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OVERVIEW

Who We Are

We are a leading provider of enterprise software and intelligent services. Leveraging core technologies, such as AI, big data, and cloud computing, we focus on the R&D, innovation, commercialization and delivery of digital and intelligent software and services for enterprises. According to Frost & Sullivan, we are the largest player in China’s enterprise software and service market by revenue in 2025 with a market share of 3.8%, and we are also the largest domestic enterprise software company in China in 2025 by overseas revenue.

Since our inception, we have progressed from accounting-centric systems to integrated enterprise systems, and now to digital and intelligent platform. Aligning with this trend, our core offerings have advanced from financial management software to enterprise resource planning (“**ERP**”) software, and further to Yonyou Business Innovation Platform (“**Yonyou BIP**”). During the accounting-centric stage (“**1.0 stage**”), we became a well-recognized financial software brand in China. In the stage of integrated enterprise management (“**2.0 stage**”), we were regarded as the well-established ERP software provider in the Asia-Pacific region. Entering the new era, we developed our advanced business innovation platform, Yonyou BIP (“**3.0 stage**”). Yonyou BIP empowers enterprises to enhance their digital and intelligent capabilities through enabling digital, data-driven, and intelligent operations.

What We Do

Our Business Model

We offer a diverse portfolio of enterprise software and intelligent services, including cloud-based services and software products, to address the digital and intelligent transformation demands of enterprises of all sizes — from micro and small enterprises (“**MSE**”) to large conglomerates — as well as public sector organizations. We maintained a proven track record of providing end-to-end services for large enterprises, which enables us to develop a suite of products and services and extend our market reach to medium-sized companies and MSEs. We had achieved a customer coverage of 78% across Fortune China 500 Companies in 2025. The number of customers for our cloud-based services increased by 5.5% from 2023 to 2024 and increased by 6.1% from 2024 to 2025 and further increased by 31.1% from the three months ended March 31, 2025 to the three months ended March 31, 2026. We provide our cloud-based services and software products on subscription and/or license fee model. We also provide a suite of implementation, product support, and maintenance services. These services are designed to support customers throughout their lifecycle — from initial onboarding to post-deployment optimization.

For large enterprise customers, we primarily rely on our in-house sales team for customer development and engagement. We focus on serving strategically important customers and implement a marketing strategy structured by geographic regions and industry sectors to ensure efficient resource allocation and customer reach. *YonBIP* provides solutions tailored to large

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enterprises’ complex and diverse business demands, and serves customers from a variety of industries, such as manufacturing, energy and transportation. For medium-sized customers, we rely on our in-house sales team and our ecosystem partners to cover customers in different geographic regions and to market and deliver our standardized products and services, primarily *YonSuite* and *U9 cloud*. For MSE customers, we offer cloud-based, digital and intelligent services for their financial, tax and business management. Our products primarily include *Good Accountant* (好會計), *Good Business* (好生意), *Good Business and Finance* (好業財), *Easy Accounting Agent* (易代賬), and *T+Cloud*. For public sector organizations, we provide them with, among others, digital and intelligent budget management services.

Our Offerings

We offer a diverse portfolio of enterprise software and intelligent services, including cloud-based services and software products. Our cloud-based services primarily comprise our Yonyou BIP product series, *U9 cloud*, products offered by Chanjet and our industry-specific solutions.

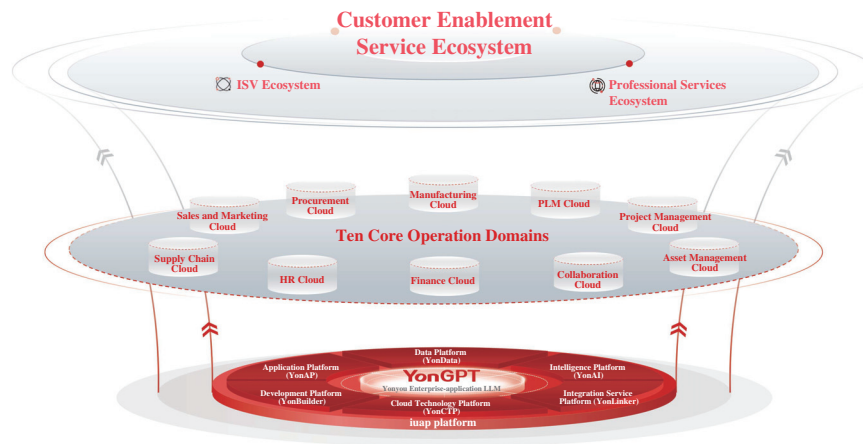
We began the exploration of cloud technologies’ application within the digital enterprise service domain as early as 2015, and started to generate revenue from cloud-based service offerings in 2016. In response to the evolving market demand for intelligent, integrated and AI-enabled enterprise services, we initiated a new round of technology R&D and exploration in 2017, launched *YonBIP* in 2020, and began to establish a new-generation, cloud-based product matrix. Beginning in 2021, we devoted more resources to furthering the development and commercialization of our advanced cloud-based services, driving further enhancement and rapid growth of the Yonyou BIP product series. Concurrent with the launch of Yonyou BIP, we began integrating AI capabilities into our cloud-based services and applied image recognition and machine learning technologies to industrial scenarios. In 2023, we launched YonGPT, our enterprise-application large language model (“LLM”), marking a significant expansion of AI capabilities within our cloud service portfolio. In 2025, we introduced Yonyou BIP Enterprise AI, an AI application suite comprising a range of intelligent agents designed to support complex enterprise business and management scenarios.

At the core of our cloud-based service offerings is Yonyou BIP, an integrated platform designed to empower enterprises with the tools, capabilities and resources needed for digital and intelligent operations. Our Yonyou BIP product series comprises *YonBIP* for large enterprises and *YonSuite* for medium-sized companies. Yonyou BIP effectively addresses challenges of traditional enterprise software, such as the lack of interoperable applications, fragmented data, and standalone AI modules that are disconnected from actual enterprise workflows, aligning with enterprises’ evolving needs for digital and intelligent transformation.

Built on our integrated technology infrastructure, our proprietary iuap platform, Yonyou BIP enables digital and intelligent operations across ten core enterprise operation domains, including finance, human resources (“HR”), supply chain, sales and marketing, procurement, manufacturing, product lifecycle management (“PLM”), project management, asset management, and collaboration (“**Ten Core Operation Domains**”). Yonyou BIP features an

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open platform architecture designed to support intra-group sharing, integration across industry chains, and collaboration with third-party ecosystem partners. Below is a diagram illustrating the three-layer architecture of Yonyou BIP:



Our AI Capabilities

We have focused on integrating AI into our product offerings, and have launched Yonyou BIP Enterprise AI to empower Yonyou BIP with AI capabilities. Yonyou BIP Enterprise AI integrates domestically-developed enterprise software and LLMs, and embeds AI technologies into enterprises’ operational processes and management. By seamlessly integrating operational processes, data and AI-native applications, Yonyou BIP Enterprise AI delivers the following three key benefits:

- **Unified AI Infrastructure.** With Yonyou BIP’s integrated technology infrastructure, Yonyou BIP Enterprise AI unifies fragmented data and disparate systems, and is fully compatible with a range of domestically-developed general-purpose LLM, including DeepSeek, Doubao, and Qwen through application programming interfaces (“API”). Additionally, it leverages the advanced capabilities of YonGPT, designed specifically for enterprise operations and management. Together, these elements create an intelligence platform that combines general AI capabilities with deep industry know-how.
- **AI-powered enterprise operations.** Yonyou BIP Enterprise AI enables a suite of AI-powered, full-scenario intelligent enterprise applications and services that target Ten Core Operation Domains. These capabilities empower enterprises to enhance efficiency, reduce operational costs, drive precision operations, and strengthen risk management.
- **AI agents.** Yonyou BIP Enterprise AI, consisting of advanced AI agents, supports intelligent planning, dynamic execution and autonomous decision-making, and enables a shift of enterprise operations from being human-drive to agent-driven.

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Our Market Opportunities

According to Frost & Sullivan, the global enterprise software and service market is expected to grow rapidly from US\$417.5 billion in 2025 to US\$722.5 billion in 2030 at CAGR of 11.6%. China’s enterprise software and service market is projected to increase from RMB222.5 billion in 2025 to RMB391.5 billion in 2030 at a CAGR of 12.0%.

Enterprises in China are expected to take a global lead in AI adoption. AI is accelerating enterprises’ digital and intelligent transformation, driving system-wide intelligent upgrades. With our enhanced AI-powered Yonyou BIP, we are well positioned to capture this market trend.

Adoption of domestically developed enterprise software has also become a prevailing trend, driven by continued product innovation, technological advancement, the limitations of international software in meeting Chinese enterprises’ transformation needs, and growing demand for domestic alternatives. Leveraging our understanding of Chinese enterprises’ operational needs, robust product capabilities and price advantages, we have become a preferred digital and intelligent service provider for Chinese enterprises and multinational companies operating in China.

Chinese enterprise software and service providers are also expanding globally, supported by Chinese enterprises’ overseas expansion and rising demand for digital and intelligent solutions in emerging markets. With our understanding of Chinese enterprise management practices and latest product offerings, we are well positioned to compete in regions such as Southeast Asia and the Middle East and extend our leadership from China to global markets.

Our strong brand presence in China and the broader Asia-Pacific region supports our overseas development since 2003, establishing us as a trusted partner for global customers for their digital and intelligent transformation. As of March 31, 2026, we had assembled a highly experienced team, operated 14 overseas offices, and cumulatively served over 1,800 customers outside of Chinese Mainland, with 60% being foreign enterprises and 40% Chinese enterprises operating overseas. Our customers span more than 40 countries and regions. Among Chinese software companies, we maintain the most extensive global operations and the highest overseas revenue contribution.

Our Financial Performance

Our revenue was RMB9,442.5 million, RMB8,817.4 million, RMB8,862.3 million, RMB1,307.2 million and RMB1,382.6 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our revenue fluctuations over the Track Record Period were primarily driven by several strategic and external factors. First, we have prioritized acquiring and serving top-tier customers, which represent the most advanced enterprise operation and management standards. This approach strengthens our market leadership but comes with challenges, such as longer customer acquisition cycles and complex product implementation and delivery processes, due to their sophisticated and demanding requirements.

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Second, as we began to transition towards promoting our new-generation cloud-based services, particularly our Yonyou BIP product series, we experienced a period of revenue volatility. These efforts reflect our commitment to long-term market competitiveness, enhanced profitability, and sustainable growth. Finally, certain customers have adopted more cautious procurement decisions in response to broader industry and economic conditions.

We recorded losses of RMB933.2 million, RMB2,069.8 million, RMB1,351.1 million, RMB756.3 million and RMB744.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. In addition to the factors discussed above, these losses were primarily attributable to increased delivery costs and efforts due to (i) the heightened implementation and delivery complexity and prolonged delivery cycle as a result of the sophisticated business and delivery requirement of our top-tier customers, and (ii) ongoing product implementation and delivery refinement as we began to promote our new-generation, cloud-based services. Further, we continued to invest in the R&D of Yonyou BIP, which we believe addresses the needs for enterprise digital and intelligent transformation. These efforts reflect our long-term vision and commitment to building a solid foundation for future growth and market leadership.

Despite the short-term volatility experienced by us during the Track Record Period, our strategic initiatives had started to yield positive results. In 2025 and the three months ended March 31, 2026, we achieved increases in both revenue and gross profit margin, as well as decreases in net loss as compared to the same year/period in 2024 and 2025, respectively, supported by enhanced delivery efficiency and product maturity. Our backlog increased by 2.0% from RMB6.3 billion for the three months ended March 31, 2025 to RMB6.4 billion for the three months ended March 31, 2026.

As we are navigating through our strategic transformation and the resulting revenue fluctuations and losses during the Track Record Period, we had developed our advanced products, expanded our top-tier customer base, innovated product delivery methods, and launched industry-specific solutions. These achievements have laid solid foundation for future revenue growth and profitability improvement. For example, in 2024, Yonyou BIP emerged as our top-performing product series. The revenue contribution from our cloud-based services reached 74.6%, 77.2%, 79.2%, 79.6% and 81.4% in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively.

