as we conducted more marketing and customer development activities during 2025.

FINANCIAL INFORMATION

General and Administrative Expenses

Our general and administrative expenses increased by 64.9%, from RMB11.6 million in 2024 to RMB19.0 million in 2025, primarily due to (i) an increase in [REDACTED] and professional consulting fees incurred in connection with our [REDACTED] preparation; and (ii) an increase in employee benefit expenses of our administrative staff.

Research and Development Expenses

Our research and development expenses increased by 30.0% from RMB45.2 million in 2024 to RMB58.8 million in 2025, primarily driven by increased investment in solutions supporting customers across different regions and AI technologies integrated across our solutions, resulting in higher employee benefit expenses due to an increase in R&D personnel.

Net Impairment Losses on financial assets

Our net impairment losses on financial assets increased by 200.2% from RMB1.6 million in 2024 to RMB4.9 million in 2025, primarily due to the credit loss allowance on trade receivables and other receivables.

Finance Costs

Our finance costs decreased by 60.3% from RMB32.9 million in 2024 to RMB13.1 million in 2025, primarily due to a decrease in interest on redemption liabilities from 2024 to 2025, following the termination of preferred rights in May 2025.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 910.6% from RMB3.2 million in 2024 to RMB31.8 million in 2025. Our net profit margin was 1.9% in 2024 and 16.1% in 2025, respectively.

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

Revenue

Our total revenue decreased by 12.4% from RMB191.5 million in 2023 to RMB167.6 million in 2024. Specifically,

- Our revenue derived from internet application solutions remained relatively stable at RMB126.2 million in 2023 and RMB127.4 million in 2024.
- Our revenue derived from vertical industry solutions remained relatively stable at RMB26.8 million in 2023 and RMB26.8 million in 2024.
- Our revenue derived from overseas nationwide communication solutions decreased by 65.1% from RMB38.4 million in 2023 to RMB13.4 million in 2024, primarily due to the phased transition of the Saudi Nationwide Communication Project, as the implementation and development work under an earlier stage of the project gradually approached completion in 2024 prior to the commencement of the subsequent stage of the project, resulting in lower revenue contribution during 2024.

FINANCIAL INFORMATION

Cost of Sales

Our total cost of sales decreased by 40.0% from RMB70.6 million in 2023 to RMB42.4 million in 2024, primarily due to (i) a reduction in our bandwidth and servers custody fee, mainly resulting from our migration to more cost-efficient server services and increased discount rates from servers suppliers, supported by our stable traffic scale and strengthened bargaining position arising from our established market presence and long-term cooperation with certain major cloud infrastructure providers; and (ii) a decline in employee benefit costs, as the implementation and development work under an earlier stage of the Saudi Nationwide Communication Project gradually approached completion in 2024 prior to the commencement of the subsequent stage of the project, resulting in lower manpower requirements during the year.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our total gross profit remained relatively stable at RMB120.9 million in 2023 and RMB125.2 million in 2024. Our overall gross profit margin increased from 63.1% in 2023 to 74.7% in 2024, primarily driven by our cost control measures, including the reduction in server costs following the migration to server services.

For our internet application solutions, the gross profit increased by 10.3% from RMB91.9 million in 2023 to RMB101.4 million in 2024, and the gross profit margin increased from 72.8% to 79.6%, primarily as a result of the increase in average revenue per customer from RMB62 thousand in 2023 to RMB66 thousand in 2024, reflecting the increasing contribution from customers with relatively higher spending levels, the economics of scale inherent in our standardized cloud-based services, as well as reduced server-related costs attributable to our migration to more cost-efficient server services and ongoing optimization of our cloud resource procurement and deployment strategies.

For our vertical industry solutions, the gross profit remained relatively stable at RMB22.9 million in 2023 and RMB22.6 million in 2024, respectively. The gross profit margin of this solution remained stable at 85.3% in 2023 and 84.4% in 2024, respectively.

For our overseas nationwide communication solutions, the gross profit decreased by 79.2% from RMB6.1 million in 2023 to RMB1.3 million in 2024, and the gross profit margin decreased from 15.9% to 9.5%, primarily because, following the substantial completion of the entrusted development, localization and large-scale implementation work for the Saudi Nationwide Communication Project in Saudi Arabia, the project entered a subsequent stage involving ongoing operation support and preparation for licensing-related delivery in 2024, resulting in a lower revenue contribution, while personnel costs increased during the year due to higher average employee compensation.

Other Income

Our other income decreased by 37.6% from RMB3.5 million in 2023 to RMB2.2 million in 2024, primarily due to a decrease in one-off government grants from local government.

Other Gains, Net

Our other gains, net remained stable at RMB1.7 million in 2023 and RMB1.7 million in 2024, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses slightly decreased by 4.1% from RMB36.3 million in 2023 to RMB34.8 million in 2024, primarily due to a decrease in the number of sales personnel and lower travel expenses incurred by our sales personnel.

FINANCIAL INFORMATION

General and Administrative Expenses

Our general and administrative expenses decreased by 50.2%, from RMB23.2 million in 2023 to RMB11.6 million in 2024, primarily due to (i) a reduction in employee benefit expenses resulting from the optimization of our administrative and project management functions, (ii) decrease in utilities and office expenses, as well as depreciation and amortization charges resulting from the reduction in leased office area following the termination of certain office lease arrangements, and (iii) a decrease in professional consulting fees.

Research and Development Expenses

Our research and development expenses decreased by 7.1% from RMB48.7 million in 2023 to RMB45.2 million in 2024, primarily as a result of a reduction in the size of our research team, which lowered employee benefit expenses, coupled with decreased rental costs for R&D personnel that led to a decline in associated depreciation and amortization, reflecting an optimization of our R&D team structure and improved development efficiency through the integration of AI-enabled development tools and modular architecture upgrades.

Net Impairment Reversal/(Losses) on Financial Assets

In 2023 and 2024, we recognized net impairment reversal on financial assets of RMB0.3 million, and net impairment losses on financial assets of RMB1.6 million, respectively, primarily due to the credit loss allowance on trade receivables and other receivables.

Finance Costs

Our finance costs remained stable at RMB32.9 million in 2023 and RMB32.9 million in 2024, respectively.

(Loss)/Profit for the Year

As a result of the foregoing, our loss for the year of RMB14.7 million in 2023 was turned into profit for the year of RMB3.2 million in 2024. Our net profit margin was 1.9% in 2024.

SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The following table sets forth summary information from our consolidated balance sheets as of the dates indicated, which has been extracted from our historical financial information included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	1,089	633	427
Right-of-use assets	3,621	3,774	1,505
Financial assets at fair value through			
profit or loss	26,828	27,395	27,542
Other receivables	756	1,404	—
Trade receivables	—	—	3,729
Deferred income tax assets	—	—	5,718
Total non-current assets	32,294	33,206	38,921

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	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	2,161	1,551	—
Contract liabilities	76	45	—
Borrowings	—	—	6,800
Redemption liabilities	455,047	487,266	—
Total non-current liabilities	457,284	488,862	6,800
CURRENT ASSETS			
Contract fulfilment costs	107	5,465	—
Note receivables	1,150	1,507	202
Trade receivables	60,941	35,660	45,559
Prepayments and other receivables	43,272	29,810	6,377
Financial assets at fair value through profit or loss	—	30,028	—
Restricted cash	—	—	81
Cash and cash equivalents	19,954	54,879	136,546
Total current assets	125,424	157,349	188,765
CURRENT LIABILITIES			
Trade payables	12,637	11,890	13,301
Other payables and accruals	33,678	33,514	32,274
Contract liabilities	19,978	27,895	15,979
Borrowings	16,500	5,000	800
Lease liabilities	1,336	2,413	1,265
Total current liabilities	84,129	80,712	63,619

Property, Plant and Equipment

Our property, plant and equipment primarily consist of computers and electronic equipment and leasehold improvement. Our property, plant and equipment decreased from RMB1.1 million as of December 31, 2023 to RMB0.6 million as of December 31, 2024, and further decreased to RMB0.4 million as of December 31, 2025, respectively, primarily to due to the depreciation in ordinary process.

Right-of-use Assets

Our right-of-use assets primarily consist of leases for office spaces. Our right-of-use assets increased from RMB3.6 million as of December 31, 2023 to RMB3.8 million as of December 31, 2024, primarily attributable to additional office lease arrangements entered into during the year of 2024.

Our right-of-use assets decreased to RMB1.5 million as of December 31, 2025, primarily as a result of the amortization of the right-of-use assets.

Financial assets at fair value through profit or loss

During the Track Record Period, our financial assets at fair value through profit or loss comprised fund investments and investments in wealth management products. Our non-current portion of our financial assets at fair value through profit or loss remained relatively stable at RMB26.8 million, RMB27.4 million and RMB27.5 million as of December 31, 2023, 2024 and 2025, respectively. Current portion of our financial assets at fair value through profit or loss amounted to RMB30.0 million as of December 31, 2024. See Note 18 to the Accountant’s Report as set out in Appendix I to this Document.

FINANCIAL INFORMATION

We have established management systems to oversee the investments in financial products. Adhering to prudent investment principles, we conduct investment activities with an aim to improve capital utilization efficiency and return. We have established a dedicated team comprising specialists, managers from finance department, as well as senior management of our Company to manage our financial product portfolio, including reviewing the approval, implementation, and performance of wealth management products. Our internal control measures regarding investments in financial products ensure timely processing and verification of accounting records, with timely reporting to senior management. In addition, we adhere to all applicable laws, regulations, and management policies regarding the proper disclosure of investment information.

Prepayments and Other Receivables

Our prepayments and other receivables mainly consist of (i) amounts due from related parties and third parties, representing the carrying balance at amortized cost of the amounts due from related parties and third parties at the end of each year, which were unsecured and interest-free, (ii) prepaid promotional expenses for advertising campaigns, and (iii) the unamortized portion of externally procured software usage fees.

The following table sets forth a breakdown of our prepayments and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments and other receivables			
Included in non-current assets			
Rental, bidding and other deposits	769	1,420	–
Less: allowance for impairment	(13)	(16)	–
	756	1,404	–
Included in current assets			
Rental, bidding and other deposits	279	249	1,843
Amounts due from related parties	38,072	956	–
Amounts due from third parties	–	24,759	–
Prepayments	5,007	3,865	3,192
[REDACTED] to be capitalized	[REDACTED]	[REDACTED]	[REDACTED]
Others	99	149	511
	43,457	29,978	6,416
Less: allowance for impairment	(185)	(168)	(39)
	43,272	29,810	6,377
	44,028	31,214	6,377

Our prepayments and other receivables decreased from RMB44.1 million as of December 31, 2023 to RMB31.2 million as of December 31, 2024 and further decreased to RMB6.4 million as of December 31, 2025, primarily attributable to a decrease in amounts due from related parties and third parties. As of December 31, 2025, the amount due from third parties and related parties had been fully recovered.

Contract Fulfilment Costs

Our contract fulfilment costs primarily consist of personnel costs incurred for the customized implementation projects of our vertical industry solutions before project acceptance. Our contract fulfilment costs increased from RMB0.1 million as of December 31, 2023 to RMB5.5 million as of December 31, 2024, primarily attributable to personnel investment in the early implementation stage of a customized communication platform project for one of our major customers.

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Our contract fulfilment costs decreased to nil as of December 31, 2025, primarily as a result of the completion of all pending customized projects as at the end of 2025.

Trade Receivables and Notes Receivables

The following table sets forth our trade receivables and notes receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Notes receivables			
Third parties	1,150	1,507	202
Trade receivables			
Third parties	33,657	39,993	58,620
Related parties	29,986	–	–
Less: credit loss allowance	(2,702)	(4,333)	(9,332)
Total	62,091	37,167	49,490

Our trade receivables and note receivables decreased from RMB62.1 million as of December 31, 2023 to RMB37.2 million as of December 31, 2024, primarily due to the Saudi Nationwide Communication Project’s fund has been fully recovered.

Our trade receivables and note receivables increased to RMB49.5 million as of December 31, 2025, primarily due to the revenue growth in 2025, as payments of certain major customers were not yet due under their contracts as at the end of 2025.

As of December 31, 2023, 2024 and 2025, our credit loss allowance for trade receivables amounted to RMB2.7 million, RMB4.3 million and RMB9.3 million, respectively, representing approximately 4.2%, 10.8% and 15.9% of our trade receivables as of the respective dates.

We decide trading terms with customers on a case-by-case basis. For our internet application solutions, customers are generally required to make prepayments or settle service fees within approximately 30 days. For our certain vertical industry solutions projects and overseas nationwide communication solutions projects, payment terms are generally linked to project milestones, acceptance or delivery schedules. The ageing analysis of the trade receivables based on date of revenue recognition is as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Up to 1 year	56,458	27,993	39,943
1 to 2 years	5,971	9,366	10,440
2 to 3 years	964	2,153	6,722
Over 3 years	250	481	1,515
	63,643	39,993	58,620

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Our notes receivables are bank accepted notes mainly with maturity dates within six months. The ageing analysis of the notes receivables based on date of revenue recognition is as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Up to 1 year	1,150	1,507	202

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 ^(Note)	167	111	90

Note: Trade receivables turnover days for a period equals the average of the opening and closing trade receivables divided by revenue for that period and multiplied by 360 days for a fiscal year.

Our trade receivables turnover days decreased from 167 days for the year ended December 31, 2023 to 111 days for the year December 31, 2024, and further decreased to 90 days for the year ended December 31, 2025. This decline was primarily driven by the settlement of historical overdue amounts from the Saudi Nationwide Communication Project, which had previously extended the average collection period, leading to a subsequent reduction in overall turnover days as the outstanding receivables were collected.

As of the April 30, 2026, RMB16.9 million, or 14.2%, of our trade receivables as of December 31, 2025 had been subsequently settled.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute or disagreement with our customers in relation to the timing, amounts of billing or the collection of our trade receivables.

Cash and Cash Equivalents

Our cash and cash equivalents represent cash at bank and due from other financial institutions. Our cash and cash equivalents as of December 31, 2023, 2024 and 2025 were RMB20.0 million, RMB54.9 million and RMB136.5 million, respectively. For a discussion on the changes in our cash and cash equivalents, see “— Liquidity and Capital Resources.”

Trade Payables

Our trade payables mainly include payables for bandwidth and servers custody fee. Our trade payables are non-interest-bearing and are normally settled within a year.

Our trade payables decreased from RMB12.6 million as of December 31, 2023 to RMB11.9 million as of December 31, 2024, primarily due to the migration of server infrastructure to a new cloud service provider. Driven by our enhanced bargaining power and the disparity in unit server prices among vendors, server costs in 2024 were lower than those in 2023.

Our trade payables increased to RMB13.3 million as of December 31, 2025, primarily due to higher server-related payables, which was in line with the increase in server costs driven by our revenue growth in 2025.

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The following table sets forth the ageing analysis of our trade payables as of the dates indicated, based on invoice date:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Up to 3 months	8,741	8,283	7,587
3 to 6 months	540	774	596
Over 6 months	3,356	2,833	5,118
	<u>12,637</u>	<u>11,890</u>	<u>13,301</u>

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

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days ^(Note)	137	104	118

Note: Trade payables turnover days for a period equals the average of the opening and closing trade payables divided by cost of sales for that period and multiplied by 360 days for a fiscal year.

Our trade payables turnover days decreased from 137 days in 2023 to 104 days in 2024, primarily due to the settlement in May 2023 of a substantial portion of payables. Our trade payables turnover days increased from 104 days in 2024 to 118 days in 2025, primarily due to a decrease in our cost of sales in 2025 while our trade payables remained relatively stable.

As of the April 30, 2026, RMB6.8 million, or 50.8%, of our trade payables as of December 31, 2025 had been subsequently settled. During the Track Record Period and up to the Latest Practicable Date, we had no material defaults in our trade payables.

Other Payables and Accruals

The following table sets forth our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other taxes payables	12,858	12,179	11,952
Payroll payables	11,769	15,295	7,653
Other payables for share-based compensation . .	4,693	4,258	9,606
Accrued expenses	1,306	306	507
[REDACTED] payables	[REDACTED]	[REDACTED]	[REDACTED]
Others	3,052	1,476	716
	<u>33,678</u>	<u>33,514</u>	<u>32,274</u>

Our other payables and accruals remained relatively stable at RMB33.7 million, RMB33.5 million and RMB32.3 million as of December 31, 2023, 2024 and 2025, respectively.

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Contract Liabilities

Our contract liabilities mainly arise from the advance payments made by customers for the underlying solutions and services not yet provided. All of the contract liabilities are expected to be recognized as income within one year.

The following table sets forth a breakdown of our contract liabilities related to contracts with customers as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities			
Internet application solutions	15,791	14,168	12,662
Vertical industry solutions	4,263	13,772	2,250
Overseas nationwide communication solutions . .	—	—	1,067
	20,054	27,940	15,979

Our contract liabilities increased from RMB20.0 million as of December 31, 2023 to RMB27.9 million as of December 31, 2024, primarily due to advances received from a customer in connection with a quantum-secured communication platform project for a telecommunications group prior to the recognition of the relevant revenue of vertical industry solutions. Our contract liabilities subsequently decreased to RMB16.0 million as of December 31, 2025, primarily due to the recognition of revenue relating to such project during 2025.

As of the April 30, 2026, RMB7.3 million, or 45.5%, of our contract liabilities as of December 31, 2025 had been subsequently utilized and recognized in revenue.

LIQUIDITY AND CAPITAL RESOURCES

Overview

As of the Latest Practicable Date, we had financed our operations primarily through cash from our operations. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB20.0 million, RMB54.9 million and RMB136.5 million, respectively. Our cash and cash equivalents primarily consist of cash on bank and due from other financial institutions.

The following table is a summary of our cash flow data from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash from operating activities	30,640	65,337	20,927
Net cash (used in)/from investing activities	(36,600)	(16,789)	55,615
Net cash from/(used in) financing activities	12,021	(13,623)	5,125
Net increase in cash and cash equivalents	6,061	34,925	81,667
Cash and cash equivalents at the beginning of the year	13,893	19,954	54,879
Cash and cash equivalents at the end of the year	19,954	54,879	136,546

FINANCIAL INFORMATION

Operating Activities

Our net cash flows used in operating activities consist of profit before tax adjusted for certain non-cash or non-operating activities related items and changes in working capital.

Net cash from operating activities in 2025 was RMB20.9 million, primarily attributable to profit before tax of RMB26.1 million, as adjusted for (i) non-cash items or non-operating items, which principally included interest expense on redemption liabilities of RMB12.6 million, depreciation of right-of-use assets of RMB2.1 million, net impairment losses on financial assets of RMB4.9 million and share-based compensation of RMB4.5 million, partially offset by fair value changes on financial assets at fair value through profit or loss of RMB1.3 million, and (ii) changes in working capital, mainly represented an increase in trade and note receivables of RMB17.8 million, a decrease in other payables and accruals of RMB6.9 million and a decrease in contract liabilities of RMB11.9 million.

Net cash from operating activities in 2024 was RMB65.3 million, primarily attributable to profit before tax of RMB3.2 million, as adjusted for (i) non-cash items or non-operating items, which principally included interest expense on redemption liabilities of RMB32.2 million, depreciation of right-of-use assets of RMB1.5 million, net impairment losses on financial assets of RMB1.6 million and share-based compensation of RMB1.1 million, partially offset by fair value changes on financial assets at fair value through profit or loss of RMB0.7 million, and (ii) changes in working capital, mainly represented an decrease in trade and note receivables of RMB23.3 million and an increase in contract liabilities of RMB7.9 million, partially offset by an increase in contract fulfilment costs of RMB5.4 million.

Net cash from operating activities in 2023 was RMB30.6 million, primarily attributable to loss before tax of RMB14.7 million, as adjusted for (i) non-cash items or non-operating items, which principally included interest expense on redemption liabilities of RMB32.1 million, depreciation of property, plant and equipment of RMB2.3 million, depreciation of right-of-use assets of RMB4.8 million and share-based compensation of RMB1.4 million, and (ii) changes in working capital, mainly represented an decrease in trade and note receivables of RMB49.1 million, partially offset by an decrease in trade payables of RMB28.5 million, a decrease in other payables and accruals of RMB10.4 million and a decrease in contract liabilities of RMB4.9 million.

Investing Activities

Net cash from investing activities in 2025 was RMB55.6 million, primarily attributable to proceeds from maturity of financial assets at fair value through profit or loss of RMB541.1 million, partially offset by purchases of financial assets at fair value through profit or loss of RMB510.0 million.

Net cash used in investing activities in 2024 was RMB16.8 million, primarily attributable to purchases of financial assets at fair value through profit or loss of RMB65.0 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB35.1 million.

Net cash used in investing activities in 2023 was RMB36.6 million, primarily attributable to loans granted of RMB41.4 million, partially offset by proceeds from disposal of property, plant and equipment of RMB1.5 million.

Financing Activities

Net cash from financing activities in 2025 was RMB5.1 million, primarily attributable to proceeds from issuance of restricted stock units of RMB5.4 million and proceeds from borrowings of RMB8.0 million, partially offset by repayment of borrowings of RMB5.4 million and payment of lease liabilities of RMB2.1 million.

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Net cash used in financing activities in 2024 was RMB13.6 million, primarily attributable to repayment of borrowings of RMB16.5 million and payment of lease liabilities of RMB1.0 million, partially offset by proceeds from borrowings of RMB5.0 million.

Net cash from financing activities in 2023 was RMB12.0 million, primarily attributable to proceeds from borrowings of RMB16.5 million, partially offset by payment of lease liabilities of RMB4.7 million.

CAPITAL EXPENDITURES

As of December 31, 2023, 2024 and 2025 and the Latest Practicable Date, we did not have any material capital expenditures.

WORKING CAPITAL

The following table sets forth a summary of our liquidity and working capital as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
CURRENT ASSETS				
Contract fulfilment costs	107	5,465	—	—
Notes receivables	1,150	1,507	202	496
Trade receivables	60,941	35,660	45,559	57,938
Prepayments and other receivables . .	43,272	29,810	6,377	12,171
Financial assets at fair value through profit or loss	—	30,028	—	—
Restricted cash	—	—	81	126
Cash and cash equivalents	19,954	54,879	136,546	120,461
Total current assets	125,424	157,349	188,765	191,192
CURRENT LIABILITIES				
Trade payables	12,637	11,890	13,301	17,504
Other payables and accruals	33,678	33,514	32,274	25,638
Contract liabilities	19,978	27,895	15,979	17,529
Borrowings	16,500	5,000	800	800
Lease liabilities	1,336	2,413	1,265	35
Total current liabilities	84,129	80,712	63,619	61,506
NET CURRENT ASSETS	41,295	76,637	125,146	129,686

As of April 30, 2026, we had net current assets of RMB129.7 million, as compared to RMB125.1 million as of December 31, 2025, which remained relatively stable.