OUR COMPETITIVE STRENGTHS

Product Leadership Underpinned by Innovation

Continuous innovation has been our core value and a key driver for our product leadership. During the 1.0 stage and 2.0 stage, we successfully launched a series of financial management and ERP software products, fueling rapid business expansion. Entering the 3.0 stage, we were among the first to introduce the advanced business innovation platform, Yonyou BIP. This groundbreaking platform leverages the latest digital and intelligent technologies, including AI, big data, and cloud computing, and adopts architecture designs such as

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metadata-driven, model-driven, and data-application separation frameworks. Yonyou BIP provides enterprises with the capabilities, tools, and resources required for digital, data-driven, and intelligent operations, addressing critical challenges such as the lack of interoperable applications, fragmented data, and standalone AI modules that are disconnected from actual enterprise workflows. It empowers enterprises with data-driven decision-making and full-scenario intelligent capabilities in Ten Core Operation Domains. We offer full-lifecycle products tailored to different stages of enterprise development, providing all-in-one solutions that support customers throughout their growth journey. Built on the powerful technology infrastructure and modular delivery framework of Yonyou BIP, we introduced Yonyou BIP product series, comprising *YonBIP* for large enterprises and *YonSuite* for medium-sized companies.

Yonyou BIP has achieved a number of key technological breakthroughs. Its integrated architecture seamlessly connects operational processes, data, and AI-native applications, enabling value chain collaboration between our customers and their upstream and downstream partners. It supports diverse cloud deployment models — including public, dedicated, private, and hybrid cloud. Built on an integrated technology infrastructure, Yonyou BIP allows enterprises to smoothly upgrade from *YonSuite* to *YonBIP* as their business scales, while ensuring stable and scalable performance, even at hundred-billion data volumes. Its microservice architecture meets the concurrency demands of ultra-large enterprises while offering lightweight deployment options for medium-sized businesses. Yonyou BIP is fully compatible with domestically developed software and hardware, meeting the growing demand for domestic software substitution in China. Additionally, it also supports multi-lingual, global operations, and ensures compliance with various accounting standards and regulatory requirements across jurisdictions. Furthermore, Yonyou BIP integrates YonGPT, the industry’s first domain-specific enterprise-application LLM, serving as a core engine powering enterprise-level intelligent operations.

Industry-leading AI Capabilities

We have launched Yonyou BIP Enterprise AI to empower Yonyou BIP with AI capabilities. In 2023, we launched YonGPT, the industry’s first LLM purpose-built for enterprise applications, representing a breakthrough in integrating operational processes, data, and AI-native applications. As of the Latest Practicable Date, YonGPT had been deployed in over 100 high-value use cases, covering, among others, financial management, sales and marketing, and supply chain management, significantly enhancing enterprises’ decision-making efficiency. Yonyou BIP provides ready-to-deploy, extensible AI-powered services, enabling a shift from tool-based assistance to autonomous execution.

We have developed an AI application model combining Copilot and AI agents. These AI agents are seamlessly embedded into critical enterprise operation processes through intelligent assistants and digital employees. Our AI agents are centrally orchestrated through a unified command center to operate collaboratively, while also possessing the capability for autonomous learning and evolution. As of the Latest Practicable Date, our AI agents had been deployed across the Ten Core Operation Domains, positioning us as the enterprise software and

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service provider with the most extensive AI agent coverage in China, according to Frost & Sullivan. We have also offered over 26,000 Open APIs for ecosystem integration, with annualized API call volume exceeding 14 billion.

Extensive and Highly Engaged Customer Base

Adhering to our tiered customer strategy, we have established an expansive customer base that spans MSEs to large conglomerates, as well as public sector organizations, spanning a diverse array of industries. The number of customers of our cloud-based services increased by 5.5% from 2023 to 2024 and increased by 6.1% from 2024 to 2025, and increased by 31.1% from the three months ended March 31, 2025 to the three months ended March 31, 2026 and our annual recurring revenue (“**ARR**”) increased from RMB2,347.0 million as of December 31, 2023 to RMB2,459.8 million as of December 31, 2024, and further to RMB2,904.2 million as of December 31, 2025. Our ARR was RMB2,789.8 million as of March 31, 2026, representing a 13.8% increase from our ARR as of March 31, 2025.

For large enterprise customers, we consistently center our product development on customer needs and provide industry-specific solutions, addressing core challenges faced by corporate conglomerates. Leveraging best practices accumulated from benchmark projects and our dedicated and experienced service teams comprising both in-house experts and external professional service partners, we have established a vast base of large enterprise customers with the broadest industry coverage. As of March 31, 2026, we had served approximately 78% of Fortune China 500 companies in 2025. Through full-life cycle engagement in our customers’ digital and intelligent transformation processes, we have continuously strengthened customer stickiness. For medium-sized customers, we develop standardized products based on our experience serving large enterprises and accumulated industry know-how, enabling scalable and broad customer coverage across various industry verticals. The dollar retention rate of Yonyou BIP was consistently over 90% during the Track Record Period. For MSE customers, our solutions and technologies help reshape their traditional business models and drive digital and intelligent transformation.

Integrated Ecosystem Fostering Shared Success

We have established a collaborative and inclusive ecosystem of diverse partners that complement our capabilities in product development, sales and implementation. This ecosystem enables us to provide comprehensive, value-added services to our customers, while fostering mutual growth and success alongside them.

We collaborate with over 4,100 independent software vendors (“**Independent Software Vendors**”) to enhance our product offerings across a wide range of industry-specific applications. Solutions developed by these partners are directly built on Yonyou BIP, which enables us to deliver more comprehensive and industry-relevant solutions to our customers, enhancing the functionality of our offerings.

To extend our market reach, we also collaborated with over 5,000 sales partners. These partners play an important role in helping us access a broader base of medium-sized and MSE customers across various regions and industries.

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We maintain a network of more than 1,200 professional service partners, which is essential in strengthening our product delivery capacity. With their support, we are able to undertake a larger volume of product deliveries, as well as more complex deployments for large enterprises and implementation for a broader base of medium-sized customers. This collaborative delivery model allows us to scale efficiently, reduce implementation costs, and improve overall profitability, while maintaining service quality across a diverse customer base.

Moreover, we have established collaboration programs with hundreds of academic institutions across China, and we would provide course materials on digital and intelligent transformation for such academic institutions. Through such collaboration programs, we jointly cultivate interdisciplinary talents equipped with fundamental capabilities for digital and intelligent transformation. At the same time, we leverage our think-tank resources to carry out joint research and broader collaboration with academic institutions for core technology innovation and application scenario development.

Forward-Looking Management and Deep Talent Reserve

Our core management team, distinguished by in-depth industry experience and strategic foresight, comprises pioneers in the enterprise software and service industry and leaders of digital and intelligent transformation. Mr. Wang Wenjing, our founder and a pioneer of China’s enterprise software and service industry, has dedicated 38 years to furthering industry development and has steadfastly adhered to the business philosophy of becoming a trusted partner of customers, pursuing continuous innovation, and striving for professionalism. Under his leadership, we have successfully completed three major strategic development, with our core offerings advancing from financial software to ERP and now to Yonyou BIP. With keen insight into industry dynamics and astute judgment for business opportunities, Mr. Wang has guided us through multiple industry cycles, building a strong track record and establishing our position as a market leader and a trusted partner for enterprises and public sector organizations in China and globally.

We have assembled a team of top-class professionals in the enterprise software and service industry. Led by our core management team, we have achieved significant and accelerated growth. Mr. Wu Zhengping, our Director and Chief Financial Officer, established and headed our finance team, completed multiple rounds of financings and strategic acquisitions, and led investment initiatives that were strategically aligned with our business, significantly expanding the breadth of our business. Mr. Fan Guanjun, our Executive Vice President, has been instrumental in driving the development of our core technology platforms and industry-specific products. In recent years, he has continued to lead our R&D team, overseeing the development and iteration of Yonyou BIP.

Our core management team members have an average of more than 23 years of experience in the software industry, with one third of them holding a master’s degree or above. Our stable and forward-thinking management team is committed to implementing our strategies in technology advancement, product innovation, and market expansion, laying a solid foundation for our long-term growth.

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We consider talent to be one of our most valuable assets and place talent development at the core of our corporate strategy. To attract top-tier professionals, we have built a multi-channel recruitment system. Additionally, we have a comprehensive talent growth framework to enhance overall capabilities across key functions, including R&D, pre-sales, sales, implementation, and customer success.

OUR GROWTH STRATEGIES

We will remain focused on the development of enterprise software and intelligent services. We aim to become a top-three leader in the global enterprise software and service industry.

Product-leadership: Enhancing Product and Technology Competitiveness to Drive Business Growth

We will continue to invest in the development of our product matrix and technology stack, with a particular focus on enhancing our digital and intelligent platforms and applications. We will enhance our Yonyou BIP Enterprise AI by launching more intelligent agents for a broader range of business scenarios. We will further refine our Yonyou BIP, aiming to deliver a highly reliable, high-performance, more intelligent, and easier-to-deploy system. At the same time, we will continue to strengthen the global adaptation of our products, industry-specific features, and ecosystem integration, further enriching our product portfolio and reinforcing our product leadership.

AI-enablement: Accelerating AI Integration Across Products and Internal Operations

We will actively innovate our business model in the age of AI development, and as AI becomes more capable of delivering measurable, scenario-specific outcomes, we plan to adopt outcome-based fee model for our products.

We will continue to embed AI applications into the Ten Core Operation Domains, aiming to further integrate operational processes, data, and AI-native applications. Leveraging our long-standing domain expertise, we will continue to upgrade YonGPT and key AI application frameworks, including AI agent-based architecture, human-computer interaction (HCI), and retrieval-augmented generation (“**RAG**”). We are also integrating diverse AI technologies, such as recommendation algorithms, knowledge graphs, and multi-modal models, into Yonyou BIP, to expand scenario coverage, enrich AI functionalities, and empower intelligent, end-to-end enterprise operations. We will further explore application of AI technology in our business operations, including R&D, implementation, and day-to-day management, to enhance operational efficiency and quality while reducing operational costs.

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Global Expansion 2.0: Further Expanding Overseas Presence and Customer Coverage

Domestic enterprise software has demonstrated strong competitiveness in international markets, and the overseas market represents a strategic growth potential. As one of the early-mover in enterprise software and service market to expand internationally, we have assembled a highly experienced team and accumulated product delivery experience in more than 40 countries and regions, and have maintained the most extensive global operations and the highest overseas revenue contribution among the domestic enterprise software and service companies. Moreover, Yonyou BIP provides the broadest coverage of enterprise operation domains and application scenarios globally, according to Frost & Sullivan. We will continue to implement our global expansion strategy, which centers on executing a global customer strategy anchored in the Asia-Pacific region and strengthening our global product adaptation and service delivery capabilities.

Our global customer strategy focuses on serving both local enterprises and Chinese companies operating overseas. Leveraging our solid track record in Hong Kong, Macau, Taiwan and Southeast Asia, we are expanding our presence and marketing networks across Europe, the Americas, and the Middle East. We will enhance collaboration with ecosystem partners in these regions to extend our market outreach. To support global product adaptation and service delivery, we are deepening localization efforts by aligning our products with local language, regulatory, and operational requirements. We are also enhancing delivery and implementation infrastructure and fostering close collaboration with overseas ecosystem partners to support product development and service delivery in international markets.

Customer Success: Empowering Customers’ Digital and Intelligent Transformation Through Product Innovation and Service Delivery

We are committed to delivering value to customers, and we continuously deepen and promote our customer success philosophy and framework, which is embedded across our entire business lifecycle, from R&D, sales and marketing, to implementation and post-deployment services. Our offerings closely align with customer needs, and through long-term partnerships built on trust, we aim to progress together with our customers — helping our customers navigate through digital and intelligent transformation, while driving our sustainable business growth.

Ecosystem Prosperity: Strengthening Ecosystem Collaboration and Fostering Mutual Success with Partners

We are committed to implementing a long-term partnership strategy and continuously building a leading Yonyou BIP ecosystem alongside our ecosystem partners. We intend to strengthen collaboration with our ecosystem partners on product innovation, brand building, and business opportunity discovery. We empower them with operational support and optimize collaboration mechanism. We are committed to delivering convenience, profitability, and

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shared success to our ecosystem partners. We aim to foster ecosystem collaboration in a more practical, efficient, and sustainable manner. To this end, we will focus on optimizing and upgrading an intelligent ecosystem platform that supports key aspects of collaborative business operations.

Delivery Innovation: Transforming Delivery Models with Intelligent Delivery Systems

We will improve our overall implementation efficiency by enhancing the implementation readiness of our products through refined product design and enabling standardized, scalable implementation based on industry-special best practices. We also plan to utilize AI technologies and our implementation expertise to transform delivery models by automating implementation workflows and replacing manual efforts. We will continue to deepen collaboration with professional service partners in consulting, implementation and customized development. We aim to increase the proportion of product deliveries undertaken by our professional service partners, support expansion in their implementation capacity and resources, and enhance collaboration.

OUR PRODUCTS

We have consistently enhanced our product offerings to stay aligned with the latest technologies, evolving from ERP to Yonyou BIP. We offer a diverse portfolio of enterprise software and intelligent services, including cloud-based services and software products, to address the digital and intelligent transformation demands of enterprises of all sizes — from MSEs to large conglomerates — as well as public sector organizations.

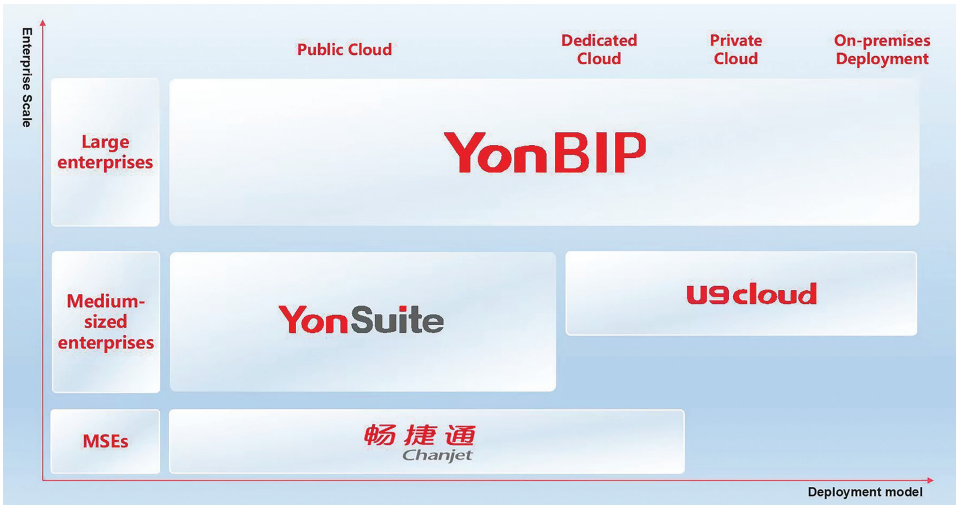
Our Cloud-based Services

We began the exploration of cloud technologies’ application within the digital enterprise service domain as early as 2015, and started to generate revenue from cloud-based service offerings in 2016. In response to the evolving market demand for intelligent, integrated and AI-enabled enterprise services, we initiated a new round of technology R&D and exploration in 2017, launched *YonBIP* in 2020, and began to establish a new-generation, cloud-based product matrix. Beginning in 2021, we devoted more resources to furthering the development and commercialization of our advanced cloud-based services, driving further enhancement and rapid growth of the Yonyou BIP product series. Concurrent with the launch of Yonyou BIP, we began integrating AI capabilities into our cloud-based services and applied image recognition and machine learning technologies to industrial scenarios. In 2023, we launched YonGPT, our enterprise-application LLM, marking a significant expansion of AI capabilities within our cloud service portfolio. In 2025, we introduced Yonyou BIP Enterprise AI, an AI application suite comprising a range of intelligent agents designed to support complex enterprise business and management scenarios.

Our cloud-based service offerings are built on a cloud-native architecture that enables remote delivery and real-time updates. Leveraging the powerful technology infrastructure and modular delivery capabilities of Yonyou BIP, we introduced Yonyou BIP product series, comprising *YonBIP* for large enterprises and *YonSuite* for medium-sized companies. With

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scenario-based product design, we provide customers with flexibility and enable enterprises, ranging from startup companies to multinational conglomerates, to assemble applications based on their business needs and access enterprise applications and services. Yonyou BIP offers capabilities that support enterprises throughout their growth journey and cover all business scenarios. In addition to Yonyou BIP product series, we offer other cloud-based services under *U9 cloud* and products offered by Chanjet, as well as industry-specific cloud-based solutions. The number of customers of our cloud-based services increased by 5.5% from 2023 to 2024 and increased by 6.1% from 2024 to 2025, and increased by 31.1% from the three months ended March 31, 2025 to the three months ended March 31, 2026, and our ARR increased from RMB2,347.0 million as of December 31, 2023 to RMB2,459.8 million as of December 31, 2024, to RMB2,904.2 million as of December 31, 2025, and decreased to RMB2,789.8 million as of March 31, 2026. The diagram below illustrates our core cloud-based product matrix:



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The following table summarizes the functions and features of our main cloud-based service offerings. All of our cloud-based services are SaaS.

Product	Services and key functions	Value proposition	Target customers	Deployment methods	Pricing	Technologies adopted
Yonyou BIP <i>YonBIP</i>	<i>YonBIP</i> and <i>YonSuite</i> help businesses manage their daily operations and business workflows. They support a broad range of business activities — such as finances, HR, sales, procurement, and other essential functions — across various operational streams. <i>YonBIP</i> and <i>YonSuite</i> also integrate intelligent capabilities, including AI agents, to automate task handling and support data-driven decision-making.	<ul style="list-style-type: none"> <i>YonBIP</i> offers robust data integration, real-time processing, and intelligent analytics capabilities, enabling businesses to adopt AI seamlessly while handling massive volumes of data and transactions efficiently. <i>YonBIP</i> includes hundreds of pre-built applications and intelligent services that can be flexibly deployed and combined based on customer needs, covering a wide range of enterprise functions and scenarios. <i>YonBIP</i> supports enterprise needs across different growth stages, ensuring long-term product relevance and continuity. Through tailored implementation steps, our products are designed to adapt to customers' unique operational scenarios and business requirements. 	Large enterprises	Public cloud, dedicated cloud, private cloud, on-premises deployment	<ul style="list-style-type: none"> License fee Subscription fee Fees for ancillary products and services, including implementation services, maintenance services and hardware 	Platform-based architecture (our iuap platform); cloud computing, big data, AI, cloud-native architecture, AI-driven architecture combining large and small models
U9 cloud <i>YonSuite</i>			Medium-sized enterprises	Public cloud	<ul style="list-style-type: none"> Subscription fee Fees for ancillary services, such as implementation services 	Platform-based architecture (our iuap platform); cloud computing, big data, AI, cloud-native architecture, AI-driven architecture combining large and small models
U9 cloud <i>U9 cloud</i>	U9 cloud is mainly for medium-sized manufacturing enterprises, providing support for managing production, operations, and related business functions.	<ul style="list-style-type: none"> Strong adaptability to complex manufacturing environments. Advanced business control and coordination, enabling seamless collaboration across departments and organizations to achieve agile manufacturing and reduce delays and redundancies. Intelligent production planning and execution. Scalable architecture, adaptable to evolving product complexity and business scale. 	Primarily medium-sized manufacturing enterprises	Dedicated cloud, private cloud, on-premises deployment	<ul style="list-style-type: none"> License fee Subscription fee Fees for ancillary products and services, including implementation services, maintenance services and hardware 	Technology stack integrated with emerging technologies such as AI and Internet of Things; fully service-oriented architecture with a hybrid cloud framework
Chanjet products	Standard products offered by Chanjet to MSEs that provide digital and intelligent management of finance and tax, production, supply, and sales and marketing.	Simplified, cost-effective, out-of-the-box and scalable tools to support daily needs of MSEs.	MSEs	Public cloud, dedicated cloud	Subscription	Cloud computing, cloud-native architecture, micro-service architecture

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Yonyou BIP

Yonyou BIP leverages advanced digital and intelligent technologies, including AI, big data, and cloud computing. It adopts advanced architectural designs to establish a platform architecture that is digitalized, intelligent, highly elastic, secure, reliable, ecosystem-oriented, globalized, and socially integrated. Yonyou BIP supports a broad range of applications for the Ten Core Operation Domains. By doing so, it empowers enterprises to automate operation process, increase operating efficiency, and achieve business innovation. Furthermore, it acts as a collaboration platform for the enterprise software and service industry, fostering innovation and connectivity across the ecosystem.

Advantages of Yonyou BIP

As our new-generation cloud-based service offering, Yonyou BIP adopts integrated design and is built upon advanced technology, data, and application architectures. Adhering to the concept of digital and intelligent transformation, it provides a unified technology infrastructure for enterprises through our robust iuap platform. Leveraging the structurally unified and cloud-native application framework, Yonyou BIP allows seamless interconnection of data and business processes, eliminating siloed applications, fragmented data, and standalone AI modules that are disconnected from actual enterprise workflows. Yonyou BIP connects enterprises with their upstream and downstream companies, enabling a collaborative ecosystem that drives value creation across the industry chains. The integration capabilities of Yonyou BIP are illustrated through the following aspects:

- *Integrated domain-specific applications.* Yonyou BIP offers over 700 scenario-based services across Ten Core Operation Domains, fully meeting the needs for integrated applications. It includes more than 3,000 preconfigured, industry-agnostic SaaS services, that provide domain-specific applications. Earlier-generation products were typically designed as single-function, single-domain application modules, each addressing a specific business function or operational scenario in isolation. These fragmented systems often operated on separate data structures and workflows, which limited cross-functional collaboration and inter-domain integration. As a result, enterprises were unable to manage core functions in a unified and coordinated manner, and often relied on manual reconciliation or customized interfaces to bridge information gaps, reducing their ability to respond efficiently to evolving business requirements. By contrast, leveraging its integrated, domain-specific applications built on a unified architecture, Yonyou BIP enables enterprises to flexibly combine and deploy scenario-based services across multiple business domains. For example, enterprises can integrate financial management, procurement, production planning and sales management modules within a single workflow to support end-to-end business scenarios such as order-to-cash, procure-to-pay and supply-demand coordination. Customers can select and configure relevant functional modules and industry-specific scenarios based on their operational needs, while integrating these applications with existing data sources and legacy systems through standardized interfaces, thereby supporting comprehensive, end-to-end cross-domain business management.

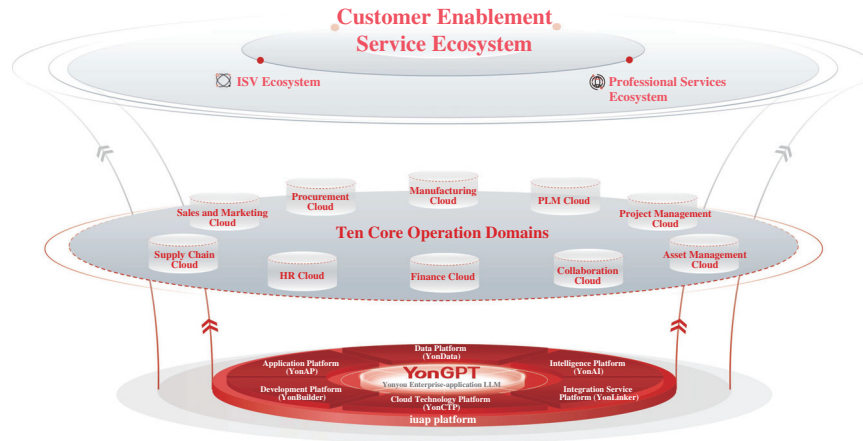
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- *Integrated enterprise development support.* Yonyou BIP adopts a unified system architecture that supports enterprises throughout their entire growth journey. As businesses scale, our customers can use the same Yonyou BIP product series that are able to address the varying digitalization needs for enterprises at different stages of growth while supporting seamless data continuity and technology upgrades. By contrast, previous-generation products were designed as discrete systems for enterprises of different development stages and could not scale seamlessly as customer needs evolved. As a result, when enterprises expanded or required more advanced capabilities, they were often forced to undertake disruptive system or data migrations, incurring significant time and cost.
- *Integrated industry chain collaboration.* Previously, enterprises of the same industry value chain typically deployed independent ERP systems that were designed primarily for internal use and were not intended to interconnect or exchange data across organizations. As a result, enabling cross-organizational collaboration often required substantial customized system integration, manual data alignment or third-party interfaces, which involved significant implementation complexity and costs. These limitations made it difficult for enterprises to achieve efficient and coordinated operations across the broader industry value chain. Yonyou BIP boasts digital and intelligent modeling capabilities at an ecosystem level, and enables enterprises to establish collaborative networks across upstream and downstream partners. Yonyou BIP drives cross-organizational collaboration while maintaining strict data segregation and operational independence for each individual enterprise.
- *Integrated intelligent capabilities.* Yonyou BIP deeply integrates AI into core business and management scenarios. Our AI tools deliver three core capabilities: copiloting, automated intelligent assistants, and data- and LLM-driven intelligent insights, forecasting and decision-making. Our AI-empowered copilot supports natural-language-based interaction to enhance the accuracy, timeliness and convenience of decision-making. Our intelligent assistants assume labor-intensive and repetitive process workflows, substantially amplifying workforce productivity. Intelligent forecasting equips our enterprise customers with enhanced foresight, enabling them to plan and manage inventory, budgeting and cash-flow needs with greater precision. Data- and large-model-powered intelligent insights, forecasting and decision-making automate data collection, analysis, and reporting, and equip our enterprise customers with enhanced foresight, enabling them to plan and manage inventory, budgeting and cashflow needs with greater precision.