As of December 31, 2025, we had net current assets of RMB125.1 million, as compared to RMB76.6 million as of December 31, 2024, primarily due to (i) an increase of RMB9.9 million in trade receivables, (ii) an increase of RMB81.6 million in cash and cash equivalents due to proceeds from maturity of financial assets at fair value through profit or loss, along with cash inflow generated from our operating activities, partially offset by a decrease of RMB23.4 million in prepayments and other receivables.

FINANCIAL INFORMATION

As of December 31, 2024, we had net current assets of RMB76.6 million, as compared to net current assets of RMB41.3 million as of December 31, 2023, primarily due to (i) an increase of RMB5.4 million in contract fulfilment costs reflecting our business expansion, (ii) an increase of RMB34.9 million in cash and cash equivalents, partially offset by (i) a decrease of RMB25.2 million in trade receivables related to related parties, and (ii) a decrease of RMB13.5 million in prepayments and other receivables related to a decrease in amounts due from related parties.

Taking into account the financial resources available to us, including the estimated [REDACTED] from the [REDACTED], cash flow generated from our operations and cash and cash equivalents on hand, our Directors are of the opinion that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this Document.

INDEBTEDNESS

Borrowings

Our borrowings comprised guaranteed bank loans, with effective interest rates ranging from 2.8% to 6.0% per annum.

The following table shows amounts of our borrowings as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Included in current liabilities				
<i>Guaranteed</i>				
Short-term bank loans	16,500	5,000	—	—
Current portion of long-term bank loans	—	—	800	800
	<u>16,500</u>	<u>5,000</u>	<u>800</u>	<u>800</u>
Included in non-current liabilities				
<i>Guaranteed</i>				
Long-term bank loans	—	—	7,600	7,200
Less: current portion	—	—	(800)	(800)
Non-current portion	<u>—</u>	<u>—</u>	<u>6,800</u>	<u>6,400</u>

Our borrowings are primarily denominated in Renminbi. Certain of our bank borrowings during the Track Record Period were guaranteed by Mr. Wang Cheng, our controlling shareholder. As of the date of the first [REDACTED] of the [REDACTED] to the Stock Exchange for the purpose of the [REDACTED], all such guarantees had been released and no such guarantees remained outstanding. See Note 29 of the Accountant’s Report in Appendix I to this Document.

FINANCIAL INFORMATION

Lease Liabilities

We lease rental properties for our office spaces. These leases are typically made for fixed terms and the longest lease term is between one to ten years.

The following table shows amounts of our lease liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current	1,336	2,413	1,265	35
Non-current	2,161	1,551	—	—
Total	<u>3,497</u>	<u>3,964</u>	<u>1,265</u>	<u>35</u>

Our lease liabilities increased from RMB3.5 million as of December 31, 2023 to RMB4.0 million as of December 31, 2024, primarily due to an increase in leased office space in 2024. Our lease liabilities decreased to RMB1.3 million as of December 31, 2025, primarily due to the periodic rental payments for our office premises as stipulated in the lease agreements, leading to a corresponding reduction in both the lease liabilities and the associated right-of-use assets. Our lease liabilities decreased to RMB0.04 million as of April 30, 2026, primarily due to the regular reduction resulting from scheduled lease payments.

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date.

Redemption Liabilities

Our redemption liabilities primarily relate to our obligations arising from certain redemption rights and liquidation preferences granted to the holders of preferred rights in connection with our historical equity financing activities.

Since our incorporation, we have completed several rounds of equity financing. In accordance with the shareholders’ agreement signed between the Company and its shareholders in April 2022, the preferred rights granted to the shareholders were unified, and the terms are summarized, among others, (i) redemption rights, pursuant to which such investors were entitled to require us to redeem their investments if we and the founders breached certain provisions of the shareholders’ agreement and failed to rectify such breach within 45 working days after receipt of a written notice from the relevant investor, and (ii) liquidation preferences, pursuant to which, upon occurrence of certain liquidation events, the distributable liquidation property remaining after settlement of all debts would be distributed in accordance with the agreed priority order, with the liquidation preference amount generally equal to the original investment principal plus an annual interest calculated at 10% on the original investment principal, together with any accumulated or declared but undistributed dividends, subject to adjustments specified in the shareholders’ agreement. During the Track Record Period, we recognized finance costs arising from redemption liabilities of approximately RMB32.1 million, RMB32.2 million and RMB12.6 million for the years ended December 31, 2023, 2024 and 2025, respectively. See Note 30 of the Accountant’s Report in Appendix I to this Document.

FINANCIAL INFORMATION

The redemption rights granted to the preferred shareholders constituted our obligations to repurchase our own equity instruments under certain circumstances. In accordance with IFRS Accounting Standards, such obligations were recognized as redemption liabilities, which were initially measured at fair value, representing the present value of the expected cash flows for settling the related obligations if the redemption rights were exercised by the investors, and subsequently measured at amortized cost. As a result, we recognized finance costs arising from the redemption liabilities during the Track Record Period. See “— Non-IFRS Measures.”

The redemption rights were not triggered during the Track Record Period. In May 2025, we entered into a preferred rights termination agreement with the preferred shareholders, pursuant to which the agreed redemption was terminated, and the redemption liabilities were derecognized after entering into such agreement.

Indebtedness Statement

As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date.

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

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we had no material contingent liabilities.

COMMITMENTS

As of December 31, 2023, 2024 and 2025 and up to the Latest Practicable Date, we do not have any capital commitments.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,		
	2023	2024	2025
Gross profit margin	63.1%	74.7%	80.5%
Net (loss)/profit margin ⁽¹⁾	(7.7)%	1.9%	16.1%
Adjusted profit margin for the year (non-IFRS measure) ⁽²⁾	9.8%	21.7%	26.8%
Current ratio ⁽³⁾	1.5	1.9	3.0

Notes:

- (1) Net (loss)/profit margin is calculated using (loss)/profit for the year divided by revenue and multiplied by 100%.
- (2) Adjusted profit margin for the year (non-IFRS measure) represents adjusted profit for the year (non-IFRS measure) divided by revenue and multiplied by 100%. For details of the adjusted profit for the year (non-IFRS measure), see “— Non-IFRS Measures.”
- (3) Current ratio is calculated using total current assets divided by total current liabilities as of the same date.

FINANCIAL INFORMATION

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we provided overseas nationwide communication solutions to Customer A. See “Business — Our Customers — Relationship with Customer A” for details. Our Directors confirm that all transactions with Customer A were conducted in the ordinary and usual course of business, on normal commercial terms and on an arm’s-length basis.

During the Track Record Period, at the request of certain customers outside Chinese Mainland of the Company, we entered into service contracts and received payments through Rong Cloud H.K. Limited (“RCHK”), which is indirectly wholly owned by Mr. Wang Cheng, one of our Controlling Shareholders. RCHK solely performed settlement functions, and payments received from the relevant customers were subsequently remitted to our Group without any additional fees being charged by RCHK. As a result, we recorded an amount due from RCHK of RMB956 thousand as of December 31, 2024. There was no outstanding balance as of December 31, 2025. As of the Latest Practicable Date, this arrangement had been terminated. Thereafter, certain service contracts and related payment settlements with customers outside Chinese Mainland conducted through RCLLOUD GLOBAL PTE. LTD., a subsidiary of our Group.

During the implementation of the Saudi Nationwide Communication Project, we provided temporary funding support to a company controlled by Customer A, which served as the PRC operating entity for the project. There was no outstanding balance as of December 31, 2025.

The financial guarantees disclosed in Note 33 to the Accountant’s Report were provided by our controlling shareholder and directors in connection with certain bank borrowings of our Group. As of the date of this Document, the relevant borrowings had either been fully repaid or the corresponding guarantees had been released, and no such arrangements remained outstanding.

Save as the above related party transactions disclosed in Note 33 as set out in the Accountant’s Report in Appendix I to this Document, we had not entered into any other material transactions with our related parties during the Track Record Period.

Our Directors are of the view that each of the related party transactions set out in Note 33 to the Accountant’s Report in Appendix I to this Document was conducted on an arm’s length basis and would not distort our track record results or cause our historical results to be not reflective of our future performance.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to various types of financial risks, including market risk, credit risk and liquidity risk in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For details of the risks to which we are exposed, see Note 3 to the Accountant’s Report set out in Appendix I to this Document.

FINANCIAL INFORMATION

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See “Appendix II — Unaudited [REDACTED] Financial Information.”

DIVIDEND POLICY

We have not paid or declared any dividends during the Track Record Period.

Our Company currently does not have a formal dividend policy or a fixed dividend payout ratio. Our Board of Directors may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment of dividends will be subject to our constitutional documents and applicable laws. Our shareholders at a general meeting must approve any declaration of dividends, which must not exceed the amount recommended by our Board of Directors. In addition, our Directors may from time to time pay such interim dividends as our Board of Directors considers to be justified by our profits and overall financial requirements, or special dividends of such amounts and on such dates as they think appropriate. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declaration of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Board of Directors.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company had retained earnings of approximately RMB35.4 million, representing the distributable reserves available for distribution to our Shareholders.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our total [REDACTED] (including [REDACTED]) will be approximately RMB[REDACTED] million, accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per share, being the mid-point of the indicative [REDACTED] range stated in this Document and the [REDACTED] is not exercised). During the Track Record Period, [REDACTED] of approximately RMB[REDACTED] million were charged to our consolidated statements of profit or loss for the years ended December 31, 2025, and approximately RMB[REDACTED] million were capitalized to our consolidated balance sheets and recognized as prepaid [REDACTED] as of December 31, 2025, which are expected to be deducted from equity upon [REDACTED] as they are directly attributable to the issue of the Shares to the public. The estimated remaining [REDACTED] of approximately RMB[REDACTED] million are expected to be charged to our consolidated statements of profit or loss for the year ending December 31, 2026, and approximately RMB[REDACTED] million are expected to be deducted from equity upon [REDACTED]. Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2026.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountant’s Report, the text of which is set out in Appendix I to this Document.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Strategies”.

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the range of the [REDACTED] stated in this Document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED] (assuming the [REDACTED] is not exercised). If the [REDACTED] is set at the high or low end of the indicative range, the [REDACTED] we will receive will increase or decrease by approximately HK\$[REDACTED]. We currently intend to apply the [REDACTED] as follows:

- (1) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to enhancing our research and development capabilities to expand and strengthen our R&D efforts, with a focus on developing and iterating our next-generation AICP and industry-intelligent applications, including AI-powered network optimization, intelligent networking, an AI-native PaaS platform and protocol-level innovations, integration with MCP and A2A protocols, and the development of industry-intelligent modules that align with customer usage patterns and data-security requirements across different markets. Specifically,
 - (a) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to increase the number of R&D personnel and enhance compensation, supporting our continued recruitment of high-caliber technical talent, improve retention through competitive remuneration packages, and enhance the long-term stability and productivity of our R&D workforce as we expand the development and iteration of our next-generation AI-driven communication technologies.
 - (b) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to strengthen R&D infrastructure and acquire software and hardware, including the procurement of specialized industry small models, training datasets, computing hardware and other technical systems required for model training, data processing and algorithm optimization, as well as enhancing our data-center capabilities and improve the scalability, reliability and efficiency of our AI-native research and testing environment.
- (2) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for acquisitions and strategic [REDACTED], including [REDACTED] in ISM companies and VSA providers and integrate such capabilities into our global IM+RTC communication network to build the “cognitive layer” and the “execution layer”, thereby strengthening our developer ecosystem, enhancing our vertical-industry applications, and reinforcing our competitiveness in the communication-platform market. Specifically,
 - (a) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to acquisition or strategic [REDACTED] in ISM companies that share strong business synergies with our industry-scenario applications. Such ISM companies may focus on AI models optimized for specific industries or use cases, including social interaction, public sector and enterprise applications, where deployability, data security and cost efficiency are key considerations. These [REDACTED] are intended to supplement and enhance our existing capabilities, improve the applicability and penetration of our solutions in vertical industries and scenario-based use cases, and reinforce our long-term competitiveness in the AI-driven communication technology landscape, primarily by acquiring or [REDACTED] in industry-specific models that can be commercially deployed and integrated with our communication platforms.

FUTURE PLANS AND USE OF [REDACTED]

- (b) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to acquisition or strategic [REDACTED] in VSA providers. Such VSA providers may focus on AI-enabled applications applicable to marketing and customer engagement, customer service, and enterprise collaboration scenarios. These [REDACTED] are intended to supplement and enhance our existing capabilities by extending our offerings toward application-layer solutions, improve the commercialisation efficiency and penetration of our solutions in vertical industries and scenario-based use cases, and reinforce our long-term competitiveness in the AI-driven communication technology landscape by integrating execution-oriented AI applications with our communication infrastructure.
- (3) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to expanding and deepening our global developer coverage and supporting the growth of new “citizen-developer” communities with a view to broadening.
 - (a) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to expanding and strengthening our developer relations team and associated organizational capabilities, including [REDACTED] in compensation and benefits for developer-focused talent such as technical evangelists, developer content engineers, community operations personnel, technical trainers, developer tooling and experience engineers and international brand marketing professionals, as well as team travel, training and team-building initiatives, thereby enhancing developer engagement, improving customer enablement efficiency and supporting the expansion of our product adoption across diverse developer communities.
 - (b) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for developer community building and operations, including the establishment and maintenance of online developer community platforms and forums, the organization of community activities such as webinars, offline technical workshops, hackathons, WICC developer conferences and other events, as well as community management and user incentive programs designed to deepen participation, thereby fostering an active and collaborative developer ecosystem and enhancing the visibility and adoption of our solutions among global developers.
 - (c) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to improving our developer technical support systems and enhancing the overall developer experience, including the optimization and localization of multi-language technical documentation, the development of demo experience environments, the production of technical tutorials, the establishment and continuous updating of FAQ (frequently asked questions) knowledge bases, as well as enhancements to SDKs, APIs, sandbox environments, debugging tools and support responsiveness, thereby streamlining the integration experience, reducing onboarding friction and improving the long-term usability of our solutions for developers.
 - (d) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to developer growth programs, including training, certification and educational initiatives, such as the development of online courses and workshops, certification systems and examinations, startup accelerator support programs, and collaborative training programs with universities and industry partners, as well as the development of educational materials, thereby fostering a pipeline of skilled developers, enhancing product proficiency within the community and promoting broader adoption of our technology.
 - (e) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated to global branding and marketing initiatives, including digital advertising and performance marketing across platforms such as Google and LinkedIn, participation in and organization of international industry events and conferences, the creation and promotion of high-quality content such as videos and white papers, as well as global media relations and partnership development, including co-marketing activities and the maintenance of strategic partner relationships, and the development of localized marketing materials, thereby increasing our global brand awareness and driving customer acquisition and market expansion.

FUTURE PLANS AND USE OF [REDACTED]

- (4) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be applied towards working capital and general corporate purposes to support our ongoing operations.

The [REDACTED] of the [REDACTED] will be adjusted on a pro rata basis if the final [REDACTED] is set at a higher or lower level within the indicative range. If the [REDACTED] is exercised in full, we will receive additional [REDACTED] of approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], and we intend to apply such [REDACTED] in the same proportions as stated above.

To the extent that the [REDACTED] are not immediately required, and subject to applicable laws and regulations, such funds will be placed in short-term interest-bearing deposits with licensed banks or other authorized financial institutions. In such an event, we will comply with the appropriate disclosure requirements under the Hong Kong Listing Rules. We will publish an announcement if there is any material change to the proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages I-[1] to I-[2], received from the Company’s reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING RC TECH CO., LTD. AND [REDACTED]

Introduction

We report on the historical financial information of Beijing RC Tech Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[3] to I-[48], which comprises the consolidated balance sheets as at December 31, 2023, 2024 and 2025, the company balance sheets as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[3] to I-[48] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “Document”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant’s judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

APPENDIX I

ACCOUNTANT’S REPORT

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note [32] to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong, [Date]

APPENDIX I

ACCOUNTANT’S REPORT

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant’s report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousands of RMB (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	6	191,455	167,620	197,354
Cost of sales	9	(70,602)	(42,382)	(38,420)
Gross profit		120,853	125,238	158,934
Selling and marketing expenses	9	(36,274)	(34,770)	(39,440)
General and administrative expenses	9	(23,197)	(11,550)	(19,043)
Research and development expenses	9	(48,705)	(45,225)	(58,776)
Net impairment reversal/(losses) on financial assets	9	317	(1,617)	(4,854)
Other income	7	3,510	2,191	815
Other gains, net	8	1,688	1,749	1,540
Operating profit		18,192	36,016	39,176
Finance costs	11	(32,922)	(32,865)	(13,051)
(Loss)/profit before income tax		(14,730)	3,151	26,125
Income tax credit	12	—	—	5,718
(Loss)/profit for the year		(14,730)	3,151	31,843
Other comprehensive income:				
Other comprehensive income for the year, net of tax		—	—	—
Total comprehensive (loss)/income for the year		(14,730)	3,151	31,843
(Loss)/profit and total comprehensive (loss)/income attributable to:				
Owners of the Company		(12,393)	3,431	31,843
Non-controlling interests		(2,337)	(280)	—
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB per share)	13			
Basic		(0.14)	0.04	0.35
Diluted		(0.14)	0.04	0.35

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED BALANCE SHEETS

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	16	1,089	633	427
Right-of-use assets	15	3,621	3,774	1,505
Financial assets at fair value through profit or loss	18	26,828	27,395	27,542
Other receivables	21	756	1,404	–
Trade receivables	20	–	–	3,729
Deferred income tax assets	26	–	–	5,718
		<u>32,294</u>	<u>33,206</u>	<u>38,921</u>
Current assets				
Contract fulfilment costs	19	107	5,465	–
Notes receivables	20	1,150	1,507	202
Trade receivables	20	60,941	35,660	45,559
Prepayments and other receivables	21	43,272	29,810	6,377
Financial assets at fair value through profit or loss	18	–	30,028	–
Restricted cash	22	–	–	81
Cash and cash equivalents	22	19,954	54,879	136,546
		<u>125,424</u>	<u>157,349</u>	<u>188,765</u>
Total assets		<u><u>157,718</u></u>	<u><u>190,555</u></u>	<u><u>227,686</u></u>
Equity and liabilities				
Equity attributable to owners of the Company				
Paid-in capital/share capital	23	102,074	102,074	113,416
Treasury stock	24	(314,492)	(314,057)	(15,530)
Reserves	24	198,309	199,391	23,991
(Accumulated losses)/retained earnings		<u>(369,855)</u>	<u>(366,424)</u>	<u>35,390</u>
		<u>(383,964)</u>	<u>(379,016)</u>	<u>157,267</u>
Non-controlling interests		<u>269</u>	<u>(3)</u>	<u>–</u>
(Deficit on total equity)/total equity		<u><u>(383,695)</u></u>	<u><u>(379,019)</u></u>	<u><u>157,267</u></u>
Liabilities				
Non-current liabilities				
Lease liabilities	15	2,161	1,551	–
Contract liabilities	6	76	45	–
Borrowings	29	–	–	6,800
Redemption liabilities	30	455,047	487,266	–
		<u>457,284</u>	<u>488,862</u>	<u>6,800</u>
Current liabilities				
Trade payables	27	12,637	11,890	13,301
Other payables and accruals	28	33,678	33,514	32,274
Contract liabilities	6	19,978	27,895	15,979
Borrowings	29	16,500	5,000	800
Lease liabilities	15	1,336	2,413	1,265
		<u>84,129</u>	<u>80,712</u>	<u>63,619</u>
Total liabilities		<u><u>541,413</u></u>	<u><u>569,574</u></u>	<u><u>70,419</u></u>
Total equity and liabilities		<u><u>157,718</u></u>	<u><u>190,555</u></u>	<u><u>227,686</u></u>

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COMPANY BALANCE SHEETS

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment		1,005	586	414
Right-of-use assets	15	3,621	3,774	1,505
Investment in subsidiaries	14	—	—	—
Financial assets at fair value through profit or loss	18	26,828	27,395	27,542
Other receivables	21	756	1,404	—
Trade receivables		—	—	3,729
Deferred income tax assets	26	—	—	5,718
		<u>32,210</u>	<u>33,159</u>	<u>38,908</u>
Current assets				
Contract fulfilment costs	19	107	5,465	—
Notes receivables		1,150	1,507	202
Trade receivables		60,429	35,607	45,559
Prepayments and other receivables	21	46,733	36,286	6,377
Financial assets at fair value through profit or loss	18	—	30,028	—
Restricted cash	22	—	—	81
Cash and cash equivalents	22	13,091	49,007	134,514
		<u>121,510</u>	<u>157,900</u>	<u>186,733</u>
Total assets		<u><u>153,720</u></u>	<u><u>191,059</u></u>	<u><u>225,641</u></u>
Equity and liabilities				
Equity attributable to owners of the Company				
Paid-in capital/share capital	23	102,074	102,074	113,416
Treasury stock	24	(314,492)	(314,057)	(15,530)
Reserves	24	198,309	199,391	23,991
(Accumulated losses)/retained earnings		(358,226)	(363,494)	35,087
(Deficit on total equity)/total equity		<u><u>(372,335)</u></u>	<u><u>(376,086)</u></u>	<u><u>156,964</u></u>
Liabilities				
Non-current liabilities				
Contract liabilities		76	45	—
Lease liabilities	15	2,161	1,551	—
Redemption liabilities	30	455,047	487,266	—
		<u>457,284</u>	<u>488,862</u>	<u>—</u>
Current liabilities				
Trade payables		11,709	11,855	13,301
Other payables and accruals	28	29,279	31,131	38,132
Contract liabilities		19,947	27,884	15,979
Borrowings		6,500	5,000	—
Lease liabilities	15	1,336	2,413	1,265
		<u>68,771</u>	<u>78,283</u>	<u>68,677</u>
Total liabilities		<u><u>526,055</u></u>	<u><u>567,145</u></u>	<u><u>68,677</u></u>
Total equity and liabilities		<u><u>153,720</u></u>	<u><u>191,059</u></u>	<u><u>225,641</u></u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company							
		Paid-in capital	Share capital	Treasury stock	Reserves	(Accumulated losses)/ retained earnings	Subtotal	Non-controlling interests	(Deficit on total equity)/ total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Note		(Note 23(a))	(Note 23(b))	(Note 24)	(Note 24)				
	Balance at January 1, 2023	102,074	–	(315,168)	196,906	(357,462)	(373,650)	2,606	(371,044)
	Comprehensive loss								
	Loss for the year	–	–	–	–	(12,393)	(12,393)	(2,337)	(14,730)
	Total comprehensive loss for the year	–	–	–	–	(12,393)	(12,393)	(2,337)	(14,730)
	Transactions with owners in their capacity as owners								
	Share-based compensation	25	–	–	1,403	–	1,403	–	1,403
	Derecognition of other payables for share-based compensation	25	–	–	676	–	676	–	676
	Total transactions with owners in their capacity as owners		–	–	676	–	2,079	–	2,079
	Balance at December 31, 2023	102,074	–	(314,492)	198,309	(369,855)	(383,964)	269	(383,695)
	Balance at January 1, 2024	102,074	–	(314,492)	198,309	(369,855)	(383,964)	269	(383,695)
	Comprehensive income/(loss)								
	Profit/(loss) for the year	–	–	–	–	3,431	3,431	(280)	3,151
	Total comprehensive income/(loss) for the year	–	–	–	–	3,431	3,431	(280)	3,151
	Transactions with owners in their capacity as owners								
	Share-based compensation	25	–	–	1,082	–	1,082	–	1,082
	Derecognition of other payables for share-based compensation	25	–	–	435	–	435	–	435
	Disposal of subsidiaries	14	–	–	–	–	–	8	8
	Total transactions with owners in their capacity as owners		–	–	435	–	1,517	8	1,525
	Balance at December 31, 2024	102,074	–	(314,057)	199,391	(366,424)	(379,016)	(3)	(379,019)