Architecture of Yonyou BIP

Yonyou BIP follows a three-layer integrated architecture, comprising the integrated technology infrastructure layer — our iuap platform, domain-specific application layer, and customer enablement ecosystem layer.

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The iuap platform

The iuap platform integrates a comprehensive suite of capabilities through its cloud technology platform, application platform, data platform, intelligence platform, development platform, integration platform, and YonGPT — our enterprise-application LLM. The iuap platform serves as the technology infrastructure of Yonyou BIP, designed to be business-oriented, technologically advanced, and structurally comprehensive. Below are descriptions of the key components of our iuap platform:

- **YonCTP.** The cloud technology platform, YonCTP, supports stable operation and high responsiveness of enterprise software systems built on the iuap platform. YonCTP enables concurrent access by a large number of users and adapts flexibly to evolving business needs. YonCTP allows enterprises to respond more rapidly to business changes, improve resource utilization, and enhance system stability and reliability. YonCTP provides the flexibility and efficiency required for enterprises’ digital and intelligent transformation, and lays a solid foundation for continuous enterprise innovation and rapid growth.
- **YonAP.** The application platform, YonAP, enables enterprises to more efficiently build and manage a wide range of business systems, enhancing flexibility and effectiveness in digital and intelligent operations. YonAP provides a modeling platform that abstracts and packages common enterprise application functions into a set of reusable, extensible, and operable service capabilities for digital and intelligent operations, including user management, organizational and access controls, workflow engines, permission management, master data, and metadata modeling, among others. YonAP also offers foundational support for enterprises’ global operations, including support for multi-language and multi-time zone operations in country-specific standards.
- **YonData.** The data platform, YonData, provides enterprises with one-stop capabilities across the full data lifecycle, from data collection and processing to modeling and analysis, enabling the effective use of data in decision-making, management, and intelligent application scenarios. Aimed at enabling enterprise-wide data applications, YonData offers functions such as data governance, data acquisition, data modeling, data processing and computation, data asset construction

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and sharing, as well as data analysis and mining. These capabilities support a wide range of data-driven application scenarios, including performance indicator management, data visualization, decision support, knowledge discovery, and AI applications.

- *YonAI and YonGPT.* The intelligence platform, YonAI, together with our enterprise-application LLM, YonGPT, delivers structured, platform-based intelligent services that enable enterprises to integrate and scale AI capabilities across their operations. These services include intelligent human-computer interaction services through digital employees and intelligent assistants, and intelligent knowledge services through YonKnow for enterprise knowledge management, knowledge graphs, and enterprise profiling.
- *YonBuilder.* The development platform, YonBuilder, enables enterprise employees to rapidly build business systems and analytical tools without requiring professional programming skills. As a powerful and flexible builder platform, YonBuilder provides one-stop capabilities for enterprises’ in-house development of digital and intelligent applications. YonBuilder supports no-code and low-code application development, low-code system integration, and self-service data analysis, establishing a new approach to application development that supports enterprises’ digital and intelligent transformation.
- *YonLinker.* The integration platform, YonLinker, enables enterprises to more efficiently connect various internal business systems with external partner systems, facilitating data interoperability and functional coordination and enhancing integration efficiency, while reducing development costs. Leveraging accumulated service experience and collaboration with ISV partners, YonLinker enables the reuse of integration solutions and reduces integration risks and IT costs.

Comprehensive domain-specific applications

Yonyou BIP enables a full-spectrum suite of domain-specific applications, covering Ten Core Operation Domains and over 700 innovation-driven business scenarios. It is designed to address enterprises’ needs for integrated application solutions. With the broadest application coverage in enterprise operations and management scenarios, Yonyou BIP sets the standard for versatility and functionality in business innovation. Below are descriptions of the key operation domains covered by the applications:

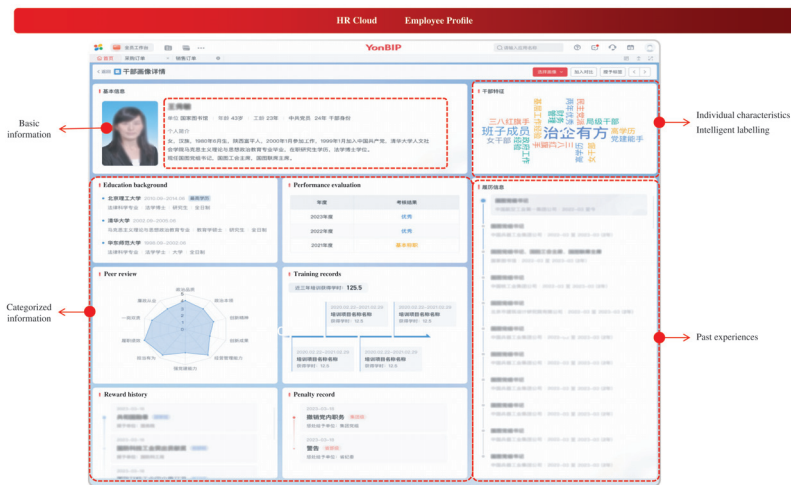
Finance Cloud. Built on event-based accounting, Finance Cloud provides an advanced financial management system covering financial and management accounting, global treasury, enterprise performance management, travel and expense management, cost control, shared services, tax services, electronic archives and digital contract management. By applying digital and intelligent technologies, Finance Cloud automates repetitive tasks such as data entry, reconciliation and calculation, reducing human errors and improving the efficiency and quality of financial operations. Its intelligent accounting engine measures enterprise economic events in real time, enabling management to understand the financial impact of business activities and make informed decisions. Finance Cloud also embeds internal control and automated

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compliance review functions, with real-time monitoring and alerts to help enterprises identify and respond to financial and compliance risks in a timely manner. The following user interface screenshot illustrates the function modules of Finance Cloud:

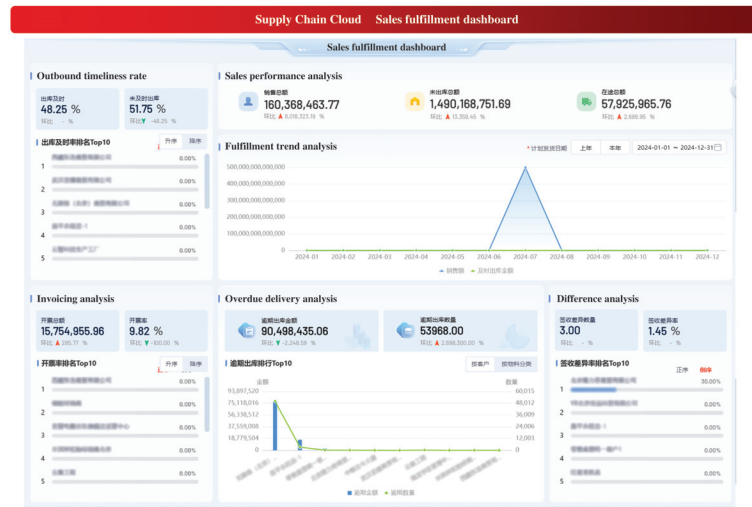


HR Cloud. Integrated with AI technologies, HR Cloud supports business innovation and management transformation across human resources functions, including talent acquisition, organizational and employee management, shared HR services, compensation, performance management, talent development, SOE applications, HR analytics and employee services. Through data-driven capabilities, HR Cloud enables intelligent talent identification, improves HR management efficiency, automates key processes, enhances user experience and supports intelligent analysis and decision-making. The following user interface screenshot illustrates the function modules of the HR Cloud:



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Supply Chain Cloud. The Supply Chain Cloud integrates planning, procurement, production, sales, inventory and services into a unified system, supporting comprehensive supply chain management. It digitalizes business transactions to ensure consistency between business documents and accounting vouchers and enhance operational transparency and traceability. Through collaborative planning and network-based coordination, it helps suppliers, manufacturers and distributors synchronize transaction flows, logistics, information and payments. It also provides intelligent risk control features, including supplier performance evaluation, procurement compliance verification, fulfillment risk monitoring and sales and delivery early warnings. The following user interface screenshot illustrates the core function modules of the Supply Chain Cloud:



Sales and Marketing Cloud. The Sales and Marketing Cloud provides one-stop support for enterprises’ digital and intelligent marketing across customer relationship management, B2B sales, B2C sales and retail scenarios. It enables digital and intelligent management of the full marketing process from planning and promotion to sales and fulfillment, and supports industry-specific applications. By integrating customer, membership and order data and managing such data through automated tagging, the Sales and Marketing Cloud helps convert marketing data into enterprise data assets and supports intelligent applications such as sales forecasting, product requisition and product recommendation, thereby enhancing marketing performance through data services and model-driven decision-making.

Procurement Cloud. The Procurement Cloud helps enterprises build an internet-based, digital and intelligent procurement platform, enabling more efficient global sourcing and network collaboration while reducing total procurement costs. It covers direct materials, indirect materials and engineering services procurement. It supports strategic sourcing, coordinated procurement execution, category management, procurement analysis, supply risk identification, centralized procurement and new supplier onboarding. Together with automated procurement execution, these capabilities help enterprises achieve more efficient and cost-effective procurement operations.

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Manufacturing Cloud. The Manufacturing Cloud provides integrated solutions covering the full process from planning and production to cost management for discrete, process and equipment manufacturing sectors. It supports the digital and intelligent transformation of key manufacturing industries in China, including steel and metallurgy, energy and chemicals, with capabilities such as real-time production visibility, operational control and manufacturing performance optimization.

PLM Cloud. The PLM Cloud helps manufacturing enterprises manage R&D activities. Centered on R&D project management, the PLM Cloud enables full-process control over the entire product development lifecycle, supporting highly efficient and high-quality R&D operations. The PLM Cloud helps shorten product development cycles, reduce development costs, accelerate time-to-market, and enhance enterprises’ overall innovation and R&D capabilities.

Project Management Cloud. The Project Management Cloud supports full-lifecycle project management and provides project-driven solutions integrated with supply chain, manufacturing and financial management functions. It serves industries such as professional services, engineering and construction, and equipment manufacturing, helping enterprises enhance project management capabilities and operational performance.

Asset Management Cloud. The Asset Management Cloud provides enterprises with full-lifecycle asset management solutions, covering group-level asset management, equipment maintenance and repair, and enterprise-wide asset tracking. Its intelligent asset services leverage operational big data to enable intelligent monitoring and analysis, defect identification and predictive maintenance, helping enterprises ensure the reliable operation and management of their assets.

Collaboration Cloud. The Collaboration Cloud is an intelligent enterprise collaboration platform providing office, business, data, intelligent, customized and end-to-end collaboration and management services. The YouZone mobile app integrates our software and cloud-based applications into a single mobile interface and serves as an entry point to third-party ecosystem services.

In addition, Yonyou BIP leverages AI applications, such as YonMate and YonKnow, to embed intelligent algorithms into enterprise operations. Such integration automates and optimizes key enterprise operations, such as process execution, data handling, and risk alerts, significantly improving operational efficiency. See “— Our AI Capabilities — Our AI Offering — Our AI Applications — Domain-specific Applications.”