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		Attributable to owners of the Company							
		Paid-in capital	Share capital	Treasury stock	Reserves	(Accumulated losses)/ retained earnings	Subtotal	Non-controlling interests	(Deficit on total equity)/ total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Note		(Note 23(a))	(Note 23(b))	(Note 24)	(Note 24)				
	Balance at January 1, 2025	102,074	–	(314,057)	199,391	(366,424)	(379,016)	(3)	(379,019)
	Comprehensive income								
	Profit for the year	–	–	–	–	31,843	31,843	–	31,843
	Total comprehensive income for the year	–	–	–	–	31,843	31,843	–	31,843
	Transactions with owners in their capacity as owners								
	Disposal of subsidiaries	14	–	–	–	–	–	3	3
	Share-based compensation	25	–	–	4,515	–	4,515	–	4,515
	Derecognition of other payables for share-based compensation	25	–	–	70	–	70	–	70
	Issuance of ordinary shares	23	11,342	–	(11,342)	–	–	–	–
	Derecognition of redemption liabilities	30	–	–	309,799	190,056	–	499,855	–
	Conversion into a joint stock company	23	(113,416)	113,416	–	(369,971)	369,971	–	–
	Total transactions with owners in their capacity as owners		(102,074)	113,416	298,527	(175,400)	369,971	504,440	3
	Balance at December 31, 2025		–	113,416	(15,530)	23,991	35,390	157,267	–

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Cash generated from operations	34(a)	30,623	65,186	20,834
Interest received		17	151	93
Net cash from operating activities		30,640	65,337	20,927
Cash flows from investing activities				
Purchase of property, plant and equipment . .		(16)	(188)	(37)
Proceeds from disposal of property, plant and equipment		1,487	–	–
Purchases of financial assets at fair value through profit or loss	18	–	(65,000)	(510,000)
Proceeds from maturity of financial assets at fair value through profit or loss	18	–	35,116	541,146
Net cash outflow from disposal of subsidiaries		–	(29)	(203)
Loans granted	33(b)(ii)	(41,388)	(27,050)	–
Loans repaid		3,317	40,362	24,709
Net cash (used in)/from investing activities . .		(36,600)	(16,789)	55,615
Cash flows from financing activities				
Proceeds from issuance of restricted stock units (“RSUs”)	25	–	–	5,418
Payment of [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Proceeds from borrowings		16,500	5,000	8,000
Repayment of borrowings		–	(16,500)	(5,400)
Interest paid		(472)	(408)	(192)
Refund of lease deposit		1,428	–	–
Payment of lease deposit		(770)	(711)	–
Payment of lease liabilities	15(b)	(4,665)	(1,004)	(2,082)
Net cash from/(used in) financing activities . .		12,021	(13,623)	5,125
Net increase in cash and cash equivalents . .		6,061	34,925	81,667
Cash and cash equivalents at beginning of the year		13,893	19,954	54,879
Cash and cash equivalents at end of the year	22(a)	19,954	54,879	136,546

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II. NOTES TO THE FINANCIAL INFORMATION

1 GENERAL INFORMATION

Beijing RC Tech Co., Ltd. (the “Company”) is a limited liability company incorporated in Beijing, the People’s Republic of China (the “PRC”) on March 18, 2015. Pursuant to a resolution of the shareholders meeting of the Company held on June 10, 2025, it is resolved that the Company will convert from a limited liability company to a joint stock limited company. On October 27, 2025, the Company completed the industrial and commercial registration and obtained the Business License (No. 91110108335481926M) issued by the Beijing Haidian District Administration for Market Regulation and was formally converted into a joint stock company with limited liability under the Company Law of the PRC. The address of the Company’s registered office is Room 040, Level 1, Building 7, Qinghe Maofang Road, Haidian District, Beijing, PRC.

The Company and its subsidiaries (collectively, the “Group”) are primarily engaged in provision of internet application solutions, vertical industry solutions and overseas nationwide communication solutions in the Chinese Mainland and certain areas outside of the Chinese Mainland, based on artificial intelligent communication platform (“AICP”) built by the Company.

Mr. Wang Cheng is the ultimate controlling shareholder of the Group throughout the Track Record Period and remains as the ultimate controlling shareholder of the Group as of the date of this report.

2 BASIS OF PREPARATION

The Historical Financial Information of the Group has been prepared in accordance with all applicable IFRS Accounting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”).

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- IAS Standards; and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 below.

All effective standards, amendments to standards and interpretations, which are mandatory for the financial period ended December 31, 2025, are consistently adopted by the Group throughout the Track Record Period.

New or amended standards and annual improvement that have been issued but not yet effective and not being early adopted by the Group during the Track Record Period are as follows:

Standards and amendments	Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments . . .	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
Amendment to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS 21 – Translation to a Hyperinflationary Presentation Currency	January 1, 2027
IFRS 20 Regulatory Assets and Regulatory Liabilities	January 1, 2029
Sale or Contribution of Assets between an Investor and its Associate – Amendments to IFRS 10 and IAS 28	To be determined

These new or amended accounting standards and annual improvements are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, except for the adoption of IFRS 18 for the reporting periods beginning on or after January 1, 2027.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

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Management is assessing the implications of applying IFRS 18. Although the adoption of IFRS 18 will have no impact on the net profit, the Group expects that grouping items in the statements of profit or loss into new categories will impact how operating profit is calculated and exported. From the high level assessment up to now, management has identified that the gain or loss of financial assets at fair value through profit or loss which is currently aggregated in the line item “other gains, net” within operating profit, will be presented below operating profit under IFRS 18.

The Group will apply this new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

At each subsequent reporting period, the Group will provide an update on the progress towards transition to IFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the Chinese Mainland and is exposed to foreign exchange risk arising from transactions denominated in United States Dollar (“USD”). Accordingly, foreign exchange risk primarily arises from the Group’s recognized assets, which relate to the receipt or expected receipt of foreign currencies from business counterparties outside the Chinese Mainland.

If foreign currencies had strengthened/weakened by 5% against RMB with all other variables held constant, the loss for the year ended December 31, 2023 would have been approximately RMB1,290,000 lower/higher, respectively, as a result of net foreign exchange gains on translation of net monetary assets denominated in USD.

If foreign currencies had strengthened/weakened by 5% against RMB with all other variables held constant, the profit for the year ended December 31, 2024 would have been approximately RMB30,000 higher/lower, respectively, as a result of net foreign exchange gains on translation of net monetary assets denominated in USD.

If foreign currencies had strengthened/weakened by 5% against RMB with all other variables held constant, the profit for the year ended December 31, 2025 would have been approximately RMB100,000 higher/lower, respectively, as a result of net foreign exchange gains on translation of net monetary assets denominated in USD.

(ii) Interest rate risk

The Group’s interest rate risk primarily arose from its redemption liabilities, borrowings, and cash and cash equivalents. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

All the Group’s interest-bearing borrowings all bear fixed interest rates as at December 31, 2023, 2024 and 2025, and hence the Group is not subject to cash flow interest rate risk.

If the interest rate of cash and cash equivalents had been 50 basis points higher/lower, the loss before income tax for the years ended December 31, 2023 would have been approximately RMB100,000 lower/higher. If the interest rate of cash and cash equivalents had been 50 basis points higher/lower, the profit before income tax for the years ended December 31, 2024 and 2025 would have been approximately RMB274,000 and RMB683,000 higher/lower, respectively.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

(iii) Price risk

The Group is exposed to price risk in respect of investments held by the Group classified as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage the price risk arising from its investments, the Group diversifies its portfolio and the investments are managed by management one by one, either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group’s liquidity level simultaneously. See Note 3.3 for details for more about the sensitivity information for the changes in prices or fair value of these investments.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, trade receivables, notes receivables and other receivables. The carrying amounts of each class of the above financial assets represent the Group’s maximum exposure to credit risk in relation to these financial assets.

To manage risk arising from cash and cash equivalents, restricted cash and notes receivables, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions.

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To manage risk arising from trade receivables, the Group determined the corresponding credit term based on the past transaction history and business scale with the counterparties. The credit period granted to the customers is usually no more than 90 days and the credit quality of the customers are assessed by taking into account their financial position, past experience and other factors.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences. In view of the history of cooperation with the counterparties and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group’s outstanding other receivables balances is low.

Impairment of financial assets

The Group performs impairment assessment under the expected credit loss (“ECL”) model on financial assets at amortized cost (mainly including trade receivables and other receivables). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

While cash and cash equivalents, restricted cash and notes receivables (mainly for bank acceptance) are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging periods. The expected loss rates are based on the aged-based migration rates of trade receivables and historical credit loss rates by industry, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (“GDP”) of Chinese Mainland (the prime location of its business operations) and global nominal GDP growth rate (for international customers) to be the most relevant factors, and accordingly adjusts the loss rates based on expected changes in these factors. Details of loss allowance of trade receivables as at December 31, 2023, 2024 and 2025 were included in Note 20.

Other receivables

The management of the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences. The Group measures credit risk using Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”).

- Other receivables that are not credit-impaired on initial recognition are classified in ‘Stage 1’ and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.
- If a significant increase in credit risk (specifically, when the debtor is more than 30 day past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.
- If the financial instrument is credit-impaired (specifically, when the debtor is more than 90 days past due on its contractual payments), the financial instrument is then moved to ‘Stage 3’. The expected credit loss is measured on lifetime basis.

As there has been no significant increase in credit risk since initial recognition, all of the Group’s other receivables as at December 31, 2023, 2024 and 2025 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis.

Write-off policy

Financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate cash and cash equivalents or adjust financing arrangements to meet the Group’s liquidity requirements.

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The table below analyzes the Group’s non-derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At December 31, 2023						
Borrowings	16,972	—	—	—	16,972	16,500
Trade payables	12,637	—	—	—	12,637	12,637
Other payables (excluding payroll payables and other taxes payables)	9,051	—	—	—	9,051	9,051
Lease liabilities	1,438	1,406	820	—	3,664	3,497
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At December 31, 2024						
Borrowings	5,408	—	—	—	5,408	5,000
Trade payables	11,890	—	—	—	11,890	11,890
Other payables (excluding payroll payables and other taxes payables)	6,040	—	—	—	6,040	6,040
Lease liabilities	2,499	1,562	—	—	4,061	3,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At December 31, 2025						
Borrowings	1,058	1,030	2,916	3,885	8,889	7,600
Trade payables	13,301	—	—	—	13,301	13,301
Other payables (excluding payroll payables and other taxes payables)	12,669	—	—	—	12,669	12,669
Lease liabilities	1,274	—	—	—	1,274	1,265
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Group’s liabilities arising from the redemption rights that were granted to the investors was not included in the above table as the redemption will only be triggered under the occurrence of certain conditions and situations (please refer to Note 30 for more details).

3.2 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders’ value in the long-term.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company’s shares.

The Group monitors capital on the basis of the adjusted liability-to-asset ratio. For this purpose, adjusted liabilities are defined as total liabilities less redemption liabilities. The adjusted liability-to-asset ratio of the Group as at December 31, 2023, 2024 and 2025 was approximately 54.8%, 43.2% and 30.9%. In the opinion of the directors of the Company, the Group’s capital risk is manageable.

3.3 Fair value estimation

The table below analyzes the Group’s financial instruments carried at fair value as at each balance sheet dates, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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The following tables present the Group’s assets that are measured at fair value at December 31, 2023, 2024 and 2025:

As at December 31, 2023	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Assets				
Long-term investments measured at fair value through profit or loss (<i>Note 18</i>)	–	–	26,828	26,828
	–	–	–	–
As at December 31, 2024	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Assets				
Long-term investments measured at fair value through profit or loss (<i>Note 18</i>)	–	–	27,395	27,395
Short-term investments measured at fair value through profit or loss (<i>Note 18</i>)	–	–	30,028	30,028
	–	–	57,423	57,423
	–	–	–	–
As at December 31, 2025	Level 1	Level 2	Level 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
Assets				
Long-term investments measured at fair value through profit or loss (<i>Note 18</i>)	–	–	27,542	27,542
	–	–	–	–

The management manages the valuation exercise of the investments on a case-by-case basis. At least once every year, the management would use valuation techniques to determine the fair value of the Group’s level 3 instruments. External valuation experts were involved when necessary.

The valuation of the level 3 instruments mainly included the Group’s long-term investments in fund investments (Note 18), and short-term investments in wealth management products (Note 18). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair values			Significant unobservable inputs	Range of inputs			Relationship of unobservable inputs to fair values
	As at December 31,				As at December 31,			
	2023	2024	2025		2023	2024	2025	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Long-term investments measured at fair value through profit or loss:								
– Fund investments (<i>note</i>)	26,828	27,395	27,542	<i>note</i>	N/A	N/A	N/A	<i>note</i>
Short-term investments measured at fair value through profit or loss:								
– Investments in wealth management products	–	30,028	–	Expected rate of return	N/A	1.30% to 2.30%	N/A	The higher the expected rate of return, the higher the fair value.
	<u>26,828</u>	<u>57,423</u>	<u>27,542</u>					

Note:

Valuation of long-term investments measured at fair value through profit or loss

The fair value of the fund investments are primarily based on the Group’s attributable portion of the reported net asset values (“NAVs”) of the funds. The NAVs were derived from the fair value of the underlying investments (most of the assets of the funds represented financial assets measured at fair value) at the same measurement date as that used by the Group. The Group understands and assesses the valuations provided by the general partner of the funds and made necessary adjustments as a result of the assessment. The fund investments are included in level 3.

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The unobservable inputs which significantly impacted the fair value are the net asset value of the funds reported by its general partner and the adjustment made by the Group (together, the “adjusted NAV”). If the adjusted NAV increased/decreased by 5%, the loss before income tax for the year ended December 31, 2023 would have been approximately RMB1,341,000 lower/higher. If the adjusted NAV increased/decreased by 5%, the profit before income tax for the years ended December 31, 2024 and 2025 would have been approximately RMB1,370,000, and RMB1,377,000 higher/lower, respectively.

The Group believes that any reasonably possible change in assumptions used for the significant unobservable inputs would not have any significant impact on the Group’s profit or loss.

There were no transfers between levels 1, 2 and 3 of fair value hierarchy classifications during the years ended December 31, 2023, 2024 and 2025.

The carrying amounts of the Group’s financial assets that are not measured at fair value including cash and cash equivalents, restricted cash, trade receivables, notes receivables and other receivables, and the Group’s financial liabilities that are not measured at fair value, including borrowings, lease liabilities, trade payables and other payables, approximate their fair values due to their short maturities or they bear interest rates which are close to the market interest rates.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group’s accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Valuation of share-based compensation

The fair value of RSUs at the grant date is determined by using valuation techniques. Significant estimates on assumptions, such as risk-free interest rate, expected volatility, dividend yield and discount for lack of marketability are made based on management’s best estimates. Further details are included in Note 25.

(b) Credit loss allowance for trade receivables

The credit loss allowance for trade receivables are based on assumptions about risk of default and expected loss rates. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and aging periods. The expected loss rates are based on the aged-based migration rates of trade receivables and historical credit loss rates by industry, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. Further details are included in Notes 3.1(b) and 20.

(c) Fair value of long-term financial assets

As mentioned in Note 3.3, the fair value of Level 3 financial assets that are not traded in an active market is determined by using valuation techniques. The Group has used NAV approach for various long-term financial assets measured at fair value through profit or loss that are not traded in active markets. The Group uses its judgment to make necessary adjustments to reported NAVs of the fund investments based on selection of a variety of valuation methods and assumptions that are mainly based on market conditions existing at each balance sheet date.

(d) Income taxes

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

For temporary differences or tax losses which give rise to deferred income tax assets, the Group assesses the likelihood that the deferred income tax assets could be recovered. Deferred income tax assets are recognized based on the Group’s estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

5 SEGMENT INFORMATION

The Group’s business activities, for which discrete financial information are available, are regularly reviewed and evaluated by the chief operating decision-makers (“CODMs”). The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors of the Company that make strategic decisions. The CODMs consider that the Group’s operations are operated and managed as a single segment. Accordingly, no segment information is presented.

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Geographical information

The following table sets out the information about the geographical location of the Group’s revenue from external customers. The geographical location for internet application solutions is based on the location of the data centers, while that for vertical industry solutions and overseas nationwide communication solutions is based on the location where the products or services are accepted.

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Chinese Mainland	114,075	102,041	119,090
Outside of Chinese Mainland	77,380	65,579	78,264
	<u>191,455</u>	<u>167,620</u>	<u>197,354</u>

As at December 31, 2023, 2024 and 2025, substantially all of the Group’s non-current assets are located or derived from transactions conducted in the Chinese Mainland.

6 REVENUE

Disaggregation of revenue from contracts with customers:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Internet application solutions	126,208	127,417	132,592
Vertical industry solutions	26,814	26,773	48,082
Overseas nationwide communication solutions	38,433	13,430	16,680
	<u>191,455</u>	<u>167,620</u>	<u>197,354</u>

The Group derives revenue from the transfer of goods and services at a point in time and over time which are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue recognized			
– Over time	169,550	145,221	149,276
– At a point in time	21,905	22,399	48,078
	<u>191,455</u>	<u>167,620</u>	<u>197,354</u>

For the year ended December 31, 2023, revenue of approximately RMB38,433,000 was derived from one external customer, which accounted for approximately 20% of the Group’s total revenue. For the year ended December 31, 2024, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group’s total revenue. For the year ended December 31, 2025, revenue of approximately RMB22,430,000 was derived from one external customer, which accounted for approximately 11% of the Group’s total revenue.

(a) Contract liabilities

The Group has recognized the following liabilities related to contracts with customers:

	As at January 1,	As at December 31,		
	2023	2023	2024	2025
	RMB’000 (Unaudited)	RMB’000	RMB’000	RMB’000
Internet application solutions	19,324	15,791	14,168	12,662
Vertical industry solutions	5,605	4,263	13,772	2,250
Overseas nationwide communication solutions	–	–	–	1,067
	<u>24,929</u>	<u>20,054</u>	<u>27,940</u>	<u>15,979</u>

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Contract liabilities of the Group mainly arise from the advance payments made by customers for the underlying products and services not yet provided.

The following table shows how much of the revenue, which was included in the contract liability balance at the beginning of each year, recognized during each of the Track Record Period related to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognized that was included in the contract liabilities at the beginning of the year	16,971	14,254	23,068

(b) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from long-term contracts:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied .	116	1,583	16,271

As at 31 December 2025, management expects that approximately 91% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue during the year ending December 31, 2026, and the remaining 9% will be recognized during the year ending December 31, 2027.

Other contracts at the end of each reporting year are for an original expected duration of one year or less, or are billed based on actual consumption incurred. The Group applied the expedient under IFRS 15 for not disclosing of unsatisfied performance obligations.

(c) Accounting policies of revenue recognition

Revenue is measured at the transaction price, representing amounts receivable for products sold and services provided, net of discounts and excluding value-added taxes. The Group recognizes revenue as and when the performance obligation is satisfied for each of its activities, as described below.

(a) Internet application solutions

Revenue related to internet application solutions consists of licensing with access to the AICP. The Group charges customers on a consumption basis, such as the maximum number of daily active users and the number of messages of the platform in a reporting period. Licensing with access to the platform is one separate performance obligation in the contract. Customers may purchase multiple items of licensing with access to the platform, and the relevant transaction price is determined based on the relative observable standalone selling prices of each separate performance obligation provided to the customers. Revenue from licensing with access to the platform is recognized over time based on customers’ utilization of the platform.

(b) Vertical industry solutions

Revenue related to vertical industry solutions consists of on-premises licensing, application implementation and maintenance services.

On-premises licensing is recognized at the point in time when the control of the asset is transferred to the customer, generally on delivery of license code and the software development kit (“SDK”). The Group sells standard SDKs to end customers or solution partners. Solution partners are regarded as direct customers of the Group as the solution partners will take control of the software, integrate with other products and related services and sell to end customers.

Application implementation services are recognized as revenue upon the transfer of control to the customer of the promised products and services, generally on the acceptance of the implemented promised products and services by the customer.

Revenue from application maintenance services is recognized when the services are rendered.

(c) Overseas nationwide communication solutions

Revenue related to overseas nationwide communication solutions consists of application development, licensing and maintenance services.

Revenue from application development services is recognized over the period of the contracts by reference to the progress of work performed, which is established according to the value of efforts put in each task (measured by standard man days for each task) acknowledged by the customers. The corresponding implementation costs are recognized as incurred under cost of sales.

Depending on the nature of the license, revenue from licensing is recognized over time (the license period) or at a point in time. Revenue from application maintenance services is recognized when the services are rendered.

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Timing of revenue recognition may differ from the timing of invoicing to customers. The Group may perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, also may have a right to an amount of consideration before transferring goods or services to a customer. The Group recognizes a contract liability in the balance sheet, depending on the relationship between the Group’s performance and the customer’s payment.

7 OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Government grants (<i>note</i>)	2,290	1,027	–
Value-added tax and other tax refunds	1,090	1,013	722
Interest income from bank deposits	17	151	93
Others	113	–	–
	<u>3,510</u>	<u>2,191</u>	<u>815</u>

Note: Government grants represented various subsidies granted by and received from local government authorities in the PRC. There are no unfulfilled conditions or contingencies related to these government grants.

Accounting policies of government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the property and equipment and other non-current assets are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

8 OTHER GAINS, NET

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fair value changes on financial assets at fair value through profit or loss			
– Fund investments	65	567	147
– Investments in wealth management products	–	144	1,118
Foreign exchange gains/(losses), net	2,273	804	(142)
Others	(650)	234	417
	<u>1,688</u>	<u>1,749</u>	<u>1,540</u>

9 EXPENSES BY NATURE

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Employee benefit costs (<i>Note 10</i>)	116,590	89,701	92,461
Changes in capitalized contract fulfilment cost	(47)	(5,358)	5,465
Bandwidth and servers custody fee	27,843	21,513	20,263
Promotion and advertising expenses	7,565	10,966	13,262
Outsourced technical services	5,615	6,223	7,296
Net impairment (reversal)/losses on financial assets	(317)	1,617	4,854
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Travelling expenses	3,170	2,234	2,096
Depreciation charges	7,015	2,168	2,295
Other professional consulting fees	1,890	762	2,122
Business development expenses	2,633	2,377	2,040
Utilities and office expenses	4,285	2,353	2,836
Auditors’ remuneration	482	–	–
Others	1,737	988	1,510
	<u>178,461</u>	<u>135,544</u>	<u>160,533</u>

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10 EMPLOYEE BENEFIT COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	93,418	71,813	73,306
Pension costs – defined contribution plans (note)	4,498	3,506	3,917
Other social security costs, housing benefits and other employee benefits	17,271	13,300	10,723
Share-based compensation (Note 25)	1,403	1,082	4,515
	<u>116,590</u>	<u>89,701</u>	<u>92,461</u>

Note: During the Track Record Period, no forfeited contributions were utilized by the Group to reduce its contributions to these pension schemes for the respective years.

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group did not include any directors or supervisors of the Company for the year ended December 31, 2023, but included one director of the Company for the year ended December 31, 2024, and two directors of the Company for the year ended December 31, 2025, whose emoluments are set out in note (b) below. The emoluments payable to the respective remaining 5, 4 and 3 highest paid individuals for the years ended December 31, 2023, 2024, and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages and salaries	2,631	2,346	1,970
Discretionary bonuses	2,532	1,865	698
Pension costs – defined contribution plans	208	225	95
Other social security costs, housing benefits and other employee benefits	414	423	252
Share-based compensation	266	227	340
	<u>6,051</u>	<u>5,086</u>	<u>3,355</u>

Their emoluments for the years ended December 31, 2023, 2024, and 2025 fell within the following bands:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Hong Kong Dollar (“HKD”) 500,001 to HKD1,000,000 . . .	–	–	1
HKD1,000,001 to HKD1,500,000	5	4	2
	<u>5</u>	<u>4</u>	<u>3</u>
	<u>=</u>	<u>=</u>	<u>=</u>

(b) Benefits and interests of directors and supervisors

The remuneration of each director and supervisor of the Company for the year ended December 31, 2023 are set out as follows:

	Wages and salaries	Discretionary bonuses	Contributions to pension plans	Other social security costs, housing benefits and other employee benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>						
Wang Cheng	216	–	21	79	–	316
Dong Han	600	–	12	73	170	855
Ren Jie	250	–	9	34	–	293
He Liang (note (i))	840	70	12	69	88	1,079
Han Ying (note (ii))	225	–	7	89	–	321
Cen Yu (note (iii))	840	280	63	96	98	1,377

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	Wages and salaries	Discretionary bonuses	Contributions to pension plans	Other social security costs, housing benefits and other employee benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-executive director</i>						
Huang Shuo (<i>note (iv)</i>) . . .	—	—	—	—	—	—
Tang Zujia	—	—	—	—	—	—
Cai Yaoyao	—	—	—	—	—	—
Yu Jie (<i>note (v)</i>)	—	—	—	—	—	—
Zhou Fan (<i>note (vii)</i>)	—	—	—	—	—	—
<i>Supervisor</i>						
Li Miao	603	77	63	97	—	840
Zhu Yidan (<i>note (x)</i>)	180	39	5	24	—	248
	<u>3,754</u>	<u>466</u>	<u>192</u>	<u>561</u>	<u>356</u>	<u>5,329</u>

The remuneration of each director and supervisor of the Company for the year ended December 31, 2024 are set out as follows:

	Wages and salaries	Discretionary bonuses	Contributions to pension plans	Other social security costs, housing benefits and other employee benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>						
Wang Cheng	386	—	21	82	—	489
Dong Han	450	—	13	75	177	715
Ren Jie	35	—	—	2	—	37
Cen Yu (<i>note (iii)</i>)	940	240	66	129	99	1,474
He Liang	840	210	13	76	89	1,228
<i>Non-executive director</i>						
Huang Shuo (<i>note (iv)</i>) . . .	—	—	—	—	—	—
Tang Zujia	—	—	—	—	—	—
Cai Yaoyao	—	—	—	—	—	—
Zhou Fan (<i>note (vii)</i>)	—	—	—	—	—	—
<i>Supervisor</i>						
Li Miao	459	—	49	80	—	588
Zhu Yidan (<i>note (x)</i>)	98	114	3	15	—	230
	<u>3,208</u>	<u>564</u>	<u>165</u>	<u>459</u>	<u>365</u>	<u>4,761</u>

The remuneration of each director and supervisor of the Company for the year ended December 31, 2025 are set out as follows:

	Wages and salaries	Discretionary bonuses	Contributions to pension plans	Other social security costs, housing benefits and other employee benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>						
Wang Cheng	420	—	21	86	—	527
Dong Han	420	—	13	79	192	704
Ren Jie	420	—	22	87	—	529
Cen Yu (<i>note (iii)</i>)	960	—	68	106	106	1,240
<i>Non-executive director</i>						
Huang Shuo	—	—	—	—	—	—
Tang Zujia	—	—	—	—	—	—
Cai Yaoyao (<i>note (vi)</i>)	—	—	—	—	—	—
Zhou Fan (<i>note (vii)</i>)	—	—	—	—	—	—
<i>Independent non-executive directors</i>						
Sun Kai (<i>note (viii)</i>)	—	—	—	—	—	—
Wang Wenbo (<i>note (viii)</i>) . .	—	—	—	—	—	—
Ye Lingwei (<i>note (viii)</i>) . . .	—	—	—	—	—	—
Zhang Yi (<i>note (viii)</i>)	—	—	—	—	—	—

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	Wages and salaries	Discretionary bonuses	Contributions to pension plans	Other social security costs, housing benefits and other employee benefits	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Supervisor</i>						
Li Miao (<i>note (ix)</i>)	584	2	65	99	–	750
Zhu Yidan (<i>note (x)</i>)	342	25	10	48	156	581
He Liang (<i>note (i)</i>)	849	–	13	76	144	1,082
	<u>3,995</u>	<u>27</u>	<u>212</u>	<u>581</u>	<u>598</u>	<u>5,413</u>

Notes:

- (i) Mr. He Liang was appointed as an executive director of the Company in May 2023 and tendered his resignation from the position of executive director and was appointed as a supervisor of the Company simultaneously in July 2025. He eventually resigned from the position of supervisor in December 2025.
- (ii) Mr. Han Ying tendered his resignation from the position of executive director of the Company in May 2023.
- (iii) Mr. Cen Yu was appointed as an executive director of the Company in July 2025.
- (iv) Ms. Huang Shuo was appointed as a non-executive director of the Company in May 2023.
- (v) Ms. Yu Jie tendered her resignation from the position of non-executive director of the Company in May 2023.
- (vi) Ms. Cai Yaoyao tendered her resignation from the position of non-executive director of the Company in May 2025.
- (vii) Mr. Zhou Fan was appointed as a non-executive director of the Company in May 2025.
- (viii) Mr. Sun Kai, Mr. Wang Wenbo, Mr. Ye Lingwei and Ms. Zhang Yi were appointed as independent non-executive directors of the Company in December 2025. None of them received any remuneration from the Group prior to their appointment.
- (ix) Mr. Li Miao tendered his resignation from the position of supervisor of the Company in December 2025.
- (x) Ms. Zhu Yidan was appointed as supervisor of the Company in July 2025, and resigned from the position in December 2025.

(c) Directors’ and supervisors’ termination benefits

No termination benefits were paid or payable to the directors or supervisors during the years ended December 31, 2023, 2024 and 2025.

(d) Consideration provided to third parties for making available directors’ and supervisors’ services

No consideration provided to third parties for making available directors’ or supervisors’ services during the years ended December 31, 2023, 2024 and 2025.

(e) Information about loans, quasi-loans and other dealings in favor of directors and supervisors, controlled body corporates by and connected entities with such directors and supervisors

No loans, quasi-loans and other dealings in favor of directors or supervisors, controlled body corporates by and connected entities with such directors or supervisors subsisted as at December 31, 2023, 2024 and 2025 or at any time during the respective years.

(f) Directors’ and supervisors’ material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted as at December 31, 2023, 2024 and 2025 or at any time during the respective years.

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Accounting policies of employee benefits.

(a) Pension obligations and other social welfare benefits

Full-time employees of the Group in Chinese Mainland are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labor regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees’ salaries, up to a maximum amount specified by the local government. The Group has no further legal obligation for the benefits beyond the required contributions.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(c) Bonus plans

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

11 FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expense on redemption liabilities (<i>Note 30</i>)	32,132	32,219	12,589
Interest expense on lease liabilities (<i>Note 15</i>)	115	64	70
Interest expense on borrowings	472	408	192
Others	203	174	200
	<u>32,922</u>	<u>32,865</u>	<u>13,051</u>

12 INCOME TAX

The income tax of the Group for the years ended December 31, 2023, 2024, and 2025 are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	—	—	—
Deferred income tax	—	—	(5,718)
Income tax credit	<u>—</u>	<u>—</u>	<u>(5,718)</u>

The tax on the Group’s (loss)/profit before income tax differs from the theoretical amount that would arise using the statutory tax rate in Chinese Mainland as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit before income tax	(14,730)	3,151	26,125
Tax calculated at statutory income tax rate of 25% in Chinese Mainland (<i>note (a)</i>)	(3,683)	788	6,531

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	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Effect of lower tax rates in other jurisdictions	87	2	–
Preferential income tax rate applicable to subsidiaries (note (b))	2,677	(113)	(2,522)
Expenses not deductible for income tax purposes	5,050	5,059	1,959
Income not subject to tax	(975)	(2)	–
Tax losses and temporary differences for which no deferred income tax assets were recognized (note (c))	2,153	1,316	3,092
Utilization and recognition of previously unrecognized tax losses	–	(1,194)	(7,146)
Super Deduction for research and development expenses (note (d))	(5,318)	(5,842)	(7,632)
Others	9	(14)	–
Income tax credit	<u>–</u>	<u>–</u>	<u>(5,718)</u>

Notes:

(a) Enterprise Income Tax (“EIT”)

The income tax provision of the Group in respect of its operations in Chinese Mainland was calculated at tax rate of 25% on the assessable profits for the respective year presented, based on the existing legislation, interpretations and practices in respect thereof.

(b) Preferential EIT Rate

The Company and certain subsidiaries in Chinese Mainland are entitled to preferential EIT rate, and details of which are as below:

The Company obtained the qualification as a “High and New Technology Enterprise” (“HNTE”) in October 2020 and renewed the qualification in December 2023, hence it enjoys a preferential income tax rate of 15% from 2020 to 2026. Management considers that the Company can be continued to be qualified as HNTE upon renewal and hence will continue to enjoy the preferential income tax rate of 15% in the foreseeable future.

Beijing Bailing Century Network Technology Co., Ltd. (“Beijing Bailing Century”), Beijing Shadian IoT Technology Co., Ltd. (“Beijing Shadian”), Beijing Guoxin Anshi Technology Co., Ltd. (“Beijing Guoxin Anshi”) and Beijing Chuangqiyi Technology Co., Ltd. (“Beijing Chuangqiyi”) are qualified as small and micro enterprises. According to the Announcement of the Ministry of Finance of the PRC and the State Taxation Administration on Further Implementing the Income Tax Preferential Policies for Small and Micro Enterprises (Cai Shui [2023] No. 12), only 25% of the aforesaid subsidiaries’ taxable profits will be subject to enterprise income tax at a preferential tax rate of 20%.

(c) Temporary differences and deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates which are expected to be applied at the time of reversal of the temporary differences. Deferred income tax assets are recognized for deductible temporary differences and tax losses to the extent that the realization of the related tax benefits through future taxable profits is probable. See Note 26 for more information about the deferred income tax as recognized by the Group.

(d) Super Deduction for research and development expenses

According to a policy promulgated by the Ministry of Finance of the PRC and the State Taxation Administration that was effective from 2023 onwards, enterprises engaging in research and development activities are entitled to claim 100% of the eligible research and development expenses incurred as tax deductible expenses in determining tax assessable profits (“Super Deduction”). The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the respective years.

Accounting policies of current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

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(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

13 (LOSS)/EARNINGS PER SHARE

(a) Basic

The basic (loss)/earnings per share is calculated by dividing the (loss)/profits attributable to owners of the Company by the weighted average number of ordinary shares in issue (less treasury stocks) during the respective year. The weighted average number of ordinary shares in issue before the conversion into a joint stock company was determined assuming the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon conversion into joint stock company in October 2025 and retrospectively applied.

	Year ended December 31,		
	2023	2024	2025
(Loss)/profit attributable to owners of the Company (RMB'000)	(12,393)	3,431	31,843
Weighted average number of ordinary shares in issue (in thousand)	102,074	102,074	108,754
Less: weighted average number of treasury shares (in thousand) (note)	(11,482)	(11,482)	(18,162)
Weighted average number of ordinary shares outstanding (in thousand)	90,592	90,592	90,592
Basic (loss)/earnings per share for profit attributable to owners of the Company (expressed in RMB per share) . .	(0.14)	0.04	0.35

Note: The treasury shares include shares repurchased or held under the Share Award Schemes as mentioned in Note 25, and exclude treasury shares as recognized in connection with the redemption liabilities.

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(b) Diluted

As the Group incurred losses for the year ended December 31, 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive for that year. For the years ended December 31, 2024 and 2025, the potential ordinary shares from the redemption liabilities were not included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive. Accordingly, diluted earnings per share for the years ended December 31, 2023, 2024 and 2025 are the same as basic profit per share for the respective years.

Accounting policies of earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and

by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and

the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

14 SUBSIDIARIES OF THE COMPANY

As at the date of this report, the Company has direct and indirect interests in the following subsidiaries, all being limited liability companies:

Name of subsidiary	Place and date of incorporation/ establishment	Registered capital	Equity interest held as at				Principal activities	Note
			December 31,			the date of this report		
			2023	2024	2025			
Subsidiaries directly held:								
Beijing Bailing Century	Beijing, PRC/ November 25, 2019	RMB3,093,600	100%	100%	100%	100%	Technological development	(a), (f)
Beijing Shadian	Beijing, PRC/ January 4, 2022	RMB20,000,000	65%	N/A	N/A	N/A	Technological development	(a), (b), (f)
Beijing Guoxin Anshi	Beijing, PRC/ September 19, 2016	RMB5,000,000	60%	60%	N/A	N/A	Technological development	(a), (c), (f)
RCLOUD GLOBAL PTE. LTD.	Singapore/ December 10, 2025	Singapore Dollar (“SGD”) 3,000	N/A	N/A	100%	100%	Technological development	(e)
Subsidiaries indirectly held:								
Beijing Chuangqiye	Beijing, PRC/ August 27, 2021	RMB10,000,000	100%	100%	N/A	N/A	Technological development	(a), (d), (f)
Smart Interconnection FZE (“Smart FZE”)	Dubai, United Arab Emirates/ July 13, 2022	AED300,000	65%	N/A	N/A	N/A	Audio-visual	(a), (b), (f)

Notes:

- (a) No audited financial statements were issued for these companies as they are either newly incorporated or not required to issue audited financial statements under the statutory requirements of their respective places of incorporation.
- (b) On September 30, 2024, the Company disposed of its entire 65% equity interest in Beijing Shadian and its subsidiary, Smart FZE, and the two companies were de-consolidated from the Group since then.
- (c) Beijing Guoxin Anshi was deregistered on August 29, 2025.
- (d) On June 12, 2025, the Company disposed of its entire 100% equity interest in Beijing Chuangqiye and Beijing Chuangqiye was de-consolidated from the Group since then.

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- (e) The wholly-owned subsidiary is incorporated by the company in Singapore on December 10, 2025. As at December 31, 2025, the Group had not yet completed its capital contributions.
- (f) Full provision for impairment on the Company’s costs of investments have been recognized prior to the beginning of the Track Record Period and hence the Company’s costs of investments in subsidiaries were Nil as of December 31, 2023, 2024 and 2025.

15 LEASES

The Group leases certain of its offices under lease arrangements, with the negotiated lease terms of 3 years.

The consolidated balance sheets include the following amounts relating to leases:

(a) Right-of-use assets

Group and Company

The carrying amounts of the Group’s right-of-use assets and the movements during the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At beginning of the year	4,308	3,621	3,774
Additions	4,072	2,095	178
Termination	–	(418)	–
Change of leases	–	–	(395)
Depreciation charge	(4,759)	(1,524)	(2,052)
At end of the year	<u>3,621</u>	<u>3,774</u>	<u>1,505</u>

(b) Lease liabilities

Group and Company

The carrying amounts of the Group’s lease liabilities as at December 31, 2023, 2024 and 2025 are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current	1,336	2,413	1,265
Non-current	2,161	1,551	–
	<u>3,497</u>	<u>3,964</u>	<u>1,265</u>

The consolidated statements of profit or loss and comprehensive income show the following amounts relating to leases:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Depreciation charge of right-of-use assets	4,759	1,524	2,052
Interest expense (<i>Note 11</i>)	115	64	70
Expense relating to short-term leases and low-value leases that are not included in lease liabilities	502	292	311

The consolidated statements of cash flows show the following amounts relating to leases:

The total cash outflows for leases during the years ended December 31, 2023, 2024 and 2025 were RMB5,167,000, RMB1,296,000 and RMB2,393,000, respectively.

Accounting policies of leases

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in the consolidated statements of cash flows within operating activities.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate specific to the country, term and currency of the contract. In addition, the Group considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments (less any lease incentives), variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the Group is reasonably certain to exercise these options.

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses (if any). The right-of-use assets are depreciated starting at the commencement date over the shorter period of useful life of the underlying asset and lease term.

The lease liability is presented in the ‘Lease liabilities’ line and the right-of-use assets are presented in the ‘Right-of-use assets’ line in the balance sheets. In addition, the principal portion of the lease payments and the interest component are presented within financing activities in the consolidated statements of cash flows.

16 PROPERTY, PLANT AND EQUIPMENT

The movement information of property, plant and equipment during the Track Record Period is as below:

	Computers and electronic equipment	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023			
Cost	7,740	2,911	10,651
Accumulated depreciation	(3,884)	(1,951)	(5,835)
Net book amount	3,856	960	4,816
Year ended December 31, 2023			
Opening net book amount	3,856	960	4,816
Additions	16	–	16
Disposals (<i>note</i>)	(1,487)	–	(1,487)
Depreciation charge	(1,296)	(960)	(2,256)
Closing net book amount	1,089	–	1,089
At December 31, 2023			
Cost	5,478	2,911	8,389
Accumulated depreciation	(4,389)	(2,911)	(7,300)
Net book amount	1,089	–	1,089
Year ended December 31, 2024			
Opening net book amount	1,089	–	1,089
Additions	188	–	188
Depreciation charge	(644)	–	(644)
Closing net book amount	633	–	633
At December 31, 2024			
Cost	5,666	2,911	8,577
Accumulated depreciation	(5,033)	(2,911)	(7,944)
Net book amount	633	–	633
Year ended December 31, 2025			
Opening net book amount	633	–	633
Additions	37	–	37
Depreciation charge	(243)	–	(243)
Closing net book amount	427	–	427
As at December 31, 2025			
Cost	5,703	2,911	8,614
Accumulated depreciation	(5,276)	(2,911)	(8,187)
Net book amount	427	–	427

Note: In May 2023, the Group disposed of computers and electronic equipment at the carrying amounts of RMB1,464,000 to Baiwo (Beijing) Network Technology Co., Ltd., a related party.

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Depreciation charges were expensed off in the following categories in the consolidated statements of profit or loss and other comprehensive income:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of sales	705	186	36
Selling and marketing expenses	449	140	55
General and administrative expenses	241	38	18
Research and development expenses	861	280	134
	<u>2,256</u>	<u>644</u>	<u>243</u>

Accounting policies of property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Computers and electronic equipment	3 to 5 years
Leasehold improvement	Estimated useful lives of 3 years or remaining lease terms, whichever the shorter

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 36.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other gains, net in the consolidated statements of profit or loss and other comprehensive income.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Assets as per balance sheets			
Financial assets at fair value through profit or loss:			
– Fund investments (Note 18)	26,828	27,395	27,542
– Investments in wealth management products (Note 18)	–	30,028	–
Financial assets at amortized cost:			
– Notes receivables (Note 20)	1,150	1,507	202
– Trade receivables (Note 20)	60,941	35,660	49,288
– Prepayments and other receivables (excluding prepayments and [REDACTED] to be capitalized) (Note 21)	[REDACTED]	[REDACTED]	[REDACTED]
– Restricted cash (Note 22(b))	–	–	81
– Cash and cash equivalents (Note 22(a))	19,954	54,879	136,546
	<u>147,894</u>	<u>176,818</u>	<u>215,974</u>
Liabilities as per balance sheets			
Financial liabilities at amortized cost:			
– Trade payables (Note 27)	12,637	11,890	13,301
– Other payables and accruals (excluding payroll payables and other taxes payables) (Note 28)	9,051	6,040	12,669
– Borrowings (Note 29)	16,500	5,000	7,600
– Redemption liabilities (Note 30)	455,047	487,266	–
– Lease liabilities (Note 15)	3,497	3,964	1,265
	<u>496,732</u>	<u>514,160</u>	<u>34,835</u>

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18 INVESTMENTS

Group and Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Long-term investments measured at fair value through profit or loss			
– Fund investments (<i>note (i)</i>)	26,828	27,395	27,542
Current assets			
Short-term investments measured at fair value through profit or loss			
– Investments in wealth management products (<i>note (ii)</i>)	–	30,028	–

Notes:

(i) Fund investments

On November 25, 2019, Beijing Taiyue Wutong Venture Investment Centre (Limited Partnership) (the “Taiyue Wutong Fund”) was incorporated in Beijing, PRC. On May 25, 2020, the Company, as a limited partner, has contributed cash of RMB32,400,000 to the Taiyue Wutong Fund and the Group has held 33.58% partnership interest in the Taiyue Wutong Fund as of December 31, 2023, 2024 and 2025. The Group has no significant influence as it has no representative in the investment committee of the Taiyue Wutong Fund and accounted for the investment in the Taiyue Wutong Fund as financial asset at fair value through profit or loss in accordance with IFRS 9.