Customer enablement ecosystem

Built upon our advanced technologies and full-scenario, domain-specific applications, we have established an integrated enterprise-application ecosystem centered around Yonyou BIP through collaboration with various ecosystem participants. We are committed to empowering our customers, ecosystem partners, and communities through co-creation and value sharing, driving enterprises’ digital and intelligent development and enabling business innovation.

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We work closely with more than 1,200 professional service partners to enhance solutions, provide consulting, support pre-sales activities, and ensure successful delivery, collectively offering comprehensive solutions and services for our customers’ digital and intelligent operations. In partnership with over 4,100 ISVs, we engage in joint ecosystem development initiatives to co-create solutions on the Yonyou BIP platform, addressing specialized needs in niche industries and specific service domains. With strategic alliance partners, we combine their advanced technologies or industry expertise with our products and services to deliver innovative joint solutions. Additionally, we collaborate with over 5,000 sales partners who bring their expertise in sales, consulting, and services to help us expand our market reach and better serve customers.

Yonyou BIP Product Series

Built on Yonyou BIP, we introduced a series of products under Yonyou BIP, comprising *YonBIP* for large enterprises and *YonSuite* for medium-sized companies. Both *YonBIP* and *YonSuite* provide applications across Ten Core Operation Domains.

The modular design architecture of Yonyou BIP allows us to select and deploy functional components based on customers’ business needs, accelerates implementation, lowers upfront costs, and enhances scalability for future expansion. Customers can extend system functionality gradually without disrupting existing business operations. Depending on their requirements, we offer customized delivery services tailored to specific customer needs.

Through full-life cycle engagement in our customers’ digital and intelligent transformation processes, we have continuously strengthened customer stickiness. For medium-sized customers, we develop standardized products based on our experience serving large enterprises and accumulated industry know-how, enabling scalable and broad customer coverage across various industry verticals. The dollar retention rate of Yonyou BIP was consistently over 90% during the Track Record Period.

YonBIP

Built on Yonyou BIP, *YonBIP* is a comprehensive service cluster designed specifically for large enterprises. Its customer base primarily includes Fortune Global 500 companies, large SOEs, leading private companies and international enterprises.

In response to customers’ varying data sensitivity, regulatory compliance requirements, and IT governance maturity, we offer multiple deployment options for *YonBIP*, including public cloud, dedicated cloud, private cloud, and on-premises deployment. Depending on the customer’s business needs, we support both standardized and customized product deliveries. We offer *YonBIP* under subscription and one-time license fee models. The subscription period is typically one to three years for *YonBIP*.

Case studies — Customer A

Customer A, a central SOE, operates one of China’s leading research, development, manufacturing, and testing bases for high-voltage power transmission and distribution equipment. It provides products and quality services to over 80 countries and regions and

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operates more than 60 subsidiaries. In response to the national requirements for digital and intelligent transformation of SOEs, Customer A urgently needed to build a unified, efficient, secure, and controllable platform to support group-wide operations. The customer faced several challenges: (i) its subsidiaries used ERP systems developed by different vendors, leading to fragmented system and inconsistent data standards, which hindered cross-entity business coordination and resource integration; (ii) traditional ERP systems could not support effective control over existing business scenarios or adapt to emerging operational needs; (iii) the segregation of financial and business information resulted in insufficient cost accounting and delayed business analysis, thereby limiting management efficiency; and (iv) its IT systems heavily relied on foreign hardware and software platforms, lacking adequate compatibility with domestic alternatives, and thus failed to meet the compliance requirements for secure and autonomous control.

Driven by its needs for domestic substitution and integration of finance and operations, *YonBIP* built a lightweight ERP platform that fully replaced its legacy foreign systems. Our solution delivered the following key value propositions to Customer A:

Development of integrated finance and operations platform. *YonBIP* supported Customer A in establishing a unified ERP system covering sales, procurement, inventory, production, finance and expense control management. The system covered nine major business scenarios and 132 standardized processes, promoting the integration of information flow, capital flow, and logistics. By enabling end-to-end data circulation, our solution automated the reconciliation of receivables, payables, inventory, and cost items, enhanced the detail level of cost aggregation, and facilitated the transformation of finance functions from bookkeeping to business-oriented analysis.

Establishment of unified finance system. Leveraging the openness and configurability of *YonBIP*, Customer A standardized its integrated finance and operations processes across both headquarters and subsidiaries. As a result, financial closing efficiency significantly improved, with monthly closing cycles shortened by over 50% for certain entities.

Full compatibility for domestic substitution. Customer A selected *YonBIP* to replace its legacy foreign software systems. *YonBIP* achieved a full compatibility with a wide range of domestic software and hardware infrastructure, fully supporting the strategic goal of autonomy and controllability mandated for central SOEs.

Lightweight system architecture and multi-system integration. Serving as the central operations hub, *YonBIP* is integrated with key enterprise systems including customer relationship management (“CRM”), supplier relationship management (“SRM”), manufacturing execution system (“MES”), and warehouse management system (“WMS”), enabling connectivity across processes, including contract execution, order fulfillment, inventory management, and cost accounting. This integration facilitates real-time connection between business operations and financial processes, supports intelligent allocation of production resources, and significantly enhances operational efficiency and resource utilization.

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Case studies — Customer B

Customer B is a central SOE headquartered in Hong Kong, with operations spanning transportation and logistics, integrated finance, urban development and emerging industries. With over 180,000 employees, it has a vast and complex organizational and business structure. In pursuing digital and intelligent transformation and domestic substitution, Customer B used both a legacy foreign HR management system and internally developed systems across subsidiaries, resulting in fragmented processes, inconsistent HR data, limited configurability and visualization, inefficient operations, and insufficient mechanisms to develop digital and intelligent capabilities.

YonBIP assisted Customer B in building a unified digital and intelligent platform for human resource management.

Unified data governance. We assisted Customer B in establishing comprehensive data standards covering organizational structure, personnel, and compensation, with a total of 926 standardized data items. We completed the cleansing and migration of data from three legacy systems, including data relating to approximately 100,000 organizational entities, 400,000 job positions, and 450,000 records of former employees, thereby preserving the integrity of Customer B’s data assets. In the meantime, we developed tailored data governance tools for Customer B, including employee information collection and a data quality platform, and further advanced data asset application.

Digital employee development. We developed AI-powered HR assistant for Customer B, and integrated human resources management scenarios with LLM capabilities to enhance process efficiency and user interaction experience, marking a significant step toward intelligent HR services.

Digital talent system construction. We supported Customer B in establishing a dedicated talent development framework, offering 86 courses across 95 sessions targeted at business personnel, product managers, and testing, maintenance, and technical personnel. As of June 30, 2025, Customer B has trained 30 implementation, development, and operations professionals, along with 446 HR system administrators.

Group-wide organizational coordination. We built a centralized operations platform for Customer B to streamline key HR processes such as personnel adjustment, compensation, and social security, enabling seamless integration across HR functions and enhancing cross-organizational collaboration.

YonSuite

YonSuite is designed for medium-sized companies and delivers an integrated suite of cloud-based services covering Ten Core Operation Domains. *YonSuite* adopts a unified architecture and offers public cloud deployment, enabling customer-centric, data-driven, and efficiently managed operations with real-time responsiveness. With features such as zero

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deployment, zero upgrade, and zero maintenance, *YonSuite* allows for rapid go-live and agile scaling. It also empowers enterprises to explore new business models, pursue cross-regional or international expansion, and standardize internal management to drive cost reduction and operational efficiency. Additionally, *YonSuite* offers industry-specific and customizable configurations to meet unique customer requirements while ensuring flexible scalability across various industries. This makes it an ideal choice for customers seeking cost-effective, efficient, and adaptable intelligent enterprise applications and services. We offer *YonSuite* under subscription model. The subscription period is typically one to three years for *YonSuite*.

Case studies

Customer C engages in the R&D, manufacturing, and sales of advanced plastic piping systems, with more than 30 subsidiaries and a sales network spanning over 100 countries and regions worldwide. As its overseas expansion accelerated, Customer C urgently needed to enhance its global operations through digital and intelligent transformation. *YonSuite* helped Customer C achieve unified, one-stop management of its global operations, and supported system deployment and business operations under diverse settings, involving multiple languages, currencies, and organizational structures. *YonSuite* also enabled real-time connection and synchronization for Customer C’s overseas sales data and headquarters information, facilitating data-driven financial decision-making and control. In addition, by collecting and monitoring sales orders, credit limits, and related data, *YonSuite* improved transparency in Customer C’s sales operations and reduced decision-making risks.

Customer D is a Japanese company engaged in the production and sales of condiments and food products. Customer D entered the Chinese market in 1993. As Customer D expanded its business in China, Customer D encountered several challenges, including low collaboration efficiency, cumbersome and error-prone HR management, fragmented systems across corporate entities resulting in data silos, and a weak foundation for data analytics. *YonSuite* provided Customer D with a unified business platform to ensure consistency in business processing across departments. It enabled full lifecycle management of human resources, supporting efficient handling of personnel transfers, adjustments, and departures. Additionally, *YonSuite* established an end-to-end expense reimbursement process, from request submission and to financial department approval, enhancing overall reimbursement efficiency.

Our Other Cloud-based Services

In addition to Yonyou BIP product series, we offer cloud-based ERP, such as *U9 cloud*, cloud-based services for MSEs, represented by products offered by Chanjet, and industry-specific solutions. Although these products are built on different technical architectures, functions and capabilities of Yonyou BIP can be integrated with *U9 cloud* to form hybrid cloud solutions, offering enhanced support for manufacturing enterprises. We offer our other cloud-based services under subscription and one-time license fee models. The subscription period is typically one to three years for these cloud-based services.

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U9 cloud

U9 cloud is our cloud-based ERP designed for medium-sized to large manufacturing enterprises, helping them improve operational efficiency and advance digital and intelligent transformation. It supports intelligent product management, refined cost control and compliant global operations, and is suitable for industries with complex production processes and rapid innovation cycles, such as machinery, electronics, auto parts and new materials.

U9 cloud provides end-to-end production management, including production planning, material requirements planning, shop floor execution and integration with manufacturing execution systems. It also supports standard and actual cost accounting, automated cost allocation and profitability analysis by order, department or product. In addition, *U9 cloud* supports multi-language, multi-currency and multi-ledger operations and compliance with international and local accounting standards. With capabilities covering project-based manufacturing, customized production, intelligent factory operations, network collaboration, global management and design-manufacturing integration, *U9 cloud* addresses the business management and innovation needs of manufacturing enterprises.

Cloud-based services for MSEs

Chanjet provides cloud-based products tailored for MSEs’ digital and intelligent management of finance and tax, production, supply, and sales and marketing. Chanjet offers simplified, cost-effective, and scalable tools, including *Good Accountant*, *Good Business*, *Good Business and Finance*, *Easy Accounting Agent* and *T+Cloud*, to support the daily operations of MSEs. Cloud-based products offered by Chanjet have been adopted by MSEs across a wide range of industries, helping them improve operational efficiency.

Our industry-specific solutions

We remain deeply focused on key industry verticals, such as automotive, government affairs, and finance. We deliver cloud-based services tailored to the core needs of each industry, and support our customers’ digital transformation.

For automotive industry, we provide cloud-based services for OEMs, dealerships, and service stations to empower their marketing and aftermarket activities. We are building a connected digital ecosystem across the automotive value chain, promoting cross-sector collaboration and driving high-quality digital transformation in the automotive industry. For government affairs industry, we provide integrated fiscal budgeting and management services, financial and internal control systems for public institutions, government big data platforms, and online government service platforms, helping improve governance efficiency and public service delivery. For financial institutions, we offer solutions for shared finance management, electronic accounting archives, intelligent procurement, and valuation and accounting, among others. Our solutions offer over ten innovative service components such as transaction-level general ledgers, tax management systems, and asset-liability management tools, enabling refined operations and regulatory compliance.

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Our Software Products

Our software products are designed to solely support on-premises deployment and operations. Our software products serve large and medium-sized enterprises, supporting core enterprise operations in financial management, supply chain management, human resource management, manufacturing management, asset management, project management, and group-level control and supervision, helping enterprises achieve digital operations within their internal IT environment. Our software products are offered under license fee model. We also charge customers for implementation services and maintenance services, depending on customer demands.