(ii) Investments in wealth management products

The Group purchased investments in wealth management products issued by several banks located in PRC. The returns on all of these investments are not guaranteed and hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are accounted for as financial asset at fair value through profit or loss. None of these investments are past due as at the balance sheet date.

Gains recognized in profit or loss

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fair value changes on long-term investments measured at fair value through profit or loss	65	567	147
Fair value changes on short-term investments measured at fair value through profit or loss	–	144	1,118
	65	711	1,265

Movements in financial assets at fair value through profit or loss during the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	26,763	26,828	57,423
Addition	–	65,000	510,000
Disposal	–	(35,116)	(541,146)
Changes in fair value	65	711	1,265
At end of the year	26,828	57,423	27,542

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19 CONTRACT FULFILMENT COSTS

Group and Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract fulfilment costs	107	5,465	–
	<u>107</u>	<u>5,465</u>	<u>–</u>

Contract fulfilment costs are recognized from the costs incurred to fulfil contracts related to vertical industry solutions, which will be recognized in cost of sales mainly within 1 year when the Group’s related performance obligations are satisfied and hence the related service contract revenue is recognized.

Accounting policies of contract fulfilment costs

Contract fulfilment costs are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Group recognizes contract fulfilment cost from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The contract fulfilment cost recognized shall be amortized to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates.

The Group recognizes an impairment loss in profit or loss to the extent that the carrying amount of contract fulfilment cost recognized exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the services to which the asset relates; less
- the costs that relate directly to providing those services and that have not been recognized as expenses.

20 TRADE RECEIVABLES AND NOTES RECEIVABLES

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Notes receivables			
– Third parties	1,150	1,507	202
Trade receivables			
– Third parties	33,657	39,993	58,620
– Related parties (<i>Note 33(c)</i>)	29,986	–	–
	<u>64,793</u>	<u>41,500</u>	<u>58,822</u>
Less: credit loss allowance	<u>(2,702)</u>	<u>(4,333)</u>	<u>(9,332)</u>
	<u>62,091</u>	<u>37,167</u>	<u>49,490</u>

The gross carrying amount of the Group’s trade receivables and notes receivables are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	34,807	40,834	58,822
USD	29,986	666	–
	<u>64,793</u>	<u>41,500</u>	<u>58,822</u>

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Movements in the credit loss allowance recognized for the Group’s trade receivables is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At beginning of the year	3,186	2,702	4,333
Credit loss allowance (reversed)/recognized, net.	(484)	1,631	4,999
At end of the year	<u>2,702</u>	<u>4,333</u>	<u>9,332</u>

The Group determines trading terms with customers on a case-by-case basis. The credit terms given to trade customers are determined on an individual basis with the normal contractual credit period mainly within 90 days. The ageing analysis of the trade receivables based on date of initial recognition is as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables			
Up to 1 year	56,458	27,993	39,943
1 to 2 years	5,971	9,366	10,440
2 to 3 years	964	2,153	6,722
Over 3 years	250	481	1,515
	<u>63,643</u>	<u>39,993</u>	<u>58,620</u>

Notes receivables of the Group are bank accepted notes mainly with maturity dates within six months. Aging analysis of notes receivables based on issue date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Notes receivables			
Up to 1 year	<u>1,150</u>	<u>1,507</u>	<u>202</u>

The credit loss allowance of trade receivables as at December 31, 2023, 2024 and 2025 were determined as follows:

	As at December 31, 2023		
	Gross carrying amount	Expected credit loss rate	Credit loss allowance
	RMB’000		RMB’000
For credit loss allowance measured by aging related to internet application solutions			
– Up to 1 year	10,679	1.22%	130
– 1 to 2 years	1,270	33.62%	427
– 2 to 3 years	312	66.67%	208
– Over 3 years	236	100.00%	236
	<u>12,497</u>		<u>1,001</u>
For credit loss allowance measured by aging related to vertical industry solutions			
– Up to 1 year	15,793	2.09%	330
– 1 to 2 years	4,701	18.53%	871
– 2 to 3 years	652	52.91%	345
– Over 3 years	14	100.00%	14
	<u>21,160</u>		<u>1,560</u>
For credit loss allowance measured by industry related to overseas nationwide communication solutions			
– Telecommunication, computer and software	29,986	0.47%	141
	<u>63,643</u>		<u>2,702</u>

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As at December 31, 2024			
	Gross carrying amount	Expected credit loss rate	Credit loss allowance
	RMB'000		RMB'000
For credit loss allowance measured by aging related to internet application solutions			
– Up to 1 year	10,619	1.76%	187
– 1 to 2 years	2,891	23.28%	673
– 2 to 3 years	322	50.31%	162
– Over 3 years	5	100.00%	5
	<u>13,837</u>		<u>1,027</u>
For credit loss allowance measured by aging related to vertical industry solutions			
– Up to 1 year	16,708	3.20%	535
– 1 to 2 years	6,475	19.72%	1,277
– 2 to 3 years	1,831	55.38%	1,014
– Over 3 years	476	100.00%	476
	<u>25,490</u>		<u>3,302</u>
For credit loss allowance measured by industry related to overseas nationwide communication solutions			
– Telecommunication, computer and software	666	0.60%	4
	<u>39,993</u>		<u>4,333</u>
As at December 31, 2025			
	Gross carrying amount	Expected credit loss rate	Credit loss allowance
	RMB'000		RMB'000
For credit loss allowance measured by aging related to internet application solutions			
– Up to 1 year	13,818	2.93%	405
– 1 to 2 years	2,014	31.88%	642
– 2 to 3 years	2,675	60.19%	1,610
– Over 3 years	327	100.00%	327
	<u>18,834</u>		<u>2,984</u>
For credit loss allowance measured by aging related to vertical industry solutions			
– Up to 1 year	26,125	4.50%	1,176
– 1 to 2 years	8,426	21.33%	1,797
– 2 to 3 years	4,047	54.04%	2,187
– Over 3 years	1,188	100.00%	1,188
	<u>39,786</u>		<u>6,348</u>
	<u>58,620</u>		<u>9,332</u>

21 PREPAYMENTS AND OTHER RECEIVABLES

Group

As at December 31,			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Included in non-current assets			
Rental, bidding and other deposits	769	1,420	–
Less: allowance for impairment (<i>note (b)</i>)	(13)	(16)	–
	<u>756</u>	<u>1,404</u>	<u>–</u>
Included in current assets			
Rental, bidding and other deposits	279	249	1,843
Amounts due from related parties (<i>Note 33(c)</i>)	38,072	956	–
Amounts due from third parties (<i>note (a)</i>)	–	24,759	–
Prepayments	5,007	3,865	3,192

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	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
[REDACTED] to be capitalized	[REDACTED]	[REDACTED]	[REDACTED]
Others	99	149	511
	43,457	29,978	6,416
Less: allowance for impairment (<i>note (b)</i>)	(185)	(168)	(39)
	43,272	29,810	6,377
	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (a) The balances with the third parties were unsecured, interest-free and repayable on demand. As of December 31, 2025, the amount has been fully recovered.
- (b) The expected credit losses of other receivables were measured as either 12 months or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. All of the Group’s other receivables as at December 31, 2023, 2024 and 2025 were considered to be of low credit risk, and thus the impairment provision recognized was limited to 12 months expected credit losses.

Based on the aforementioned description and Note 3.1(b), the credit loss allowances of other receivables as at December 31, 2023, 2024 and 2025 were determined as follows:

	Internal credit rating	Expected credit loss rate	Gross carrying amount	Loss allowance
			RMB’000	RMB’000
At December 31, 2023	Performing	0.50%	39,219	198
At December 31, 2024	Performing	0.67%	27,533	184
At December 31, 2025	Performing	1.66%	2,354	39

Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Included in non-current assets			
Rental, bidding and other deposits	769	1,420	–
Less: allowance for impairment	(13)	(16)	–
	756	1,404	–
Included in current assets			
Rental, bidding and other deposits	279	249	1,843
Amounts due from subsidiaries (<i>note</i>)	7,321	20,769	16,362
Amounts due from related parties (<i>Note 33(c)</i>)	38,072	956	–
Amounts due from third parties	–	24,759	–
[REDACTED] to be capitalized	[REDACTED]	[REDACTED]	[REDACTED]
Prepayments	5,000	3,865	3,192
Others	86	148	511
	50,758	50,746	22,778
Less: allowance for impairment	(4,025)	(14,460)	(16,401)
	46,733	36,286	6,377
	47,489	37,690	6,377

Note: The balances due from subsidiaries are unsecured, interest-free, and have no fixed terms of repayment.

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22 BANK BALANCES

(a) Cash and cash equivalents

Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank	19,864	54,632	136,305
Due from other financial institutions	90	247	241
	<u>19,954</u>	<u>54,879</u>	<u>136,546</u>

Cash and cash equivalents are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB.	<u>19,954</u>	<u>54,879</u>	<u>136,546</u>

Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank	13,001	48,760	134,273
Due from other financial institutions	90	247	241
	<u>13,091</u>	<u>49,007</u>	<u>134,514</u>

Cash and cash equivalents are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB.	<u>13,091</u>	<u>49,007</u>	<u>134,514</u>

(b) Restricted cash

Group and Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Restricted cash	—	—	81
	<u>—</u>	<u>—</u>	<u>81</u>

23 PAID-IN CAPITAL/SHARE CAPITAL

Group and Company

(a) *Paid-in capital*

Paid-in capital are generated from founders’ and investors’ capital injection. The excess of total consideration raised over paid-in capital was credited to the Company’s capital reserve.

As at January 1, 2023, December 31, 2023 and 2024, the Company’s paid-in capital was RMB102,074,210. On May 30, 2025, the Company issued ordinary shares for share-based compensation (Note 25) and received capital contribution of RMB11,341,579.

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(b) Share capital

	Number of ordinary shares	Nominal value of ordinary shares RMB'000
Authorized and issued:		
At January 1, 2023, December 31, 2023 and 2024	—	—
Issuance of ordinary shares upon conversion into a joint stock company (note)	113,415,789	113,416
At December 31, 2025	<u>113,415,789</u>	<u>113,416</u>

Note: Pursuant to a resolution of the shareholders meeting held on June 10, 2025, it is resolved that the Company will convert from a limited liability company to a joint stock limited company. On October 27, 2025, the Company completed the industrial and commercial registration and was formally converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as at May 31, 2025, the conversion base date, were converted into 113,415,789 ordinary shares of the Company at RMB1 each and share capital of RMB113,415,789 was recorded accordingly.

24 TREASURY STOCK AND RESERVES

Group and Company

		Reserves		
	Treasury stock	Capital reserve	Share-based compensation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023	(315,168)	192,790	4,116	196,906
Share-based compensation (Note 25)	—	—	1,403	1,403
Derecognition of other payables for share-based compensation (Note 25)	676	—	—	—
Balance at December 31, 2023	<u>(314,492)</u>	<u>192,790</u>	<u>5,519</u>	<u>198,309</u>
Balance at January 1, 2024	(314,492)	192,790	5,519	198,309
Share-based compensation (Note 25)	—	—	1,082	1,082
Derecognition of other payables for share-based compensation (Note 25)	435	—	—	—
Balance at December 31, 2024	<u>(314,057)</u>	<u>192,790</u>	<u>6,601</u>	<u>199,391</u>
Balance at January 1, 2025	(314,057)	192,790	6,601	199,391
Share-based compensation (Note 25)	—	—	4,515	4,515
Issuance of ordinary shares (Note 23)	(11,342)	—	—	—
Derecognition of other payables for share-based compensation (Note 25)	70	—	—	—
Derecognition of redemption liabilities (Note 30)	309,799	190,056	—	190,056
Conversion into a joint stock company (Note 23)	—	(369,971)	—	(369,971)
Balance at December 31, 2025	<u>(15,530)</u>	<u>12,875</u>	<u>11,116</u>	<u>23,991</u>

Accounting policies of treasury stock

Treasury stock is recorded to reflect the carrying amount of the redemption obligation when it is initially reclassified from equity and will be reversed when the redemption obligation is derecognized upon when the Group's obligations in connection with those redemption obligations are discharged, cancelled or have expired which will then be reclassified back to equity. The redemption obligations include other payables for share-based compensation (Note 28) and redemption liabilities (Note 30).

25 SHARE-BASED PAYMENTS

Share-based compensation of the Group mainly relates to share rewards granted to senior management, core technicians, key employees and other suitable person identified for their contribution to the Group with vesting conditions.

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Share award scheme

Employee share award scheme of Tianjin Yunchuang Rongxin — the 2019 Scheme

In October 2019, the shareholders’ meeting of the Company approved the adoption of the share incentive scheme (“the 2019 Scheme”) for the purpose of attracting, motivating, retaining and rewarding certain senior management, core technicians and key employees. From October 2019, eligible participants were entitled to be granted restricted RSUs in the form of equity interests in the Employee Incentive Platform “Tianjin Yunchuang Rongxin Network Technology Partnership (Limited Partnership)” (“Tianjin Yunchuang Rongxin”) which was established on November 17, 2017.

As at December 31, 2023, 2024 and 2025, 4,693,000, 4,258,000 and 4,188,000 shares of RSUs were granted to employees, respectively. These RSUs were granted on the following dates: 5,043,047 RSUs on October 31, 2019, 269,209 RSUs on August 6, 2021, 60,842 RSUs on October 14, 2021, 880,762 RSUs on October 31, 2022, at a grant price of RMB1 per share. These RSUs granted have no performance conditions and the vesting period was from the grant date to the [REDACTED] date. The fair value of the shares granted on October 31, 2019 was RMB2.52. The fair value of the shares granted on August 6, 2021, October 14, 2021 and October 31, 2021 was RMB7.02 per share. The fair value of the shares granted on October 31, 2022 was RMB7.03 per share.

The Company has the obligation to repurchase the unvested RSUs at the granted price when the participants cease to render services to the Group for any reason prior to the RSUs being vested and therefore recognizes other payables and treasury stocks from the grant date. As at December 31, 2023, 2024 and 2025, the balance of other payables and treasury stocks in connection with the 2019 Scheme was RMB4,693,000, RMB4,258,000, and RMB4,188,000, respectively.

For the years ended December 31, 2023, 2024 and 2025, the expense recognized in profit or loss for RSUs granted under the 2019 Scheme amounted to RMB1,403,000, RMB1,082,000 and RMB1,499,000, respectively.

Movements in the number of share awards granted to employees under the 2019 Scheme are set out as below:

	Weighted average fair value (RMB)	Number of RSUs
Outstanding as at January 1, 2023	3.82	5,368,753
Forfeited	3.29	(675,585)
Outstanding as at December 31, 2023	3.85	4,693,168
Outstanding as at January 1, 2024	3.85	4,693,168
Forfeited	3.55	(435,368)
Outstanding as at December 31, 2024	3.76	4,257,800
Outstanding as at January 1, 2025	3.76	4,257,800
Forfeited	3.64	(70,000)
Outstanding as at December 31, 2025	3.70	4,187,800

Employee share award scheme of Beijing Yunzhi Rongyao — the 2024 Scheme

In December 2024, the Company approved the adoption of the Share Incentive Scheme (the “2024 Scheme”) for the purpose of attracting, motivating, retaining and rewarding certain senior management, core technicians and key employees. From March 2025, eligible participants were entitled to be granted RSUs units in the form of equity interests in the Employee Incentive Platform “Beijing Yunzhi Rongyao Network Technology Partnership (Limited Partnership)” (“Beijing Yunzhi Rongyao”).

As at December 31, 2025, 2,709,000 shares of RSUs were granted to employees. These shares were granted on March 1, 2025 with an granted price of RMB2 per share. The shares granted have no performance conditions and the vesting period was from the grant date to the [REDACTED] date. The fair value of the shares granted on March 1, 2025 was RMB7.03 per share.

The Company has the obligation to repurchase the unvested RSUs at the granted price when the participants cease to render services to the Group for any reason prior to the RSUs being vested and therefore recognizes other payables and treasury stocks from the grant date. As at December 31, 2025, the balance of other payables and treasury stocks in connection with the 2024 Scheme were RMB5,418,000 and RMB11,342,000, respectively.

For the year ended December 31, 2025, the expense recognized in profit or loss for RSUs granted under the 2024 Scheme amounted to RMB3,016,000.

	Fair value weighted average (RMB)	Number of RSUs
Outstanding as at January 1, 2025	—	—
Granted	7.03	2,719,000
Forfeited	7.03	(10,000)
Outstanding as at December 31, 2025	7.03	2,709,000

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Fair value of share awards

The Group has used discounted cash flow method and the straight-line interpolation method to determine the underlying equity fair value of the Company and adopted the equity allocation model to determine the fair value of the underlying registered capitals. Key assumptions, such as discount rate and projections of future performance, are determined by the Group with best estimate.

The fair value of each RSU was determined by reference to the fair value of the ordinary shares of the Company. Key assumptions as set out below are determined by the Group based on management’s best estimates.

	Grant date					
	As at October 31, 2019	As at August 6, 2021	As at October 14, 2021	As at October 31, 2021	As at October 31, 2022	As at March 1, 2025
Free-risk interest rate . . .	2.83%	2.39%	2.39%	2.39%	2.48%	1.44%
Dividend yield	—	—	—	—	—	—
Expected volatility	53.77%	69.66%	69.66%	69.66%	70.48%	71.36%
Discount for Lack of Marketability ("DLOM")	15.11%	14.93%	14.93%	14.93%	25.54%	18.80%

Accounting policies of share-based payments

(a) Equity-settled share-based payment transactions

The Group operates certain share incentive plans, under which it receives services from employees as consideration for equity instruments (including RSUs) of the Company. The fair value of the services received in exchange for the grant of the equity instruments is recognized as an expense on the consolidated statement of profit or loss and other comprehensive income with a corresponding increase in equity.

In terms of the options or shares awarded to employees, the total amount to be expensed is determined by reference to the fair value of the options and shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Service and non-marketing performance vesting conditions are included in calculation of the number of options and shares that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the service and non-marketing vesting performance conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date. The Company undertakes redemption obligations when the unvested RSUs has been forfeited, other payables are recognized and reclassified from equity when the shares of the Company issued to the Employee Incentive Platform. The Group derecognizes related liabilities when, and only when, the RSUs are vested.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in reserves will continue to be held in reserves.

(b) Cash-settled share-based payment transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is with recognition of a corresponding liability. The liability is re-measured at each reporting date up to and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Group did not have any cash-settled share-based payment during the Track Record Period.

(c) Modifications

Where the terms of the share-based payment plan are modified, the expense that is not yet recognized for the award is recognized over the remaining vesting period as if the terms had not been modified. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting period. If the Group modifies the terms or conditions of its equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

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26 DEFERRED INCOME TAXES

(a) Deferred income tax assets

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attributable to:			
Lease liabilities	525	566	190
Tax losses	19	–	5,754
Total gross deferred income tax assets	<u>544</u>	<u>566</u>	<u>5,944</u>
Set-off of deferred income tax liabilities pursuant to set-off provisions	(544)	(566)	(226)
Net deferred income tax assets	<u>–</u>	<u>–</u>	<u>5,718</u>
Deferred income tax assets:			
– to be recovered after 12 months	335	198	5,754
– to be recovered within 12 months	209	368	190
	<u>544</u>	<u>566</u>	<u>5,944</u>

The gross movement on the deferred income tax assets accounts are as follows:

	Lease liabilities	Tax losses	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	599	47	646
Charged to profit or loss	(74)	(28)	(102)
At 31 December 2023	<u>525</u>	<u>19</u>	<u>544</u>
At 1 January 2024	525	19	544
Credited/(charged) to profit or loss	41	(19)	22
At 31 December 2024	<u>566</u>	<u>–</u>	<u>566</u>
At 1 January 2025	566	–	566
(Charged)/credited to profit or loss	(376)	5,754	5,378
At 31 December 2025	<u>190</u>	<u>5,754</u>	<u>5,944</u>

Deferred income tax assets are recognized for tax losses carried forward and deductible temporary differences to the extent that realization of the related tax benefits through the future taxable profits is probable. As at December 31, 2023, 2024 and 2025, the Group did not recognize deferred income tax assets of RMB62,771,000, RMB59,712,000 and RMB51,857,000, respectively, in respect of deductible temporary differences and cumulative tax losses amounting to RMB418,474,000, RMB398,080,000 and RMB345,714,000, respectively that can be carried forward against future taxable income. As at December 31, 2023, 2024 and 2025, tax losses of RMB408,400,000, RMB387,277,000 and RMB322,832,000, can be carried forward within 5 or 10 years from the respective balance sheet dates. The expiry calendar years of the related tax losses are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2024	6,144	–	–
2025	24,298	16,213	–
2026	25,146	25,146	4,779
2027	36,277	33,901	10,428
2028	49,660	43,826	40,008
2029	140,368	141,684	140,719
2030	8,808	8,808	9,199
2031	23,643	23,643	23,643
2032	87,278	87,278	87,278
2033	6,778	6,778	6,778
	<u>408,400</u>	<u>387,277</u>	<u>322,832</u>

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(b) Deferred income tax liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attributable to:			
Right-of-use assets	(544)	(566)	(226)
Total gross deferred income tax liabilities	<u>(544)</u>	<u>(566)</u>	<u>(226)</u>
Set-off of deferred income tax assets pursuant to set-off provisions	<u>544</u>	<u>566</u>	<u>226</u>
Net deferred income tax liabilities	<u>–</u>	<u>–</u>	<u>–</u>
Deferred income tax liabilities:			
– to be settled after 12 months	(335)	(208)	–
– to be settled within 12 months	<u>(209)</u>	<u>(358)</u>	<u>(226)</u>
	<u>(544)</u>	<u>(566)</u>	<u>(226)</u>

The gross movement on the deferred income tax liabilities accounts are as follows:

	Right-of-use assets	Total
	RMB'000	RMB'000
At 1 January 2023	(646)	(646)
Credited to profit or loss	<u>102</u>	<u>102</u>
At 31 December 2023	<u>(544)</u>	<u>(544)</u>
At 1 January 2024	(544)	(544)
Charged to profit or loss	<u>(22)</u>	<u>(22)</u>
At 31 December 2024	<u>(566)</u>	<u>(566)</u>
At 1 January 2025	(566)	(566)
Credited to profit or loss	<u>340</u>	<u>340</u>
At 31 December 2025	<u>(226)</u>	<u>(226)</u>

27 TRADE PAYABLES

Trade payables primarily include payables for bandwidth and servers custody fee. As at December 31, 2023, 2024 and 2025, the carrying amounts of trade payables were primarily denominated in RMB.

Trade payables and their aging analysis based on invoice date are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Up to 3 months	8,741	8,283	7,587
3 to 6 months	<u>540</u>	<u>774</u>	<u>596</u>
Over 6 months	<u>3,356</u>	<u>2,833</u>	<u>5,118</u>
	<u>12,637</u>	<u>11,890</u>	<u>13,301</u>

28 OTHER PAYABLES AND ACCRUALS

Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other taxes payables	12,858	12,179	11,952
Payroll payables	<u>11,769</u>	<u>15,295</u>	<u>7,653</u>
Other payables for share-based compensation (note)	<u>4,693</u>	<u>4,258</u>	<u>9,606</u>
Accrued expenses	<u>1,306</u>	<u>306</u>	<u>507</u>

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	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
[REDACTED] payables	–	–	[REDACTED]
Others	3,052	1,476	716
	<u>33,678</u>	<u>33,514</u>	<u>32,274</u>

Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Other taxes payables	9,647	10,103	11,951
Payroll payables	11,132	15,054	7,653
Other payables for share-based compensation (note)	4,693	4,258	15,530
[REDACTED] payables	–	–	1,840
Accrued expenses	2,695	242	443
Others	1,112	1,474	715
	<u>29,279</u>	<u>31,131</u>	<u>38,132</u>

Note: The Group and the Company has the obligation to repurchase the unvested RSUs at the granted price when the participants cease to render services to the Group for any reason prior to the RSUs being vested and therefore recognizes other payables and treasury stocks from the grant date.

As at December 31, 2023, 2024 and 2025, the carrying amounts of other payables approximated their fair values and were primarily denominated in RMB.

29 BORROWINGS

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Included in current liabilities			
<i>Guaranteed</i>			
Short-term bank loans (notes a and b)	16,500	5,000	–
Current portion of long-term bank loans (note c)	–	–	800
	<u>16,500</u>	<u>5,000</u>	<u>800</u>
Included in non-current liabilities			
<i>Guaranteed</i>			
Long-term bank loans (note c)	–	–	7,600
Less: current portion	–	–	(800)
Non-current portion	<u>–</u>	<u>–</u>	<u>6,800</u>

Notes:

- As at December 31, 2023 and 2024, the weighted average interest rate of the fixed-rate short-term borrowing was 2.8% per annum. The borrowing was guaranteed by Mr. Wang Cheng, the ultimate controlling shareholder of the Group, and Ms. Dong Han, the executive director of the Group, and a third-party financial guarantee institution.
- As at December 31, 2023, the weighted average interest rate of the fixed-rate short-term borrowing was 6% per annum. The borrowing was guaranteed by Mr. Wang Cheng, the ultimate controlling shareholder of the Group, and Mr. Han Ying, the then executive director of the Group.
- As at December 31, 2025, the weighted average interest rate of the fixed-rate long-term borrowing was 3.6% per annum. The borrowing is repayable (by instalments) prior to May 29, 2035 and was guaranteed by Mr. Wang Cheng, the ultimate controlling shareholder of the Group. During the year ended December 31, 2025, the Group repaid RMB560,000 of the loan principal together with the accrued interest in accordance with the loan agreement.

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30 REDEMPTION LIABILITIES

Group and Company

Since the date of incorporation of the Company to December 31, 2025, the Company has completed several rounds of financing including Series A, Series B, Transfer Series, Series C, Series D in the way of capital increase of the Company and capital transfer from founders to investors. In accordance with the Shareholders Agreement on Beijing RC Tech Co., Ltd. (the “Shareholders Agreement”) signed between the Company and its shareholders in April 2022 unified the preferred rights granted to the mentioned above shareholders, and the terms are summarized as below:

(i) Redemption right

Preferred shareholders have the right to require the Company to redeem their investments in case that the Company and the founders including Mr. Wang Cheng violate transaction documents in all rounds that are effective as at the effective date of the Shareholders Agreement and fail to rectify the violation within 45 working days from the date when the investor issues a written notice to request rectification (“Agreed Redemption”). Redemption amount is (a) the original investment principal of shareholders plus an annual interest rate (simple interest rate) of 10% on the original investment principal during the period from relevant investment payment date to the date when the redemption price is paid off and any accumulated or declared but not distributed dividends less cash dividend and accumulated compensations received, or (b) the Company’s net asset value allocated to the equity held by preferred shareholders at that time.

(ii) Liquidation preferences

In the event of a legal liquidation event (referring to liquidation, dissolution or closure of the Company) occurs, the distributable liquidation property (remaining property after paying off the Company’s debts) shall be distributed according to in the priority order of Series D, Series C and series including Transfer Series, Series B and Series A shareholders as well as ordinary shareholder series. The liquidation preference amount is the shareholder’s original investment principal plus an annual interest rate (simple interest rate) (no interest for ordinary shareholders) of 10% on original investment principal and any accumulated or declared but not distributed dividends less cash dividend and accumulated compensations received. The remaining distributable liquidation property can be distributed among all the shareholders according to the equity proportion at that time.

(iii) Anti-dilution right

If the Company raises funds at a price lower than that paid by the Anti-Dilution Right Holder (the Series D, Series C, Transfer Series, Series B and Series A investors with preferred rights referred) (“New Low Financing”), the subscription price per unit invested by the anti-dilution holders in the Company will be adjusted. The anti-dilution holder has the right to request the Company to issue new capital or request the founders to transfer capital at a nominal price or a minimum price permitted by applicable laws, so that the equity proportion held by the Anti-Dilution Right Holder can reach that can be subscribed according to the adjusted subscription price per unit.

The redemption rights and liquidation preference that are granted to investors constitutes as the obligation of the Company to repurchase its own equity instruments. These obligations were recognized as redemption liabilities which are initially measured at fair value (referring to the present value of expected cash flows for settling related obligations if these rights are exercised by investors) and subsequently measured at amortized cost. The Company applied a redemption discount rate of redemption ranged from 7.88% to 10.00% to determine the initial recognition amount of the redemption liabilities. At the initial recognition, treasury stock is reclassified in equity to reflect the carrying amount of redemption liabilities. The anti-dilution right is a derivative financial instrument measured at fair value through profit or loss, of which the fair value was considered close to nil as the Directors expects that there will be no New Low Financing.

Before the derecognition of the redemption liabilities, the Company and the founders including Mr. Wang Cheng confirmed that the agreed redemption never occurred in the historical period and commit that there will be no agreed redemption in the next 12 months at each balance sheet date of the Track Record Period. The redemption liabilities were therefore classified as non-current liabilities.

The movements of redemption liabilities during the years ended December 31, 2023, 2024 and 2025 are set out below:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At beginning of the year	422,915	455,047	487,266
Charged to finance costs	32,132	32,219	12,589
Derecognition (note)	—	—	(499,855)
At end of the year	<u>455,047</u>	<u>487,266</u>	<u>—</u>

Note: Pursuant to the preferred rights termination agreement as entered into with the respective investors on May 23, 2025, the entire carrying amount of the Group’s redemption liabilities of RMB499,855,000 and treasury stock of RMB309,799,000 as at that date have been derecognized and the difference between their respective carrying amounts of approximately RMB190,056,000 was credited to the capital reserve (Note 24).

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ACCOUNTANT’S REPORT

Accounting policies of redemption liabilities

A contract that contains an obligation to purchase the Group’s equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the Group’s obligations to purchase is conditional on the counterparty exercising a right to redeem. The Company undertakes such redemption obligations as certain preferred rights are granted to investors in the Company’s financing process, the redemption liabilities are recognized as financial liabilities initially at fair value respectively the present value of the estimated redemption amount and reclassified from equity. Subsequently, the redemption liabilities are measured at amortized cost with interest charged in finance costs.

The Group derecognizes the redemption liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. When the preferred rights are waived by investors, the carrying amount of the redemption liability is reclassified to equity.

31 CONTINGENCIES AND CAPITAL COMMITMENTS

(a) Contingencies

The Group did not have any material contingent liabilities as at December 31, 2023, 2024 and 2025.

(b) Capital commitments

The Group dose not have any significant capital commitments as at December 31, 2023, 2024 and 2025.

32 DIVIDENDS

No dividends have been paid or declared by the Company or the companies now comprising the Group during each of the years ended December 31, 2023, 2024 and 2025.

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The following companies are related parties of the Group that had significant transactions and/or balances with the Group during the Track Record Period.

Names of the major related parties	Relationship
Mr. Wang Cheng	The ultimate controlling shareholder of the Group
Ms. Dong Han	The executive director of the Group
Mr. Han Ying	The then executive director of the Group
Rong Cloud H.K. Limited	A company controlled by the ultimate controlling shareholder
MENA Communication Holding Company Limited ("MENA") (note (a))	Jointly controlled by shareholders with significant influence on the Company
Beem Information Technology Company (note (b))	Jointly controlled by shareholders with significant influence on the Company
Baiwo (Beijing) Network Technology Co., Ltd. (note (b))	Jointly controlled by shareholders with significant influence on the Company

Notes:

- (a) Starting from December 13, 2024, MENA has ceased to be a related party of the Company since the shareholders with significant influence over the Company no longer held any shares of MENA.
- (b) Beem Information Technology Company is a company controlled by MENA. Baiwo (Beijing) Network Technology Co., Ltd. is a company controlled by Beem Information Technology Company.

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ACCOUNTANT’S REPORT

(b) Significant transactions with related parties

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<i>(i) Rendering of services</i>			
Beem Information Technology Company	38,433	13,430	–
<i>(ii) Loan granted to a related party</i>			
Baiwo (Beijing) Network Technology Co., Ltd.	41,388	27,050	–
<i>(iii) Repayment of loan from a related party</i>			
Baiwo (Beijing) Network Technology Co., Ltd.	3,317	40,362	–
<i>(iv) Guarantees provided by related parties (Note 29(c))</i>			
Mr. Wang Cheng	–	–	7,600
Mr. Wang Cheng and Ms. Dong Han	10,000	5,000	–
Mr. Wang Cheng and Mr. Han Ying	6,500	–	–
	16,500	5,000	7,600

Note: Details of the Group’s disposal of computers and electronic equipment to Baiwo (Beijing) Network Technology Co., Ltd. are set out in Note 16.

(c) Significant balance with related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<i>(i) Trade receivables</i>			
Beem Information Technology Company	29,986	–	–
<i>(ii) Other receivables</i>			
Baiwo (Beijing) Network Technology Co., Ltd.	38,072	–	–
Rong Cloud H.K. Limited	–	956	–
	38,072	956	–
<i>(iii) Other payables</i>			
Baiwo (Beijing) Network Technology Co., Ltd.	1,659	–	–

Note: The balances with the related parties are unsecured, interest-free and repayable on demand. As at December 31, 2025, the amounts have been fully settled. The balance with Rong Cloud H.K. Limited is generated from amounts collected from certain clients outside of Chinese Mainland on behalf of the Company.

(d) Key management personnel compensation

The remuneration of directors, supervisors and other key management personnel is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages and salaries	2,106	2,261	2,640
Discretionary bonuses	280	240	–
Contributions to pension plans	109	113	138
Other social security costs, housing benefits and other employee benefits	345	355	424
Share-based compensation (<i>Note 25</i>)	267	276	1,546
	3,107	3,245	4,748

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ACCOUNTANT’S REPORT

34 CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit before income tax	(14,730)	3,151	26,125
Adjustments for:			
– Depreciation of property, plant and equipment (<i>Note 16</i>)	2,256	644	243
– Depreciation of right-of-use assets (<i>Note 15(b)</i>)	4,759	1,524	2,052
– Net impairment (reversal)/losses on financial assets	(317)	1,617	4,854
– Share-based compensation (<i>Note 25</i>)	1,403	1,082	4,515
– Interest expense on redemption liabilities (<i>Note 30</i>)	32,132	32,219	12,589
– Interest expenses	570	321	169
– Gains on disposal of subsidiaries, net	–	(16)	(50)
– Fair value changes on financial assets at fair value through profit or loss (<i>Note 18</i>)	(65)	(711)	(1,265)
	26,008	39,831	49,232
Changes in working capital			
– Increase in restricted cash	–	–	(81)
– (Increase)/decrease in contract fulfilment costs	(47)	(5,358)	5,465
– Decrease/(increase) in trade and note receivables	49,059	23,293	(17,835)
– (Increase)/decrease in prepayments and other receivables	(593)	233	1,466
– (Decrease)/increase in trade payables	(28,502)	(747)	1,411
– (Decrease)/increase in other payables and accruals	(10,424)	48	(6,894)
– (Decrease)/increase in contract liabilities	(4,878)	7,886	(11,930)
Cash generated from operations	<u>30,623</u>	<u>65,186</u>	<u>20,834</u>

(b) Reconciliation of liabilities from financing activities

This section sets out an analysis and the movements of liabilities from financing activities for the years ended December 31, 2023, 2024 and 2025, respectively.

	Liabilities from financing activities			
	Redemption liabilities	Lease liabilities	Borrowings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	422,915	3,979	–	426,894
Cash flows	–	(4,665)	16,500	11,835
Accrued interest expenses	32,132	115	472	32,719
Interest paid	–	–	(472)	(472)
Addition of new leases	–	4,068	–	4,068
As at December 31, 2023	<u>455,047</u>	<u>3,497</u>	<u>16,500</u>	<u>475,044</u>
As at January 1, 2024	455,047	3,497	16,500	475,044
Cash flows	–	(1,004)	(11,500)	(12,504)
Accrued interest expenses	32,219	64	408	32,691
Interest paid	–	–	(408)	(408)
Addition of new leases	–	33	–	33
Change of leases	–	1,374	–	1,374
As at December 31, 2024	<u>487,266</u>	<u>3,964</u>	<u>5,000</u>	<u>496,230</u>
As at January 1, 2025	487,266	3,964	5,000	496,230
Cash flows	–	(2,082)	2,600	518
Accrued interest expenses	12,589	70	192	12,851
Interest paid	–	–	(192)	(192)
Derecognition of redemption liabilities	(499,855)	–	–	(499,855)
Addition of new leases	–	123	–	123
Change of leases	–	(810)	–	(810)
As at December 31, 2025	<u>–</u>	<u>1,265</u>	<u>7,600</u>	<u>8,865</u>

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ACCOUNTANT’S REPORT

(c) Major non-cash investing and financing activities

The major non-cash investing and financing activities during the Track Record Period mainly include (i) the addition to right-of-use assets and lease liabilities described in Note 15, and (ii) the interest as amortized on redemption liabilities and the derecognition of redemption liabilities as described in Note 30.

35 SUBSEQUENT EVENTS

There are no material subsequent events undertaken by the Group after December 31, 2025 and up to the date of this report.

36 SUMMARY OF OTHER ACCOUNTING POLICIES

36.1 Principles of consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated balance sheet and consolidated statement of changes in equity.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in equity.

When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

36.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill.

36.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). As the major operations of the Group are within the Chinese Mainland, the Group determined to present the Historical Financial Information in RMB, which is the Company’s functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss or other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other gains/losses, net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

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ACCOUNTANT’S REPORT

(c) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income.

36.4 Investments and other financial assets

(a) *Classification*

The Group classifies its financial assets in the following measurement categories:

Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortized cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost: assets that are held for collection of contractual cash flows, where those cashflows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in ‘other gains/(losses), net’ together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Fair value through other comprehensive income (“FVOCI”): assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in ‘other gains/(losses), net’, and impairment expenses are presented as a separate line item in the statement of profit or loss.

Fair value through profit or loss (“FVTPL”): assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within ‘other gains/(losses), net’ in the period in which it arises.

APPENDIX I

ACCOUNTANT’S REPORT

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in ‘other gains/(losses), net’ in the statement of profit or loss as applicable.

(d) Impairment

The Group assesses on a forward-looking basis for the expected credit losses on financial assets (including trade receivables, other receivables, restricted cash and cash and cash equivalents), which is subject to impairment under IFRS 9. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 3.1(b) for details.

For others, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

36.5 Impairment of non-financial assets

Other assets are tested for impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

36.6 Trade and other receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. Majority of other receivables are deposits and loans/amounts advanced to counterparties. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Notes 36.4(d) and 3.1(b) for a description of the Group’s impairment policy for trade and other receivables.

36.7 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

36.8 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Majority of other payables are payroll payables, other payables for employee share-based compensation scheme, other taxes payables and accrued expenses. Trade and other payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

36.9 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

APPENDIX I

ACCOUNTANT’S REPORT

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

36.10 Paid-in capital/share capital

Ordinary shares and paid-in capital/share capital from owners are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

36.11 Dividend income and dividend distribution

Dividend income is recognized when the right to receive payment is established.

Dividend distribution to the Company’s shareholders is recognized as a liability in the Group’s financial information in the period in which the dividends are approved by the Company’s shareholders or directors, where appropriate.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025.

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix is primarily intended to provide potential [REDACTED] with an overview of the Articles of Association, the following information is a summary and therefore may not contain all the information that is material to potential [REDACTED].

ISSUANCE OF SHARES

The shares of the Company shall be issued in a fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. [REDACTED] shall pay the same price for each share [REDACTED] for.

INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders’ meeting:

- (i) Issuance of shares to unspecified parties;
- (ii) Issuance of shares to specified parties;
- (iii) Distribution of bonus shares to existing shareholders;
- (iv) Converting the reserve funds into share capital;
- (v) Other methods as provided by laws and administrative regulations and approved by the relevant regulatory authorities.

The Company may decrease the registered share capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the Company Law of the PRC (《中華人民共和國公司法》) and other regulations, the Articles of Association.

The Company may repurchase its own shares in accordance with laws, administrative regulations, departmental rules, and the provisions of the Articles of Association under the circumstances:

- (i) Reducing the Company’s registered share capital;
- (ii) Merging with other companies which hold our shares;
- (iii) Using the shares for an employee stock ownership plan or equity incentive plan;
- (iv) Purchasing shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders’ meeting upon their request;
- (v) Use of shares for conversion of convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to maintain its value and protect the interests of the Shareholders;
- (vii) Other circumstances as provided by laws and regulations.

The repurchase of the Company’s shares by the Company may be carried out through public centralized trading on stock exchanges, or other methods recognized under laws, regulations, Listing Rules, the CSRC and the stock exchanges at the places where the Company’s shares are listed.

APPENDIX III

SUMMARY OF THE ARTICLES OF ASSOCIATION

A resolution shall be passed at the shareholders’ meeting when the Company is to repurchase its own shares under the circumstances (i) and (ii) set out above. In case of the circumstances stipulated in (iii), (v) and (vi) above, subject to compliance with the applicable securities regulatory rules of the places where the Company’s shares are listed, a resolution of the Company’s Board shall be passed by two-thirds or more of the Directors attending the Board meeting in accordance with the provisions of the Articles of Association or the authorization of the shareholders’ meeting. When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the regulatory rules of securities of the places where the Company’s shares are listed.

After the Company has repurchased its own shares in accordance with the circumstances above, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

TRANSFER OF SHARES

Shares issued prior to the [REDACTED] of shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

The directors and senior management members of the Company shall regularly declare the number of shares held by them and the relevant changes, and the number of shares transferred each year during their term of office shall not exceed 25% of the total number of shares of the Company under the same class held by them. The shares of the Company held by them shall not be transferred within one year as of the [REDACTED] of the shares of the Company. The shares of the Company held by the person above shall not be transferred within half a year from the date of his/her resignation.

Where laws, administrative regulations, or the securities regulatory authority of the State Council provide otherwise for the transfer of shares of the Company, such provisions shall prevail.

FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES IN OUR COMPANY

The Company or its subsidiaries (including affiliates of enterprises) shall not offer gift, advance, guarantee, loan etc. for others to acquire the shares of the Company or its parent company except for those implemented by employee stock ownership plans by the Company.

For the benefit of the Company, upon the resolution of the shareholders’ meeting or the resolution adopted by the Board of Directors as authorized by the Articles of Association of the Company or by the shareholders’ meeting, the Company may provide financial assistance for other persons to acquire shares in the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital of the Company. The resolution of the Board of Directors shall be passed by two-thirds or more of all the Directors.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

Shareholders

The Company shall establish a register of shareholders and the register of shareholders is sufficient evidence to prove that the shareholders hold the Company’s Shares. The original register of shareholders of H shares is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the places where the Company’s shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

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The rights of our shareholders are as follows:

- (i) To receive dividends and other forms of interest distribution according to the number of shares held;
- (ii) To legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding speaking rights and voting rights;
- (iii) To supervise operations of the Company, provide suggestions or submit queries;
- (iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To read and copy the Articles of Association, the register of shareholders, shareholders' meeting minutes, resolutions of meeting of the Board of Directors and accounting reports. The shareholders who comply with the regulations may also consult the Company's accounting books and accounting vouchers;
- (vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- (vii) To require our Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company, provided that the procedural requirements for share repurchase under the Articles of Association, relevant laws and regulations, and the securities regulatory authority and stock exchange where the Company's shares are listed are satisfied;
- (viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where the Company's shares are listed, or the Articles of Association.

If a shareholder who individually or jointly holds 3% or more of the Company's shares for more than 180 consecutive days requests to inspect and replicate the Company's accounting books or accounting vouchers, such shareholder shall make a written request and state the purposes therefor. If the Company, with justifiable reasons, considers that the shareholder's request to inspect the accounting books or accounting vouchers has any improper purpose and may damage the lawful rights and interests of the Company, it may reject the request of the shareholder, and shall, within 15 days as of the day when the shareholder makes the written request, give the shareholder a written reply and state the reasons therefor. If the Company refuses to provide access, the shareholder may file an action with the court.

The provisions of the above articles shall apply to shareholders who request to inspect or replicate the relevant materials of a wholly owned subsidiary of the Company.