Others

Aside from cloud-based services and software products, we also offer insurance brokerage services, for which we charge insurance companies brokerage commissions at agreed rates that vary by the type of insurance products sold by us. We are required to sell the insurance in a manner compliant with relevant laws and regulations. In addition, we occasionally sell certain third-party hardware or software as ancillary products to our cloud-based service and software on an on-demand basis. We sell these third-party software and hardware products to customers at prices that incorporate a margin over our procurement costs.

KEY OPERATING METRICS

The following table sets forth our key operating metrics during the Track Record Period:

	As of/For the year ended December 31,			As of/For the three months ended March 31,	
	2023	2024	2025	2025	2026
Cloud-based services					
– Large enterprise customers . . .					
Number of customers ⁽¹⁾	6,155	6,793	6,838	4,994	5,364
Average revenue per customer (RMB in thousands)	764	631	647	115	118
Percentage of retained customers ⁽²⁾	75.6%	74.1%	75.2%	N/A	80.6%
– Medium-sized enterprise customers					
Number of customers ⁽¹⁾	9,358	13,206	15,193	11,639	14,333
Average revenue per customer (RMB in thousands)	92	70	61	13	12
Percentage of retained customers ⁽²⁾	86.8%	82.4%	80.5%	N/A	82.8%

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	As of/For the year ended December 31,			As of/For the three months ended March 31,	
	2023	2024	2025	2025	2026
- MSE customers					
Number of customers ⁽¹⁾	490,453	514,137	545,449	414,513	545,839
Average revenue per customer (RMB in thousands)	1.5	1.8	1.9	0.6	0.5
- Other customers					
Number of customers ⁽¹⁾	3,375	3,244	2,648	1,074	1,000
Average revenue per customer (RMB in thousands)	221	211	237	78	60
Software					
- Number of customers ⁽¹⁾	11,016	10,566	9,374	6,595	6,087
- Average revenue per customer (RMB in thousands).	196	162	161	32	33
Backlog not yet recognized as revenue (RMB in thousands) . . .	5,675,367	6,016,738	6,551,699	6,251,526	6,377,741

- (1) Representing the number of customers from whom we generated revenue during the relevant period.
(2) Calculated by the number of customers in a given period who also made purchases in the same period of the previous year by the total number of customers in that given period.

The number of large enterprise customers for cloud-based services increased from 6,155 in 2023 to 6,793 in 2024, and further to 6,838 in 2025, and from 4,994 for the three months ended March 31, 2025 to 5,364 for the three months ended March 31, 2026, primarily due to the overall increase in customer demands for our products as a result of our launch of *YonBIP*. Our average revenue per large enterprise customer for cloud-based services decreased in 2024 primarily due to (i) the complexity of the business operations of top-tier customers that significantly increased the difficulty of product implementation and delivery and resulted in a slower product delivery pace and the corresponding revenue decline; (ii) the purchasing patterns of large enterprise customers, who may procure subscriptions, licenses, implementation services, or maintenance and support services in various combinations within a given year; and (iii) the increase in revenue contribution from large enterprise customers with relatively limited implementation needs, which contributed to the decrease in the average revenue per large enterprise customer. In 2025, average revenue per large enterprise customer rebounded, primarily driven by the growing demand for our cloud-based services and the increasing product maturity, which enabled us to perform more product deliveries. In the three months ended March 31, 2026, our average revenue per large enterprise customer for cloud-based services remained relatively stable compared with the three months ended March 31, 2025.

The number of medium-sized enterprise customers for cloud-based services increased from 9,358 in 2023 to 13,206 in 2024, and further to 15,193 in 2025, and from 11,639 for the three months ended March 31, 2025 to 14,333 for the three months ended March 31, 2026, primarily due to the increase in customer demands and the launch and expanded sales of

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YonSuite. During the Track Record Period, our average revenue per medium-sized enterprise customer for cloud-based services decreased primarily because we began to promote more standardized *YonSuite* and ceased sales of certain legacy products that offered more customization and implementation options.

The number of MSE customers for cloud-based services increased from 490,453 in 2023 to 514,137 in 2024, and further to 545,449 in 2025, and from 414,513 for the three months ended March 31, 2025 to 545,839 for the three months ended March 31, 2026, primarily due to the increase in customer demands for our products.

The number of other customers for cloud-based services remained stable at 3,375 in 2023 and then 3,244 in 2024, and decreased to 2,648 in 2025, and decreased from 1,074 for the three months ended March 31, 2025 to 1,000 for the three months ended March 31, 2026, primarily due to tighter budgets among these customers. During the Track Record Period, our average revenue per other customer for cloud-based services remained relatively stable.

The number of customers for software products decreased from 11,016 in 2023 to 10,566 in 2024, and further to 9,374 in 2025, and from 6,595 for the three months ended March 31, 2025 to 6,087 for the three months ended March 31, 2026, and our average revenue per customer for software product decreased, primarily because we focused on promoting and offering cloud-based services and gradually phased out certain software products or ceased the iteration of some of their functions.

Our backlog not yet recognized as revenue increased from RMB5.7 billion in 2023 to RMB6.0 billion in 2024, and further to RMB6.6 billion in 2025, and from RMB6.3 billion for the three months ended March 31, 2025 to RMB6.4 billion for the three months ended March 31, 2026, demonstrating the growing customer demands for our products and services, as Yonyou BIP gradually gained wide recognition by customers.

OUR AI CAPABILITIES

Our AI Strategies

Integrating AI into our product offerings is one of our core strategies in the new stage of our development. We have launched Yonyou BIP Enterprise AI in response to the growing enterprise demand for AI applications. With the following four core capabilities and differentiated advantages, Yonyou BIP Enterprise AI empowers enterprises to upgrade their decision-making and operations through the following features:

Unified digital and intelligent platform. Yonyou BIP provides an integrated technology infrastructure for Yonyou BIP Enterprise AI. The integrated platform architecture enables seamless collaboration across multiple functional layers, facilitating multi-model orchestration as well as the rapid development, deployment, and efficient management of AI applications and intelligent agents, which significantly reduces technical barriers and lowers the cost of adoption for enterprises.

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Integration with core enterprise operation domains. AI is deeply integrated into core enterprise operations and management processes. We have also released a series of AI agents embedded in Ten Core Operation Domains. With the AI agent development platform, enterprises can build AI agents tailored to specific business needs within 10 minutes.

Reliable outcome. Yonyou BIP Enterprise AI builds data management systems based on comprehensive data governance, unified data standards, knowledge bases and knowledge graphs, ensuring that AI operates on accurate and trustworthy data foundations. It embeds AI into standardized business processes and uses business rules and workflows to mitigate LLM uncertainty and improve the reliability of AI-generated outcomes. Through metadata modeling, it assigns business semantics to data for more accurate interpretation and use. It also adopts a hybrid model strategy combining large and domain-specific models, and integrates YonGPT with our machine learning platform to support AI applications across enterprise operation domains.

Security and compliance. Yonyou BIP Enterprise AI supports secure and compliant AI adoption by safeguarding enterprise data, defining user permissions and responsibilities, and standardizing AI application workflows. It integrates access control and governance frameworks, including AI agent permission management, layered data warehouse access controls, data encryption and masking, and secure access channels. Its system architecture also enables real-time activity monitoring to enhance security and support ethical and compliant AI use.

Our AI Offering

Our Yonyou BIP Enterprise AI delivers a comprehensive suite of AI-powered services. These include general-purpose intelligent applications such as YonMate and YonKnow, AI-empowered applications covering the Ten Core Operation Domains, as well as AI-native applications such as AI interviews and intelligent contract review. We recognize the distinct differences between enterprise-level and consumer-facing AI applications. Our Yonyou BIP Enterprise AI emphasizes stability, reliability and security, while also deeply integrating AI technologies with enterprise operation domains. Our technology- and business-driven Yonyou BIP Enterprise AI empowers enterprises to address complex, interconnected, and time-sensitive business needs. It also enables customers to leverage fully intelligent services, supported by large AI models that enhance data integration and knowledge governance.

Our AI Infrastructure

Our AI infrastructure consists of (i) our intelligence platform, YonAI, (ii) our enterprise-application LLM, YonGPT, (iii) domain-specific models, and (iv) enterprise knowledge data.

YonAI. YonAI has a four-layer architecture comprising intelligent infrastructure, models and algorithms, application frameworks and intelligent products, supporting intelligent application development and deployment across domains and industries. It covers AI application scenarios such as analytical insights, intelligent review, approval decision-making,

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knowledge assistance, forecasting, human-computer interaction, knowledge generation and application generation. At the foundational level, YonAI integrates LLMs with traditional machine learning capabilities to support data management, computing resource allocation, model training, evaluation, optimization, inference, deployment and operations, providing a robust foundation for upper-layer intelligent applications.

YonGPT. YonGPT is our enterprise-application LLM designed for enterprise operations and management. Pre-trained and fine-tuned on extensive business data, it supports intelligent business operations, natural human-computer interaction, intelligent knowledge generation and semantic application generation. Leveraging intelligent agents, RAG and a closed-loop data mechanism, YonGPT enhances domain knowledge, unsafe input rejection, presentation report generation, contract generation and review, business logic and financial report comprehension, and tabular data analysis. As of the Latest Practicable Date, YonGPT had been deployed in over 100 high-value use cases, including financial management, sales and marketing, and supply chain management, enhancing enterprises’ decision-making efficiency.

Domain-specific models. In addition to YonGPT, we have developed domain-specific models for finance and tax, supply chain and human resources. These include forecasting, risk management, OCR and document processing, intelligent classification, inventory optimization and production scheduling models. Powered by technologies such as time series analysis, deep learning, machine learning, knowledge graphs, natural language processing, and graph neural networks, these models support tasks such as revenue, cost and cash flow forecasting, risk monitoring, document extraction and analysis, expense and tax item classification, inventory optimization and order scheduling, thereby reducing manual workloads and improving resource efficiency.

Enterprise big data. As a leading enterprise software and intelligent service provider, we serve millions of customers and maintain a robust sales and service network in China and globally. Our AI applications cover hundreds of scenarios across the Ten Core Operation Domains, accumulated from serving over 20 major industries. This has enabled us to build extensive industry data assets, including a network of over 4,100 ecosystem partners. These assets provide a strong foundation for developing enterprise AI applications.

Our AI Applications

YonMate (智友) — AI Agent

YonMate is a new intelligent function of YonAI that integrates LLMs with enterprise applications and extends their use from basic interaction to task execution. It helps enterprises address automation bottlenecks, enhance risk prevention, ensure standards compliance, and support cross-workflow orchestration and collaboration. YonMate comprises an agent builder, intelligent assistants and digital employees. The agent builder orchestrates workflows, skills, data sources and LLM scheduling capabilities to execute structured and complex enterprise tasks, while intelligent assistants and digital employees flexibly invoke models, skills, knowledge bases and databases for enterprise application scenarios. As of May 31, 2025, our

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AI agents had been deployed across the Ten Core Operation Domains, giving us the most extensive AI agent coverage among enterprise software and service providers in China. We also offered over 26,000 Open APIs for ecosystem integration, with annualized API call volume exceeding 14 billion.

YonMate achieves multidimensional breakthroughs in interaction modes and collaboration capabilities, as demonstrated by the following functions:

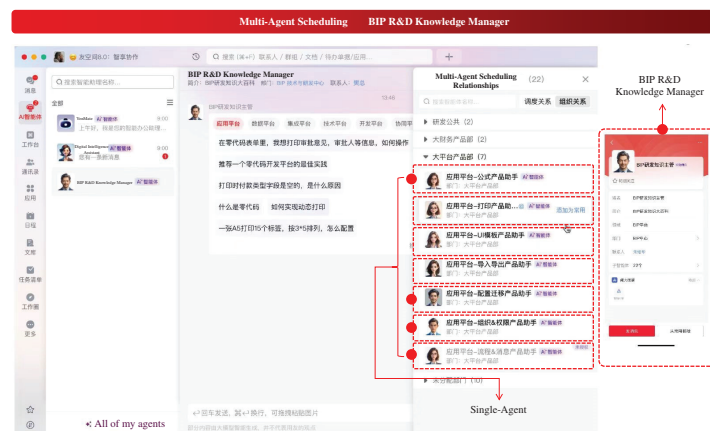
Natural interaction. YonMate supports multi-modal input methods such as voice, photo capture, and multi-turn dialogue, significantly improving the convenience and flexibility of information input. YonMate also features cross-system operability, allowing it to extract necessary input information from external sources such as chat messages, emails, and spreadsheets, and seamlessly integrate with YonMate.