If the content of the resolution of the Company's shareholders' meeting or Board of Directors violates laws or administrative regulations, the shareholders have the right to request the court to declare it invalid. If the convening procedures or voting methods of the shareholders' meeting or the Board of Directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders have the right to request the court to revoke the resolution within 60 days from the date on which the resolution is made, except where there are only some minor defects in the convening procedures or the voting method of the shareholders' meeting or the Board of Directors, which do not materially affect the resolution.

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management when performing their duties in the Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Audit Committee to file an action with the court.

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Where the Audit Committee violates laws, administrative regulations or the Articles of Association in their duty performance and cause loss to the Company, the shareholders holding 1% or more shares separately or jointly for 180 or more consecutive days may submit a written request to the Board of Directors to file an action with the court.

In the event that the Audit Committee or the Board of Directors refuse to file an action upon receipt of the shareholders’ written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the court for the interest of the Company. In the event of any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the court pursuant to the provisions of the preceding paragraphs.

The obligations of shareholders are as follows:

- (i) To abide by laws, administrative regulations and the Articles of Association;
- (ii) To provide Share capital according to the shares subscribed and the subscription methods;
- (iii) Not to withdraw shares unless prescribed otherwise in laws and administrative regulations;
- (iv) Not to abuse shareholders’ rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company’s status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company’s creditors;
- (v) To perform other duties prescribed in laws, administrative regulations, the listing rules of the places where the Company’s shares are listed and the Articles of Association.

Shareholders of a company who abuse their shareholders’ rights and cause the company or other shareholders to suffer damages shall bear compensation liability in accordance with the law. Shareholders of a company who abuse the independent legal person status of the company and limited liability of shareholders to evade debts and cause damage to the interests of the creditors of the company shall bear joint liability for the company’s debt.

The controlling shareholders and actual controllers of the Company shall comply with the following provisions:

- (i) Exercise their shareholder rights in accordance with the law, and shall not abuse their controlling power or utilize connected relationships to damage the legitimate rights and interests of the Company or other shareholders;
- (ii) Strictly perform their public statements and various commitments, and shall not arbitrarily modify or grant exemptions therefrom;
- (iii) Strictly fulfill their information disclosure obligations in accordance with relevant provisions, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are proposed to occur;
- (iv) Shall not occupy the Company’s funds in any manner;
- (v) Shall not coerce, instigate, or require the Company and relevant personnel to provide guarantees in violation of laws or regulations;

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- (vi) Shall not use the Company’s undisclosed major information to seek benefits, shall not disclose undisclosed major information related to the Company in any manner, and shall not engage in illegal or irregular acts such as insider trading, short-term trading, or market manipulation;
- (vii) Shall not damage the legitimate rights and interests of the Company and other shareholders through any means such as unfair connected transactions, profit distribution, asset restructuring, or external investments;
- (viii) Ensure the Company’s asset integrity, personnel independence, financial independence, organizational independence, and business independence, and shall not affect the Company’s independence in any manner;
- (ix) Comply with other provisions of laws, administrative regulations, regulatory rules of securities of the places where the Company’s shares are listed, and the Articles of Association.

The controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC and the securities regulatory rules of the places where the Company’s shares are listed, and safeguard the interests of the Company.

Where the controlling shareholders or actual controllers of the Company do not serve as a Director of the Company but actually executes the Company’s affairs, the provisions of the Articles of Association regarding the duty of loyalty and diligence of Directors shall apply. Where the controlling shareholders or actual controllers of the Company instruct Directors or senior management personnel to engage in acts that harm the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management personnel.

General Provisions for Shareholders’ Meeting

The shareholders’ meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

- (i) To elect and replace the Directors, and to decide on matters relating to the remuneration of Directors;
- (ii) To review and approve reports of the Board of Directors;
- (iii) To review and approve the Company’s proposals for profit distribution plans and loss recovery plans;
- (iv) To decide on any increase or decrease of the Company’s registered capital;
- (v) To decide on the issue of corporate bonds or other securities by the Company;
- (vi) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) To appoint or remove the accounting firm undertaking the Company’s auditing business by the Company;
- (ix) To review and approve the guarantees stipulated in the Articles of Association;
- (x) To review matters relating to the purchases and sales of material assets of the Company and its subsidiary within one year, which exceed 30% of the Company’s latest audited total assets;

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- (xi) To review and approve matters relating to changes in the use of proceeds;
- (xii) To review and approve the equity incentive plans and employee stock ownership plans;
- (xiii) To review other matters as required by the laws, administrative regulations, departmental rules or the Articles of Association of the Company, which shall be decided by the shareholders’ meeting.

The shareholders’ meeting may authorize the board of Directors to make resolutions on issuance of bonds by the Company. Except as otherwise provided by laws, administrative regulations or CSRC, the aforesaid powers of the shareholders’ meeting shall not be exercised by the board of Directors or any other institution or individual on its behalf upon authorization.

The following acts of guarantee of the Company shall be submitted to the shareholders’ meeting after the review and approval of the Board of Directors:

- (i) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has reached or exceeded 50% of the Company’s net assets as audited in the latest period;
- (ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company has reached or exceeded 30% of the Company’s total assets audited in the latest period;
- (iii) The cumulative and total amount of guarantees within one year provided by the Company has reached or exceeded 30% of the Company’s total assets audited in the latest period;
- (iv) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;
- (v) The single guarantee for an amount of more than 10% of the Company’s net assets audited in the latest period;
- (vi) The guarantee to be provided to the shareholder, actual controller and connected person thereof;
- (vii) Other guarantees are required by the laws, administrative regulations or Articles of Association.

The shareholders’ meeting is divided into annual shareholders’ meeting and extraordinary shareholders’ meeting. The annual shareholders’ meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders’ meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) The number of Directors is less than the number provided for in the Company Law of the PRC (《中華人民共和國公司法》) or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) The uncovered losses of our Company reach one-third of its total share capital;
- (iii) A written request from shareholders who separately or jointly hold 10% or more shares in the Company (excluding treasury shares and voting proxies);
- (iv) The Board of Directors considers it necessary;

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- (v) The Audit Committee proposes that such a meeting shall be held;
- (vi) Other circumstances are conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Assembling of Shareholders' Meeting

The shareholders' meeting shall be convened by the Board of Directors. The Board of Directors shall convene the shareholders' meeting within the time limit specified in the Company's Articles of Association. After obtaining the consent of a majority of all independent non-executive directors, an independent non-executive Director has the right to propose to the Board of Directors to convene a special shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting. If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. If the Board of Directors disagrees to convene a special shareholders' meeting, it shall state the reasons and make an announcement.

Where the Board of Directors does not give consent to convening of an extraordinary shareholders' meeting or does not issue feedback within 10 days from receipt of the proposal, the Board of Directors shall be deemed as unable to perform or failed to perform the duties of convening of shareholders' meeting, and the audit committee may convene and chair a shareholders' meeting on its own. Where the audit committee does not issue a notice of shareholders' meeting within the stipulated period, the audit committee shall be deemed not to convene and chair a shareholders' meeting, and a shareholder who individually or jointly holds 10% or more of the Company's shares (including preferred shares with resumed voting rights etc.) for 90 or more consecutive days may convene and chair a shareholders' meeting on his/her own.

If Audit Committee proposes to the Board of Directors to convene a special shareholders' meeting, it shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting.

If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene a special shareholders' meeting, or fails to provide feedback within 10 days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold 10% or more of the Company's shares have the right to request the Board of Directors to convene a special shareholders' meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting.

If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

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If the Board of Directors disagrees to convene a special shareholders' meeting, or fails to provide feedback within 10 days of receipt, shareholders who individually or collectively hold 10% or more of the Company's shares have the right to propose to the Audit Committee to convene a special shareholders' meeting and shall submit such request in writing to the Audit Committee.

If the Audit Committee agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting. In such cases, shareholders who individually or collectively hold 10% or more of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

Where the Audit Committee or the shareholders proceed to convene a general meeting, the Board of Directors shall be notified in writing, and the required filings or public announcements shall be made in accordance with the securities regulatory rules and the stock exchange regulations of the place where the Company's shares are listed. Prior to announcement of resolutions passed by the shareholders' general meeting, the shareholding percentage of the convening shareholders shall not be less than 10%.

Proposals and Notices of Shareholders' Meeting

The Company may convene a shareholders' meeting, and the Board of Directors, the Audit Committee, as well as shareholders who individually or collectively hold more than 1% of the Company's shares, have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The contents of proposals shall contain clear topics and detailed resolutions. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal, announcing the content of the temporary proposal and submitting the temporary proposal to the shareholders' meeting for deliberation, but the proposal which violates applicable laws, administrative regulations or the Articles of Association, or falls outside the scope of the shareholders' meeting shall be excluded. If, according to the securities regulatory rules of the places where the Company's shares are listed, the shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed. Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the shareholders' meeting or that do not comply with the provisions of the Articles of Association.

A notice of a shareholders' meeting shall include the following:

- (i) the time, venue and duration of the meeting;
- (ii) matters and proposals submitted to the meeting for consideration;
- (iii) a prominent written statement that all Shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;
- (iv) the record date of registration of Shareholders entitled to attend the shareholders' meeting;
- (v) the name and telephone number of the regular contact person for the meeting;

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- (vi) the time and procedure for voting online or through other means;
- (vii) other requirements prescribed by laws, administrative regulations, departmental rules, the regulatory rules of the places where the Company's shares are listed, and Articles of Association.

After the shareholders' meeting notice has been issued, the meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two trading days before the originally scheduled date. If the securities regulatory rules of the places where the Company's shares are listed have special provisions regarding the procedures for postponing or canceling a shareholders' meeting, these provisions shall be followed, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

Convening of Shareholders' Meeting

All shareholders on the record date for equity registration are entitled to attend the shareholders' meeting and, in accordance with applicable laws and regulations and the Articles of Association, to speak at the meeting and exercise their voting rights (including abstaining from voting on specific matters), unless a shareholder is required by the securities regulatory rules of the stock exchanges at the places where the Company's shares are listed to abstain from voting on particular matters. Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend.

The shareholders' meeting shall be presided over by the chairman of the board. If the chairman is unable or fails to perform his duties, one Director shall be elected by more than half of the Directors to preside over the meeting. If half of the Directors are unable or fail to elect one Director, a shareholder shall be elected by the shareholders present at the meeting.

If the shareholders' meeting is convened by the Audit Committee, it shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his duties, one member of the Audit Committee shall be elected by more than half of the members of the Audit Committee to preside over the meeting. If the shareholders' meeting is convened by the shareholders themselves, the convener shall be elected by the convener to preside over the meeting. If the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the shareholders present and entitled to vote, the shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

The Company shall establish rules of procedure for the shareholders' meeting, which shall detail the procedures for convening, holding and voting at the shareholders' meeting, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, record-keeping and signing, and announcement. The rules shall also specify the principles and specific content of the authorization granted by the shareholders' meeting to the Board of Directors. The rules of procedure for the shareholders' meeting shall be an appendix to the Articles of Association, drafted by the Board of Directors, and approved by the shareholders' meeting.

Voting at the Shareholders' Meeting

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies). A special resolution at a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

- (i) To decide the business plan and investment plan;

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- (ii) To elect or replace the members of the Directors and to decide the remunerations of Directors;
- (iii) To approve work reports of the Board of Directors;
- (iv) To approve the annual financial budget plans and final accounts plans;
- (v) To approve the profit distribution plans and loss recovery plans;
- (vi) To issue of corporate bonds by the Company;
- (vii) Resolution on appointment and dismissal of an accounting firm by the Company;
- (viii) To approve matters relating to changes in the use of proceeds;
- (ix) To approve the guarantees stipulated in the Articles of Association that need to be examined and approved by the Shareholders' meeting;
- (x) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations or the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' meeting:

- (i) The increase or decrease of the registered capital of the Company;
- (ii) The division, spin-off, merger, dissolution and liquidation or any change in its corporate form of the Company;
- (iii) Any related transactions outside the scope of daily operation of the Company;
- (iv) Any amendment to the Articles of Association;
- (v) The purchase and sale of material assets or amount of guarantee provided by the Company within twelve consecutive months valued at more than 30% of the audited total assets of the Company as at the most recent period;
- (vi) Share Incentive Plan;
- (vii) Other matters as required by the laws, administrative regulations, the securities regulatory rules or the Articles of Association, and considered by the Shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote, except for class share shareholders.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting. If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the "Securities Law," the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

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In accordance with the requirements of relevant laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on the relevant proposal, or restricts any shareholder from voting only for or against the designated proposal, any vote taken by such shareholder or his representative in violation of the aforesaid provisions or restrictions shall not be counted in the voting results.

The Board of Directors of a company, independent non-executive directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with the laws, administrative regulations and the provisions of the CSRC, may publicly exercise shareholders’ voting rights. Except for the statutory conditions, the Company shall not impose a minimum shareholding restriction on the solicitation of voting rights.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be individuals, and a person may not serve as a Director of the Company in case of any of the following circumstances:

- (i) the person without civil conduct capacity or with limited civil conduct capacity;
- (ii) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;
- (iii) the person who is a former Director, factory Director or General Manager (President) of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;
- (iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license;
- (v) the person listed as a judgment defaulter by the court of the PRC because the amount of debt he bears is relatively large and the debt is not paid off when it is due;
- (vi) the person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;
- (vii) the person has been publicly identified by the stock exchange as unsuitable to serve as Directors, senior management personnel, etc. of the listed companies, and the term of prohibition has not expired;
- (viii) other contents stipulated by laws, administrative regulations, departmental rules or relevant regulatory authorities.

Where a Director is elected or appointed in violation of the provisions above, the election, appointment or appointment shall be invalid. If a Director falls under the provisions above during his or her tenure, the Company shall dismiss him or her from office.

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Directors are elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and they may be re-elected for consecutive terms. The term of office for Directors begins on the date of their appointment and ends when the current Board of Directors' term expires. If any independent non-executive director has served in such capacity at least nine years, he or she shall not be re-appointed upon the annual general meeting held following the expiry of such nine-year term. If the term of office for Directors expires and a timely re-election has not taken place, the outgoing Directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association until the newly elected Directors take office.

Directors may concurrently hold the senior management positions, but the total number of Directors who concurrently hold the senior management positions shall not exceed half of the total number of Directors of the Company.

Directors shall comply with laws, administrative regulations and the Articles of Association and owe the following duties of diligence to the Company:

- (i) They shall exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with national laws, administrative regulations, and all national economic policies, and that business operations do not exceed the scope of business specified in the business license;
- (ii) They shall treat all shareholders fairly;
- (iii) They shall promptly understand the status of the Company's business operations and management;
- (iv) They shall sign a written confirmation on the Company's regular reports to ensure that the information disclosed by the Company is true, accurate, and complete;
- (v) They shall provide relevant information and materials to the Audit Committee truthfully and shall not obstruct the Audit Committee from exercising their powers;
- (vi) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

Directors may resign before the expiration of their term. Resignation of a Director shall be submitted to the Board of Directors in writing. The resignation shall take effect on the date the Company receives the resignation report, and the Company must publish an announcement to disclose the relevant information as soon as practicable. If the resignation of a Director causes the number of Directors on the board to fall below the statutory minimum or the number of independent non-executive directors is less than one-third of the board members due to the resignation of independent non-executive directors, or there are no accounting professionals or appropriate professional qualifications among independent non-executive directors, the outgoing Director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, until the newly elected Director takes office.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act on behalf of the Company or the Board of Directors in their personal capacity. When a Director acts in their personal capacity, if a third party would reasonably believe that the Director is acting on behalf of the Company or the Board of Directors, the Director shall make a prior declaration of their position and identity.

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A person shall meet the following conditions to serve as an independent non-executive director of the Company:

- (i) Possess the qualifications to serve as a director of a listed company in accordance with laws, administrative regulations, regulatory rules of securities of the places where the Company’s shares are listed, and other relevant provisions;
- (ii) Meet the independence requirements specified in the Articles of Association;
- (iii) Have basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations, and rules;
- (iv) Have at least five years of work experience in fields such as law, accounting, or economics, which is necessary for performing the duties of an independent non-executive director;
- (v) Have good personal ethics and no major dishonest or other adverse records;
- (vi) Meet other conditions stipulated by laws, administrative regulations, the CSRC, regulatory rules of securities of the places where the Company’s shares are listed, and the Articles of Association.

As members of the board of directors, independent non-executive directors owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following responsibilities:

- (i) Participate in the decision-making of the board of directors and express clear opinions on the matters under discussion;
- (ii) Supervise potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, or senior management, and protect the legitimate rights and interests of minority shareholders;
- (iii) Provide professional and objective suggestions on the Company’s business development to help improve the decision-making level of the board of directors;
- (iv) Review connected transactions and other material transactions in accordance with the Listing Rules;
- (v) Perform other responsibilities stipulated by laws, administrative regulations, CSRC, regulatory rules of securities of the places where the Company’s shares are listed, and the Articles of Association.

Independent non-executive directors shall exercise the following special powers:

- (i) Independently engage intermediary institutions to audit, consult on, or verify specific matters of the Company;
- (ii) Propose to the board of directors to convene an extraordinary shareholders’ meeting;
- (iii) Propose to convene a meeting of the board of directors;
- (iv) Publicly solicit shareholder rights from shareholders in accordance with the law;
- (v) Express independent opinions on matters that may damage the interests of the Company or minority shareholders;

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- (vi) Exercise other powers stipulated by laws, administrative regulations, CSRC, regulatory rules of securities of the places where the Company’s shares are listed, and the Articles of Association.

The exercise of the powers listed in Items (i) to (iii) of the preceding paragraph by independent non-executive directors shall be subject to the approval of more than half of all independent non-executive directors.

Board of Directors

The Company has established a Board of Directors which shall be accountable to the shareholders’ meeting.

The Board of Directors shall consist of eleven Directors, including four executive directors, three non-executive directors and four independent non-executive directors. At all times, the Board shall have at least three independent non-executive directors representing not less than one-third of the total number of Directors, at least one of whom shall possess the appropriate professional qualifications, or appropriate accounting or related financial management expertise, as required under the Listing Rules. At least one independent non-executive director shall be ordinarily resident in Hong Kong. All independent non-executive directors must satisfy the independence requirements under the Listing Rules.

The Board shall exercise the following duties and powers:

- (i) To convene shareholders’ meeting and report its work to the shareholders’ meeting;
- (ii) To implement the resolutions of the shareholders’ meeting;
- (iii) To resolve business operation plans and investment plans of the Company;
- (iv) To formulate profit distribution plans and plans for recovery of losses of the Company;
- (v) To formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;
- (vi) To draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;
- (vii) To determine, to the extent authorized by the shareholders’ meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions, external donations of the Company;
- (viii) To determine the internal management structure of the Company;
- (ix) To determine the appointment or dismissal of the general manager of the Company and the Board secretary; and based on the nomination of the general manager, to determine the appointment or dismissal of the senior management including Deputy general manager and Financial Officer of the Company and determine their remuneration, rewards and penalties;
- (x) To formulate the basic management system of the Company;
- (xi) To formulate proposals for any amendment of the Articles of Association;
- (xii) To manage the information disclosure of the Company;
- (xiii) To propose to the shareholders’ meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

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(xiv) To listen to work reports of the general manager of the Company and review his or her work;

(xv) Other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares of the Company are listed, the Articles of Association or the shareholders' meeting.

The Board of Directors establishes special committees such as Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, etc. The special committees perform duties pursuant to the Articles of Association and the authorization of the Board of Directors.

Meetings of the Board of Directors are divided into regular meetings and interim meetings. The Board of Directors shall hold at least four regular meetings each year, which shall be convened by the chairman. All directors shall be given written notice at least 14 days prior to the convening of the meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, or the Audit Committee may propose the convening of an interim meeting of the board of directors. The chairman shall convene and preside over the board meeting within 10 days from the date of receiving such proposal.

A meeting of the Board of Directors shall be held only if more than half of the Directors are present. Resolutions of the Board of Directors must be passed by a majority of all Directors. When the Board of Directors reviews external guarantee matters, such matters shall also be approved by more than two-thirds of the directors present at the board meeting, unless otherwise stipulated more strictly by laws, regulations, regulatory rules of securities of the places where the Company's shares are listed, or the Articles of Association.

Voting on resolutions of the Board of Directors shall be conducted on a one-person, one-vote basis.

Where a director is related to an enterprise or individual involved in a board resolution, the director shall promptly submit a written report to the Board of Directors. A related director shall not vote for the said resolution and shall not represent another director in exercise of voting rights. The board meeting may be held with more than half of unrelated directors present, and resolutions passed by the board meeting shall require more than half of votes of unrelated directors. Where the number of unrelated directors present at the board meeting is less than three, the said matter shall be tabled at a shareholders' meeting for deliberation.

Secretary to the Board

The Company shall have a secretary for the Board, and shall be responsible for the preparation of the shareholders' meeting and Board meeting, document keeping and management of information regarding the shareholders of the Company and other matters. The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

General Manager and Other Senior Management Members

The Company shall have one general manager, who shall be appointed or dismissed by the Board of Directors. The general manager, deputy general manager (if any), financial officer, secretary to the Board of Directors, Chief Technology Officer, Chief Scientific Officer and another person confirmed by the Board of Directors are senior management of the Company. The general manager is responsible for the Board of Directors and exercises the following powers:

- (i) to be in charge of the production, operation and management of the Company, organize and implement the resolutions of the Board of Directors, and report the work to the Board of Directors;
- (ii) to implement the Company's annual business plan and investment programs;

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- (iii) to draft proposals for the establishment of internal management institutions of the Company;
- (iv) to draft the Company’s basic management systems;
- (v) to formulate specific regulations of the Company;
- (vi) to propose to the Board of Directors the appointment or dismissal of Deputy general manager (if any) and other senior management personnel;
- (vii) to decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (viii) other powers granted by the Articles of Association or the Board of Directors.

Senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If senior management personnel fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant departments.

The Company shall prepare its annual financial accounting reports and audited by the accounting firm within four months from the end of each fiscal year. The financial accounting reports shall be prepared in compliance with applicable laws, administrative regulations, regulations of relevant departments and the Listing Rules.

The periodic reports for the Company’s H shares shall include annual reports and interim reports. The Company shall publish a preliminary annual results announcement within three months from the end of each fiscal year. The annual report shall be finalized and disclosed within four months from the end of each fiscal year and no less than twenty-one days prior to the convening of the annual general meeting; The Company shall publish a preliminary interim results announcement within two months from the end of the first six months of each fiscal year, and finalize and disclose the interim report within three months from the aforesaid date.

The aforesaid annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, CSRC and the requirements of the stock exchange where the Company’s shares are listed.

The Company shall not establish the statutory accounts books other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Distribution of Profits

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company’s statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company’s registered capital, the Company needs not to make any further allocations to that fund. Where the Company’s statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year’s profits shall be applied firstly to make up for the losses before being allocated to the statutory reserve in accordance with the preceding provision. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the shareholders’ meeting.

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The remaining after-tax profit after the Company has made up for losses and extracted surplus reserves shall be distributed in proportion to the shares held by the shareholders. If the shareholders’ meeting violates the Company Law by distributing profits to the shareholders, the shareholders shall return the profits distributed in violation of the regulations to the company. If losses are caused to the Company, the shareholders and the responsible directors and senior executives shall be liable for compensation. Shares held by the Company itself do not participate in profit distribution.

The company’s surplus reserves are used to make up for the Company’s losses, to expand the Company’s production and operations, or to increase the Company’s registered capital. When the legal reserve fund is converted into share capital, the retained reserve fund shall not be less than 25% of the Company’s registered capital before the conversion.

Internal Audit

The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The Company’s internal audit system shall supervise and examine the Company’s business activities, risk management, internal controls, financial information, and related matters, and shall be subject to the oversight and guidance of the Audit Committee. The internal audit department is accountable to the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint an accounting firm which has complied with the laws and regulations for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment, removal, or non-renewal of the accounting firm shall be approved by the shareholders’ meeting. The Board shall not appoint accounting firm before the approval of the shareholders’ meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm or the method of determining audit fee shall be approved by the shareholders’ meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 10 days in advance; and the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the shareholders’ meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

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SUMMARY OF THE ARTICLES OF ASSOCIATION

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the press or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration procedures of the Company in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law.

If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

- (i) Expiry of the term of business as specified by the Articles of Association or the occurrence of other matters for dissolution as specified by the Articles of Association;
- (ii) A resolution on dissolution is passed by a shareholders' meeting;
- (iii) Dissolution is required due to the merger or division of the Company;
- (iv) The business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;
- (v) The Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, Shareholders representing 10% or above of the total voting rights of the Company may plead the court to dissolve the Company.

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If the Company is in the situation as described in item (i) and (ii) of the preceding paragraph, and has not yet distributed its properties to shareholders, it can continue to exist by amending the Articles of Association. The amendment of the Articles of Association or the resolution of the shareholders’ meeting as per the preceding paragraph must be passed by two-thirds or more of the voting rights held by the shareholders attending the shareholders’ meeting.

If the Company is dissolved due to the provisions mentioned in items (i), (ii), (iv), and (v) above, a liquidation shall be conducted and a liquidation group within 15 days from the date the cause for dissolution arises to carry out the liquidation. Directors are the liquidation obligors of the Company and shall form a liquidation group to conduct liquidation within 15 days from the date on which the cause of dissolution arises. The liquidation group shall be composed of directors or the person designated by the shareholders’ meeting.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and announce it in the designated press or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the Company’s assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the shareholders’ meeting or the court for confirmation. The Company’s assets shall be used to pay the liquidation expenses, employees’ wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the Company’s debts. The remaining assets shall be distributed among the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. After sorting out the Company’s assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company’s assets are insufficient to repay the debts, it shall apply to the court for bankruptcy liquidation in accordance with the law. After the court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the court.

After the completion of the Company’s liquidation, the liquidation group shall prepare a liquidation report, submit it to the shareholders’ meeting or the people’s court for confirmation, and submit it to the company registration authority to apply for cancellation of the Company’s registration within the 30 days since the confirmation of shareholders’ meeting or the people’s court.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

- (i) After amendments are made to the Company Law of the PRC (《中華人民共和國公司法》) or other relevant laws and administrative regulations, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws and administrative regulations;

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- (ii) If certain changes of the Company occur resulting in inconsistency with certain terms specified in the Articles of Association;
- (iii) The shareholders’ meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders’ meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the shareholders’ meeting on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

Any amendment to the Articles of Association that are required to be disclosed in accordance with laws and regulations shall be announced in accordance with provisions thereof.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company in Beijing, PRC on March 18, 2015, and was converted into a joint stock limited company on October 27, 2025, under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB113,415,789, divided into 113,415,789 Shares with a nominal value of RMB1.00 each.

Our Company has established a place of business in Hong Kong at 31/F, Tower 2, Times Square 1, Matheson Street, Causeway Bay, Hong Kong, and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on February 5, 2026. Ms. Tsui Ka Yan, the joint company secretary of our Company, has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to relevant laws and regulations of the PRC. A summary of the relevant provisions the Articles of Association is set out in “Appendix III — Summary of the Articles of Association” to this Document”.

2. Changes in Share Capital

The changes in the share capital of our Company during the two years immediately preceding the date of this Document are as follows:

On April 27, 2025, the registered capital of our Company increased from approximately RMB10.21 million to RMB11.34 million.

Save as aforesaid, as of the Latest Practicable Date, there had been no other alterations of our share capital within the two years preceding the date of publication of this Document.

3. Changes in the Share Capital of Our Subsidiaries

There had been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this Document.

4. Resolutions of the Shareholders

Pursuant to a general meeting of our Company held on December 15, 2025, the following resolutions, among others, were passed by our Shareholders:

- (a) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) the number of H shares to be issued shall be no more than 25% of the total issued share capital of our Company as enlarged by the [REDACTED], and the grant of the [REDACTED] in respect of no more than 15% of the number of H Shares issued pursuant to the [REDACTED];
- (c) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [REDACTED], the issue and the [REDACTED] of [REDACTED] on the Hong Kong Stock Exchange; and
- (d) subject to the completion of the [REDACTED], the conditional adoption of the revised Articles of Association, which shall become effective on the [REDACTED].

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5. Restrictions on Repurchase of Shares

Please see “Summary of the Articles of Association” in Appendix III to this Document for further details.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contract

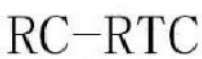
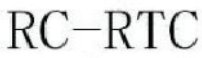
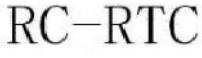
We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that is or may be material:

- (a) Capital increase agreement dated April 7, 2025 entered into among our Company and Beijing Yunzhi Rongyao Network Technology Partnership (Limited Partnership) (北京雲智融耀網絡科技合夥企業(有限合夥)) (“**Beijing Rongyao**”), pursuant to which Beijing Rongyao subscribed for RMB11,341,579 of the registered capital in our Company at a consideration of RMB11,341,579.
- (b) The [REDACTED].

2. Intellectual Property Rights

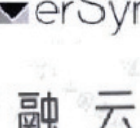
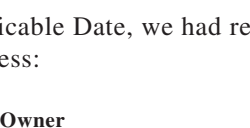
(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to our business:

No.	Owner	Trademark	Registration No.	Place of Registration	Class	Expiry Date
1.	Our Company		73966701	PRC	42	November 27, 2034
2.	Our Company		37111682	PRC	38	November 20, 2029
3.	Our Company		37126477	PRC	42	November 20, 2029
4.	Our Company		37111351	PRC	9	November 20, 2029
5.	Our Company		31377482	PRC	38	March 13, 2029
6.	Our Company		31365674	PRC	9	March 6, 2029
7.	Our Company		31368351	PRC	42	March 6, 2029
8.	Our Company		16724732	PRC	16	June 6, 2036
9.	Our Company		16724735	PRC	38	August 6, 2036

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No.	Owner	Trademark	Registration No.	Place of Registration	Class	Expiry Date
10. . .	Our Company		16724729	PRC	42	June 6, 2036
11. . .	Our Company		16724733	PRC	9	July 13, 2036
12. . .	Our Company		16724730	PRC	38	June 6, 2036
13. . .	Our Company		16724731	PRC	35	June 6, 2036
14. . .	Our Company		16724727	PRC	38	June 6, 2036
15. . .	Our Company		16724728	PRC	16	June 6, 2036
16. . .	Our Company		16724736	PRC	35	January 20, 2027
17. . .	Our Company		16724726	PRC	42	June 6, 2036
18. . .	Our Company		16724737	PRC	16	July 13, 2036
19. . .	Our Company		16724738A	PRC	9	June 13, 2036
20. . .	Our Company		16724725	PRC	38	October 13, 2036
21. . .	Our Company		14370049	PRC	38	May 27, 2035
22. . .	Our Company		14370044	PRC	42	May 27, 2035

(b) Domain Names

As of the Latest Practicable Date, we had registered the following domain names which we consider to be material to our business:

No.	Owner	Domain Name	Registration Date
1. . . .	Our Company	rongcloud.cn	March 31, 2014
2. . . .	Our Company	ronghub.com	December 30, 2014

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Owner	Domain Name	Registration Date
3. . . .	Our Company	rongcloud.net	March 31, 2014
4. . . .	Our Company	lyrawork.net	January 13, 2025
5. . . .	Our Company	lyrawork.com	January 13, 2025

(c) Patents

As of the Latest Practicable Date, the following patents had been authorized which we consider to be material to our business:

No.	Patent Name	Patentee(s)	Patent No.	Patent Type	Date of Authorization	Expiry Date
1.	一種即時通信客戶端獲取連續消息的方法及裝置	Our Company	2024119707535	Invention	October 14, 2025	October 14, 2045
2.	一種網絡群消息的分發控速的方法、裝置和系統	Our Company	2022108955320	Invention	August 8, 2023	August 8, 2043
3.	鏈路建立方法和裝置	Our Company	2018115943158	Invention	October 21, 2022	October 21, 2042
4.	一種流媒體網絡的動態帶寬調整方法、裝置及電子設備	Our Company	2022108603393	Invention	September 20, 2022	September 20, 2042
5.	應用程序的心跳處理方法、裝置、電子設備及存儲介質	Our Company	2019107335757	Invention	March 15, 2022	March 15, 2042
6.	一種優化即時通信網絡鏈路連接的方法及裝置	Our Company	2019101388869	Invention	March 1, 2022	March 1, 2042
7.	消息同步方法及即時通訊系統	Our Company	2019101118094	Invention	September 21, 2021	September 21, 2041
8.	多端消息加密傳輸方法及系統	Our Company	2019100370980	Invention	June 4, 2021	June 4, 2041
9.	即時通訊網絡質量的檢測方法及系統	Our Company	2019100788864	Invention	August 4, 2020	August 4, 2040

(d) Copyrights

As of the Latest Practicable Date, the following copyrights had been registered which we consider to be material to our business:

No.	Copyright	Type	Place of Application	Registered Owner	Registration Number
1. . .	IM通訊能力軟件[簡稱: IM Communication Library]V1.0	Software Copyright	PRC	Our Company	2015SR195469
2. . .	公眾服務平台系統[簡稱: Public service platform system]V1.0	Software Copyright	PRC	Our Company	2015SR209522
3. . .	融雲離線消息推送系統[簡稱: RongCloud offline message push system]V1.0	Software Copyright	PRC	Our Company	2015SR210130
4. . .	融雲IM即時通訊企業版軟件[簡稱: RongCloud-IM Enterprise]V2.0	Software Copyright	PRC	Our Company	2016SR296621
5. . .	融雲IM即時通訊標準版軟件[簡稱: RongCloud-IM Standard]V2.0	Software Copyright	PRC	Our Company	2016SR296626

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No.	Copyright	Type	Place of Application	Registered Owner	Registration Number
6. . .	融雲IM即時通訊企業版軟件[簡稱: RongCloud-IM Enterprise]V3.0	Software Copyright	PRC	Our Company	2017SR633041
7. . .	融雲實時音視頻通信軟件[簡稱: RongCloud RTC SDK]V1.0	Software Copyright	PRC	Our Company	2017SR646506
8. . .	融雲IM即時通訊標準版軟件[簡稱: RongCloud-IM Standard]V3.0	Software Copyright	PRC	Our Company	2017SR670499
9. . .	融雲全球通訊雲平台V1.0	Software Copyright	PRC	Our Company	2019SR0942787
10. . .	融雲IM即時通訊消息加密系統[簡稱: RongCloud-IM消息加密]V1.0	Software Copyright	PRC	Our Company	2019SR1315629
11. . .	融雲會議系統V2.0	Software Copyright	PRC	Our Company	2021SR0454425
12. . .	融雲RTC軟件[簡稱: RC RTC]V1.5	Software Copyright	PRC	Our Company	2021SR1411183
13. . .	融雲Sumi智能問答通信系統[簡稱: Sumi智能問答]V1.0	Software Copyright	PRC	Our Company	2025SR2521831
14. . .	融雲大模型API服務平台V1.0	Software Copyright	PRC	Our Company	2025SR2521833
15. . .	融雲智能對話Agent系統V1.0	Software Copyright	PRC	Our Company	2025SR2521834

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests of Directors and Chief Executive of our Company

Save as disclosed below, immediately following the completion of the [REDACTED], so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Interest in our Company

Name	Position	Capacity/ Nature of interest ^(Note 1)	Number of Shares held	Approximate percentage of shareholding in the total issued share capital of our Company after the [REDACTED] ^(Note 2)
Mr. Wang Cheng	Director	Beneficial owner Interest in controlled corporation ^(Note 3)	[REDACTED] [REDACTED]	[REDACTED]% [REDACTED]%
		Interest in controlled corporation ^(Note 4)	[REDACTED]	[REDACTED]%
Ms. Dong Han	Director	Interest in controlled corporation ^(Note 5)	[REDACTED]	[REDACTED]%
Mr. Ren Jie	Director	Interest in controlled corporation ^(Note 6)	[REDACTED]	[REDACTED]%

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Notes:

1. All interests stated are long positions.
2. The calculation is based on the total number of [1,476,655] Unlisted Shares and [REDACTED] H Shares in issue immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised).
3. Tianjin Rongyun is a limited partnership established in the PRC. As of the Latest Practicable Date, Tianjin Rongyun was owned as to approximately 41.51% by its sole general partner, Mr. Wang Cheng. Therefore, Mr. Wang Cheng is deemed to be interested in the Shares held by Tianjin Rongyun.
4. Tianjin Yunchuang is a limited partnership established in the PRC. Tianjin Yunchuang is our employee ownership platform. As of the Latest Practicable Date, Tianjin Yunchuang was owned as to approximately 26.40% by its sole general partner, Mr. Wang Cheng. Therefore, Mr. Wang Cheng is deemed to be interested in the Shares held by Tianjin Yunchuang.
5. Beijing Rongyao is a limited partnership established in the PRC. Beijing Rongyao is our employee ownership platform. As of the Latest Practicable Date, Beijing Rongyao was owned as to approximately 76.11% by its general partner, Ms. Dong Han. Therefore Ms. Dong Han is deemed to be interested in the Shares held by Beijing Rongyao.
6. Tianjin Bailing is a limited partnership established in the PRC. As of the Latest Practicable Date, Tianjin Bailing was owned as to approximately 83.69% by its general partner, Mr. Ren Jie. Therefore, Mr. Ren Jie is deemed to be interested in the Shares held by Tianjin Bailing.

2. Substantial Shareholders

For information on the persons who will, immediately following the completion of the [REDACTED], having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class or share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed “Substantial Shareholders”.

3. Service Contracts

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of office commencing on the date of the approval at the relevant Company’s general meeting and ending on the expiration of the term of office of the prevailing session of the Board (with respect to Directors); and (b) termination provisions in accordance with their respective terms.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors

Save as disclosed in the section headed “Directors and Senior Management” in this Document and Appendix I—Accountant’s Report, for the three years ended December 31, 2023, 2024 and 2025, none of our Directors received other remunerations of benefits in kind from us.

5. Share Incentive Plans

The Company has adopted two Share Incentive Plans to reward our key employees, incentivize our management team and promote our long-term sustainable development. The terms of the Share Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as the Share Incentive Plans do not involve the grant of options or awards by our Company after the [REDACTED] and there will be no dilution effect to the issued Shares after [REDACTED]. As of the Latest Practicable Date, no new Shares were issued under the Share Incentive Plans.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(a) Employee Incentive Platforms

As of the Latest Practicable Date, the Company had established two Employee Incentive Platforms namely Tianjin Yunchuang for Tianjin Yunchuang Share Incentive Plan (“天津雲創激勵計劃”) in 2017 (as amended in 2019 and 2025) and Beijing Rongyao for Beijing Rongyao Share Incentive Plan (“北京融耀激勵計劃”) in 2024.

Tianjin Yunchuang

We have established Tianjin Yunchuang, a limited partnership on November 27, 2017, as one of the Employee Incentive Platforms. The general partner of Tianjin Yunchuang is Mr. Wang Cheng, our executive Director. As of the Latest Practicable Date, Tianjin Yunchuang was held by its general partner, Mr. Wang Cheng, as to 26.40%, and its limited partners as to 72.60%.

Beijing Rongyao

We have established Beijing Rongyao, a limited partnership on March 31, 2025, as one of the Employee Incentive Platforms. The general partner of Beijing Rongyao is Ms. Dong Han, our executive Director. As of the Latest Practicable Date, Beijing Rongyao was held by its general partner, Ms. Dong Han, as to 76.11%, and its limited partners as to 23.89%.

(b) Key Terms of Share Incentive Plans

Eligibility

Pursuant to employee incentive agreements under two Share Incentive Plans, the Participants (the “Participant(s)”) shall include key employees of the Group and other persons as determined by the Board of the Company.

Award

An award under two Share Incentive Plans (the “Award(s)”) gives a Participant a conditional right when granted the Award to obtain interests in their Employee Incentive Platform, respectively, at the consideration separately agreed in the employee incentive agreements entered among the Company and the relevant Participant.

The direct or indirect voting rights in our Company of each Employee Incentive Platform shall be exercised by the general partner of each Employee Incentive Platform, namely Mr. Wang Cheng and Ms. Dong Han, pursuant to the partnership agreements and employee incentive agreements.

(c) Grant of Shares

Tianjin Yunchuang

As of the Latest Practicable Date, a total of 4,681,437 Shares, representing approximately 4.13% of the Shares in our Company, were granted to the Participants.

Beijing Rongyao

As of the Latest Practicable Date, a total of 2,709,000 Shares, representing approximately 2.39% of the Shares in our Company, were granted to the Participants.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

6. Disclaimers

- (a) Save as disclosed in the section headed “History, Development and Corporate Structure,” none of the Directors nor any of the experts referred to in “— Other Information — 5. Qualifications and Consents of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) Save in connection with the [REDACTED], none of the Directors nor any of the experts referred to in “— Other Information — Qualifications and Consents of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of the Group.

OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee for the [REDACTED], and permission to [REDACTED], our Shares in issue, our [REDACTED] to be issued pursuant to the [REDACTED] (including any [REDACTED] which may fall to be issued pursuant to the exercise of the [REDACTED]).

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US\$500,000 to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Hong Kong Stock Exchange.

4. Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

5. Qualifications and Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this Document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Name	Qualifications
Zero2IPO Capital Limited	A licensed corporation under the SFO for Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
JunHe LLP	Legal advisors to our Company as to PRC laws
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan	Independent industry consultant
everstead law llc	Legal advisors to our Company as to Singapore laws
Takrees Law Firm	Legal advisors to our Company as to Saudi Arabia laws

Save as disclosed in this Document, as of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to [REDACTED] for or to nominate persons to [REDACTED] for securities in any member of our Group.

6. Promoters

The promoters of our Company comprised all of the 15 then shareholders of our Company immediately before our conversion into a joint stock company with limited liability.

No.	Name
1.	Mr. Wang Cheng
2.	Tianjin Rongyun
3.	Tianjin Yunchuang
4.	Digital Communication
5.	Beijing Rongyao
6.	Shenzhen Hechuang
7.	Shenzhou Taiyue
8.	Beijing Chenxi
9.	Tianjin Bailing
10.	Taiyue Xinxing
11.	Mr. Wang Yuhui
12.	Beijing Yunzhi
13.	Taiyue Wutong
14.	Mr. Wang Lihua
15.	Taiyue Wutong Yunzhi

Within the two years immediately preceding the date of this Document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transaction described in this Document.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

7. Compliance Adviser

Our Company has appointed Rainbow Capital (HK) Limited as our Compliance Adviser in compliance with Rule 3A.19 of the Listing Rules.

8. No Material Adverse Change

The Directors confirm that there has been no material change in our financial or trading position since [December 31, 2025].

9. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to the Hong Kong stamp duty if such sale, purchase, and transfer are effected on the H Shares register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty of such sale, purchase, and transfer is 0.1% of the consideration, or, if higher, the fair value of the H Shares being sold or transferred.

10. Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Bilingual

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Miscellaneous

Save as otherwise disclosed in this Document:

- (a) within the two years preceding the date of this Document, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;
- (b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;
- (f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (g) our Company is not presently listed on any stock exchange or traded on any trading system; and
- (h) our Company is a joint stock company with limited liability and is subject to the PRC Company Law.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) a copy of each of the material contracts referred to in “Further Information about the Business of our Company — 1. Summary of Material Contracts” in Appendix IV to this Document; and
- (ii) the written consents referred to in “Statutory and General Information — Other Information — 5. Qualifications and Consents of Experts” in Appendix IV to this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our Company’s website at www.rongcloud.cn during a period of 14 days from the date of this Document:

- (1) the Articles of Association;
- (2) the Accountant’s Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this Document;
- (3) the audited financial statements of the Group for the years ended December 31, 2023, 2024 and 2025;
- (4) the report from PricewaterhouseCoopers on the unaudited [REDACTED] financial information of our Group, the texts of which is set out in Appendix II to this Document;
- (5) the PRC legal opinion prepared by JunHe LLP, our legal advisors as to the PRC law, in respect of certain aspects of our Group;
- (6) the Singapore legal opinion issued by everstead law llc, our legal advisors as to Singapore law, in respect of the legality of the Company in offering its products and services to Singapore customers in compliance with all applicable laws of Singapore;
- (7) the legal due diligence report issued by Tarkrees Law Firm, our legal advisors as to Saudi Arabia law, in respect of the legal compliance of the Company’s business operations in the Kingdom of Saudi Arabia;
- (8) the industry report issued by Frost & Sullivan, the summary of which is set forth in “Industry Overview” in this Document.
- (9) the PRC Company Law, the PRC Securities Law, and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations;
- (10) the material contracts referred to in “Further Information about the Business of our Company — 1. Summary of Material Contracts” in Appendix IV to this Document;
- (11) the written consents referred to in “Statutory and General Information — Other Information — 5. Qualifications and Consents of Experts” in Appendix IV to this Document;
- (12) the service contracts and letters of appointment with Directors, referred to in “Further Information about our Directors and Substantial Shareholders — 3. Service Contracts” in Appendix IV to this Document; and