Human-computer collaboration. YonMate is embedded as Copilot, which can perceive application scenarios, retain contextual memory and provide in-context operational assistance.

Personalized services. YonMate can perceive application context in real time and, based on the application scenario and user preferences, recommend relevant knowledge, operational steps, decision suggestions, process guidance, and risk alerts. YonMate also supports customization of its appearance and name to align with user preferences.

Multi-agent autonomous collaboration. YonMate supports collaboration, coordination, and communication among multiple intelligent agents to jointly complete tasks. Each agent is capable of independent orchestration, with the ability to autonomously perceive its assigned task and leverage LLM to proactively plan its execution path. Agents communicate through messages and commands, breaking the constraints of single-agent control.

The following user interface screenshot illustrates functions of YonMate:



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We integrate multiple mainstream general-purpose LLMs developed and owned by third parties, including DeepSeek, Doubao, and Qwen, into our product offerings through API. In developing our AI tools, we observed that these general-purpose LLMs often fail to understand domain-specific semantics embedded in enterprise workflows, operational scenarios and user instructions expressed within business contexts, such as those relating to enterprise operations, finance, procurement, or human resources. As a result, standalone general-purpose LLMs are unable to consistently deliver the level of domain-specific understanding and execution accuracy required in enterprise management environments. To address this fundamental challenge, we built our vertical model, YonGPT, trained on top of general-purpose LLMs, using a curated knowledge base centered on our deep insights in the enterprise software and services industry, architecture of our own products and the complex scenarios in enterprise workflow, thereby creating a specialized LLM purpose-built for enterprise use cases while preserving general-purpose LLMs’ strengths in natural language processing, logical reasoning, text generation, multi-modal content parsing, and image recognition. We typically pay by subscription fees and usage-based fees to the providers of LLMs.

In product application scenarios requiring AI capabilities, our system enables collaborative operation between general-purpose LLM and YonGPT. General-purpose models are applied in situations where they can efficiently address user needs, while YonGPT is utilized in specialized scenarios that demand deep understanding of business semantics, recognition of complex operational intent, or the triggering of specific API calls and business execution pathways of Yonyou BIP.

As advised by our PRC Legal Advisors, our act of selecting and procuring the required products and services pursuant to the agreements entered into with the operating entities of such LLMs (or their collaborative parties), together with our act of paying the fees thereto in accordance with the agreed terms, shall not constitute a breach of the PRC laws or the provisions of the service agreements.

YonKnow (友智庫)

The need for knowledge search, intelligent Q&A, and knowledge empowerment based on unstructured private-domain data is becoming increasingly prominent for enterprise operations. Built on an RAG application framework, our YonKnow and associated platform is designed to transform complex unstructured data into structured, usable knowledge and knowledge graphs. YonKnow enables knowledge acquisition, management, and operations, while supporting full-text enterprise knowledge search, reliable enterprise Q&A services, and visualized knowledge graph representation, thereby empowering business operations and organizational effectiveness. YonKnow manages and utilizes enterprises’ unstructured knowledge assets through the following five steps: (i) in the collection phase, YonKnow extensively gathers enterprises’ own data and data in the public domain, laying a solid foundation for subsequent management; (ii) in the management phase, knowledge is meticulously classified and annotated to form an orderly knowledge system, facilitating efficient subsequent utilization; (iii) YonKnow, as a core knowledge access tool, offers powerful retrieval capabilities to support employee knowledge acquisition, and enables multi-modal and multi-dimensional queries, ensuring that employees can quickly locate the information they need; (iv) the

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intelligent Q&A system allows employees to receive immediate answers to business-related inquiries, further improving the ease of knowledge access; (v) as the final step in the knowledge management process and the core value of YonKnow, YonKnow ensures that knowledge is continuously embedded across workflows and business scenarios, enabling seamless integration between knowledge and daily operations.

YonBI — Intelligent Analytics

YonBI is an intelligent data analytics product that empowers enterprises with data visualization and intelligent decision-making capabilities. It supports seamless integration with business systems and provides self-service analytics and reporting functionalities. Users can leverage low-code development tools within a visual design environment to perform personalized data modeling, enabling chart analysis and exploration directly through a browser.

YonBI supports diverse chart visualizations and personalized design functions, offering the ability to quickly build digital dashboards. It provides comprehensive multi-data source management, including mainstream relational databases, big data platforms, domain-specific business metadata, and file data. The product delivers out-of-the-box intelligent analytics components such as data models, analysis cards, dashboards, free-form reports, data entry, message notifications, report sharing, report subscriptions, and tenant permission management. YonBI offers enterprise managers an efficient and user-friendly intelligent analytics service, enabling convenient data access, governance, and rich visualizations. It helps users unlock the potential of their data, rapidly explore data value, and gain agile operational insights to support precise decision-making.

YonBI is an innovative product designed to meet the data analytics needs of all users, fulfilling the vision of “data for everyone.” By integrating with top-tier large language models such as YonGPT or DeepSeek through model routing, YonBI combines natural language processing with large language models. This allows users to obtain data insights in the most intuitive way, through natural conversational interactions.

YonZone — Intelligent Collaboration

YonZone is a “fusion-oriented, open, and connected” social and collaboration platform designed to help enterprises achieve efficient office collaboration. It facilitates socialized business activities such as communication, collaboration, and transactions between enterprises, between enterprises and individuals, as well as between individuals. YonZone provides comprehensive collaborative office and intelligent management services. These include social communication, team collaboration, intelligent collaboration, office coordination, and business collaboration. Powered by YonGPT, YonZone seamlessly integrates intelligence into key work scenarios such as instant messaging, knowledge management, and schedule planning. This enhances management efficiency and empowers enterprises to move toward a new era of intelligent collaboration.

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Domain-specific Applications

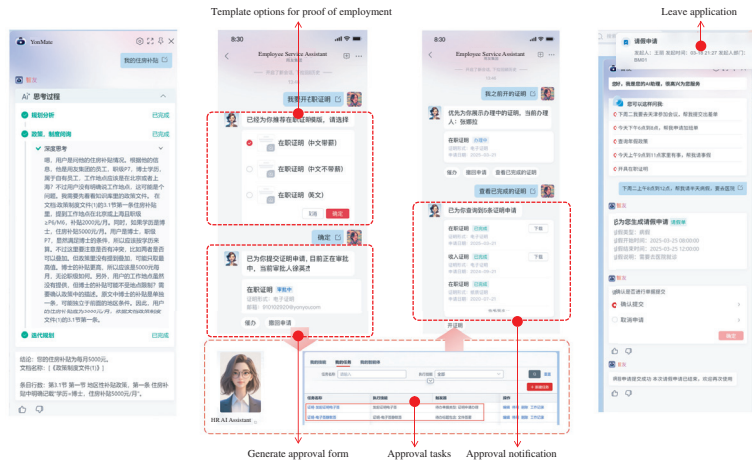
Yonyou BIP deeply integrates AI into core business and management scenarios. A range of intelligent agents have been launched and embedded into core operational processes, such as the intelligent procurement assistant, enterprise performance assistant, talent discovery assistant, and intelligent sales coach. By embedding AI technologies within enterprise workflows, we have built a new paradigm for data-driven and intelligent operations for enterprises, delivering intelligent enterprise applications and services covering all domains and scenarios. The following examples demonstrate the application of AI in different domain scenarios:

Enhancing financial process efficiency. We have launched a matrix of intelligent financial agents for Finance Cloud, including the intelligent accounting assistant, travel expense assistant, budget planning agent, intelligent treasury reporting, treasury liquidity forecasting, intelligent tax assistant, tax policy recommender, intelligent archive assistant, and intelligent contract assistant, supporting the transition of financial operations from manual processing to human-computer collaboration and, ultimately, agent-driven workflows. Intelligent analytics automates data collection, analysis, and reporting, while enabling natural language-based interaction to enhance the accuracy, timeliness, and convenience of decision-making. Functions such as intelligent audit, unattended document processing, and automated bookkeeping and reconciliation free finance teams from repetitive manual tasks. Specifically, the expense control function of our products applied LLM reasoning, text generation, multi-modal content parsing, and intelligent recommendation to automate travel and expense control and help identify irregularities, optimize cost policies, and improve decision efficiency. The accounting management function applied LLM reasoning and text generation to automate bookkeeping tasks, reducing manual workload and improving accounting accuracy. AI-enabled risk and compliance tools provide proactive risk prevention, helping enterprises build intelligent risk management frameworks. The following screenshot illustrates selected AI applications within Finance Cloud:

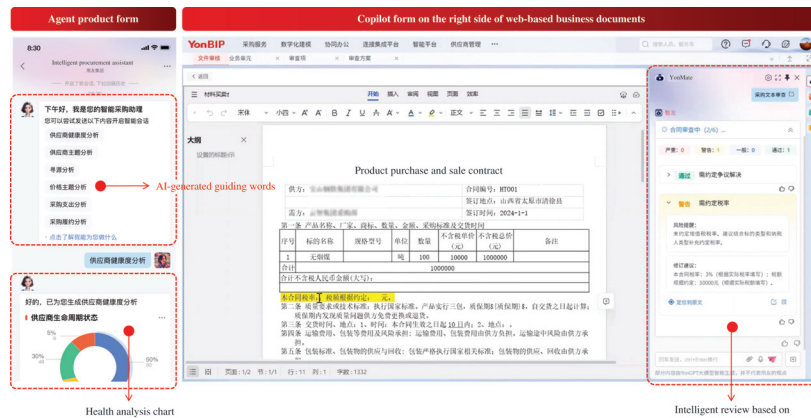


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Enhancing human resources process efficiency. HR Cloud integrates AI into human resources management scenarios, enabling timely identification of business risks through intelligent early warning mechanisms and effectively replacing tedious manual operations. For instance, the employee service assistant provides one-stop self-service via natural language interaction through text or voice, covering a wide range of HR and administrative services, including personal information inquiries and updates. It streamlines access to HR processes such as policy inquiries, voice-enabled certificate issuance, leave requests, and onboarding or offboarding workflows. The following screenshot illustrates selected AI applications within HR Cloud:



Enhancing procurement process efficiency. Procurement Cloud integrates AI into enterprise procurement workflows. Deeply integrated with LLMs, the intelligent procurement assistant leverages data analytics, machine learning, and natural language processing to automate core processes such as price inquiries, order placement, and reconciliation. The intelligent procurement assistant also supports intelligent review of procurement contracts and automated supplier evaluation. The following screenshot illustrates selected AI applications within Procurement Cloud:

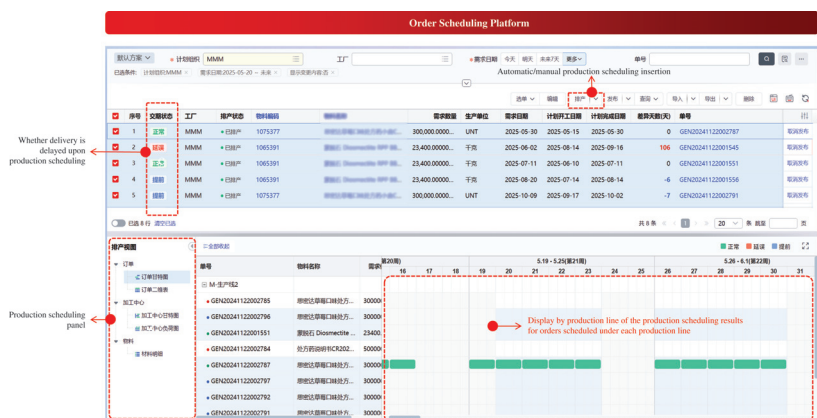


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Enhancing marketing process efficiency. Within Sales and Marketing Cloud, the intelligent sales coach automates lead discovery, screening, and evaluation, assigns leads for follow-up, verifies customer needs, and recommends follow-up actions, offering targeted guidance and enablement to improve lead conversion rates. It helps sales teams efficiently identify potential customers and uncover genuine business needs, thereby enhancing business development performance, improving sales productivity, and driving rapid revenue growth. The following screenshot illustrates selected AI applications within Sales and Marketing Cloud:



Enhancing manufacturing process efficiency. Manufacturing Cloud embeds a wide range of intelligent capabilities into the manufacturing supply chain. For example, when enterprises develop production plans, they must consider multiple factors such as orders, sales forecasts, and production capacity. Our Manufacturing Cloud adopts scientific modeling to account for demand, processes, and capacity, enabling precise balancing of production capabilities. Our Manufacturing Cloud supports efficient scheduling based on key production line resources, completing production scheduling within one minute. The following screenshot illustrates selected AI applications within Manufacturing Cloud:



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RESEARCH AND DEVELOPMENT

Our R&D Methodology

We strive to become a trusted partner to users and foster continuous innovation in the development of our products and services, with a focus on ecosystem collaboration, global expansion, AI application, product optimization, and delivery improvement. Supported by our Yonyou BIP, we continue to enhance AI applications and global product development to deliver industry-leading digital transformation software and intelligent services to worldwide customers. Accordingly, our key R&D initiatives focus on (i) improving the iuap platform, YonGPT, and YonAI, (ii) enhancing intelligent cloud-based services across various domains through intelligent agents centered on YonMate, (iii) strengthening intelligent data platforms, including YonBI, RAG, and enterprise knowledge management solutions, (iv) developing and optimizing the global service architecture of our Yonyou BIP product series, (v) curating localized services tailored to the specific demands of customers from different countries and regions, and (vi) ensuring autonomy and compliance with domestic technology standards.

Our R&D Capabilities

All of our R&D initiatives and activities are executed in-house. Our R&D center and specialized R&D units are responsible for the planning, design, development, and operation of our core technology stack and products. We adopt an R&D management approach that emphasizes close collaboration between technology and business operations. To this end, we have established cross-department collaboration structures and hold regular coordination meetings. Our product planning and development are guided by customer feedback and industry demands. As of March 31, 2026, we had built a professional R&D team comprising 5,584 members, representing approximately 31.5% of our total workforce on that date. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development costs were RMB2,106.5 million, RMB2,121.8 million, RMB2,285.5 million, RMB559.8 million and RMB579.2 million, respectively, accounting for 22.3%, 24.1%, 25.8%, 42.8% and 41.9% of our total revenue during the same periods.

Our R&D Processes

Our R&D system is market-driven, closely tracking customer demands for digital and intelligent transformation as well as technological development trends. We adopt an integrated product development model to carry out our R&D activities and leverage a cloud-centric agile iterative development model. Our product R&D process is divided into two main phases, comprising the initial development phase and the subsequent continuous iteration and update phase. Our process consists of the following key steps:

Product planning and requirements analysis. The product management team analyzes market trends, collects, organizes, and prioritizes customer needs, and collaborates with business teams to define product objectives. System architects and requirements analysts focus on product architecture planning, system analysis, and product functionality design. User

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experience analysts design product interface prototypes. During this phase, large language model tools are utilized for information gathering, competitive product analysis, document drafting, and interface prototyping.

Product development. During this stage, we prepare development plans covering design specifications, delivery timelines and resource requirements, conduct architecture and functionality design, define quality goals and carry out iterative product development. We use AI coding assistants to improve coding efficiency, reduce errors and enhance code quality.

Product testing. To ensure quality, our developers prepare test codes and conduct unit testing, while our quality assurance team prepares integration testing and release plans, tests candidate products, and tracks identified defects. We also deploy intelligent testing bots to expand automated test coverage and improve testing efficiency.

Product release and operations. Products that pass testing are officially launched for customer use. After release, customer feedback and market response data are continuously collected to inform subsequent R&D plans and iterative development. During the operations phase, we enhance operational efficiency by deploying intelligent customer service bots to handle service requests.

Product iteration. After a product is launched, we integrate customer feedback, market trends, and operational data to continuously analyze user interactions. Based on data insights, we drive product functionality iterations and innovative upgrades to meet evolving customer needs.

Our R&D Projects

During the Track Record Period, we had continuously improved and optimized our core product offering, Yonyou BIP, and had achieved the following:

The Iuap Platform

In 2023, we developed a microservice architecture and further enhanced Yonyou BIP’s ecosystem integration, customer experience and global service capabilities. We also upgraded cloud monitoring technologies, including unified monitoring across cloud and on-premises environments and a remote diagnostic framework for system performance and reliability, improving intelligent operations, security, stability and autonomous controllability.

In 2024, we achieved six technological breakthroughs, including the second generation of YonGPT, an enhanced enterprise search engine, a multi-dimensional database, a zero-code development platform, streamlined microservices architecture and an upgraded security framework. These innovations strengthened intelligent computing capabilities, improved system performance, reduced resource consumption and enhanced security and reliability. As a result, we reduced resource usage by 50% and operations and maintenance costs by 30%. Our

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intelligent accounting engine can process billions of journal entries, the multi-dimensional database supports rapid reconciliation of tens of billions of records, and the rule engine can execute over one million logic rules per minute within our self-developed secure infrastructure.

In 2025, we significantly enhanced our platform infrastructure to support AI deployment across enterprise application scenarios. These enhancements include deeper integration with industry-specific applications, unified management of public, dedicated and private cloud environments, and closer alignment with ecosystem partners, enabling seamless AI delivery across deployment models and operation domains.

AI Technologies

We launched our enterprise-application LLM, YonGPT, in 2023. YonGPT is compatible with mainstream general-purpose LLMs and enables enterprise-level intelligence across four core areas: business operations, human-computer interaction, knowledge generation, and application development. Building on this foundation, we have released dozens of intelligent applications powered by YonGPT, covering scenarios such as business insights, automated order generation, supplier risk management, dynamic inventory optimization, and intelligent talent discovery.

In 2024, we released the second generation of YonGPT and developed three key RAG-based products. In addition, we launched over 100 AI-powered enterprise applications across real-world business scenarios, such as intelligent contract analysis, automated order generation, monthly settlement, AI-driven interviews, and talent discovery.

In 2025, we launched Yonyou BIP Enterprise AI, designed to help enterprises build and deploy AI applications at scale. Yonyou BIP Enterprise AI comprises an intelligent platform, general-purpose AI services, and industry-specific AI services, enabling the creation of specialized intelligent agents tailored to complex business and management scenarios.

Domain-specific Technologies

In 2023, we introduced two key innovations at the application architecture level: a time-based, multi-dimensional framework for organizational and workforce management, and a standardized cost management system grounded in event-driven accounting principles. In addition, we launched nearly 100 new proprietary application services and onboarded solutions from more than 1,000 ISVs, further expanding our enterprise application ecosystem.

Through continuous product iteration and evolution, we have introduced six major innovations in application architecture and enterprise services in 2024: integrated project and manufacturing management, AI-powered CRM, treasury risk and liquidity management, enterprise-wide cost control, event-driven financial and operational data services, and unified talent development. The number of enterprise application services reached more than 560, and the number of intelligent services reached over 100, and the number of data services reached 50, marking a significant upgrade in our intelligent and data service capabilities.

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In 2025, we offered more than 14 end-to-end, full-scenario enterprise solutions, which deeply integrate AI, data, and business processes to support the unified and comprehensive needs of modern enterprises. While providing standardized integration across common business domains, these solutions are also designed for flexibility. Enterprises can configure and reassemble process components based on specific operational needs, enabling rapid innovation, industry customization, and customized workflow reconstruction. Altogether, our solutions cover over 2,500 business process scenarios, offering a holistic and scalable foundation for digital and intelligent transformation.

SALES AND MARKETING

Sales and Delivery

We rely on our in-house sales and delivery team, as well as sales partners and professional service partners to promote and deliver our cloud-based services and software products. Our in-house teams are responsible for sales, solution consulting, delivery, implementation, and operations, and work with customers throughout the entire process. By relying on our in-house teams, we not only strengthen customer relationships but also ensure high-quality product delivery and long-term operational support. As of the Latest Practicable Date, our in-house sales and delivery team covered all provincial capitals and major cities in Chinese Mainland, as well as the locations of our overseas subsidiaries. The following sets forth the salient terms of our sales and service agreements with our customers:

- *Products/services.* The agreements specify the software products, services, or solutions to be delivered, including any customization or implementation services.
- *Terms.* Our service agreements typically extend beyond 12 months, subject to renewal.
- *Liability.* Both parties shall fulfill their respective contractual obligations. If one party fails to perform or performs them in a manner inconsistent with the agreement, the non-breaching party shall have the right to demand performance, take remedial actions, or demand compensation for actual losses incurred as a result of the breach.
- *Confidentiality.* Neither party shall directly or indirectly disclose confidential information to any third party without the prior written consent.
- *Product liability.* We are not liable for any damages or service disruptions caused by *force majeure*, public utility outages, cybersecurity incidents, unauthorized use, sales partners' or customers' own conduct, or anything that is beyond our control or unforeseeable for us. Our customers bear all consequences of decisions made based on our intelligent products' output and we assume no liability therefor.
- *Fee and payment terms.* We charge our customers based on the products and services purchased, including but not limited to function or product subscription, licensing, product support, consulting, implementation and/or maintenance services. Our customers are typically obliged to pay us within ten business days after the payment conditions stipulated in the service agreements are satisfied.
- *Ongoing support.* To ensure better customer experience, we may upgrade our products or services from time to time, with five business days' prior notice. We also provide our after-sales customer success service tailored to customers' needs.
- *Intellectual property rights.* We own all intellectual property rights in the products or services under the agreements, while the customers are only granted a limited right to use within the term and scope of agreements. The customers shall not misuse or otherwise infringe upon our rights without our approval.
- *Termination.* The agreement may be terminated upon expiration of the term or material breach as specified in the agreement.

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We work closely with a network of professional service partners to support the delivery, implementation and customization of our products and services. Such collaboration enables us to scale our delivery capacity, and improve responsiveness to customer needs across diverse regions and industries. Leveraging the expertise and localized presence of our partners, we are able to enhance delivery efficiency, shorten deployment cycles, and deepen customer engagement, while fostering a mutually beneficial ecosystem that supports long-term growth.

In addition, we collaborate with our sales partners for product sales to extend our market reach. Engaging sales partners to promote and sell cloud-based services and software products is a common market practice. We generally sell our products and services directly to customers introduced by sales partners and pay sales partners commission fees (the “**commission model**”). To a much lesser extent, we sell software licenses to our sales partners, who then sell them on a back-to-back basis to end users (the “**resale model**”). Before we provide them with the software licenses for our products, we require that such sales partners to file their service agreements with the end users of our products with us.

Our sales partners, under either the commission model or the resale model, are not distributors, defined as counterparties who contractually resell, or are reasonably expected to resell products, for the following reasons:

- Under commission model, we engage sales partners to promote and sell our products, and we directly sell products to customers referred by the sales partners and recognize revenue at the gross amounts billed to end customers. We pay commissions to sales partners.
- Under the resale model, we sell software licenses to sales partners, who then on-sell them to end users on a back-to-back basis. The sale of a license from us to a sales partner is not, on its own, sufficient for product delivery to the end user. To complete the transaction, the sales partner must file the end user service agreement with us and obtain a product key from us for end users’ activation of the software licenses. This arrangement enables us to maintain direct oversight of sales to end users and usage by them, unlike traditional distributorship model where, although a company may impose certain oversight or monitoring measures, it generally does not maintain direct involvement in or control over the process of delivering products or services from the distributor to the end users.

We implement varying sales and delivery strategies for different customer segments. We primarily rely on our in-house team to identify and serve large enterprise customers, and we rely on both our in-house team and professional service partners for product implementation and delivery for large enterprise customers. For medium-sized customers, we rely on both our in-house sales team and partners to identify and reach customers, as well as to perform product implementation and delivery. We primarily rely on partners to reach and serve our MSE customers. Such strategies help us efficiently scale our business, acquire customers in under-penetrated markets such as third- and fourth-tier cities in China. We select sales and professional service partners based on their sales and delivery capabilities, local sales and marketing resources, among others. We provide ongoing training, certification, and marketing support to enhance their service capabilities.

Contract Terms and Service Process with Sales Partners

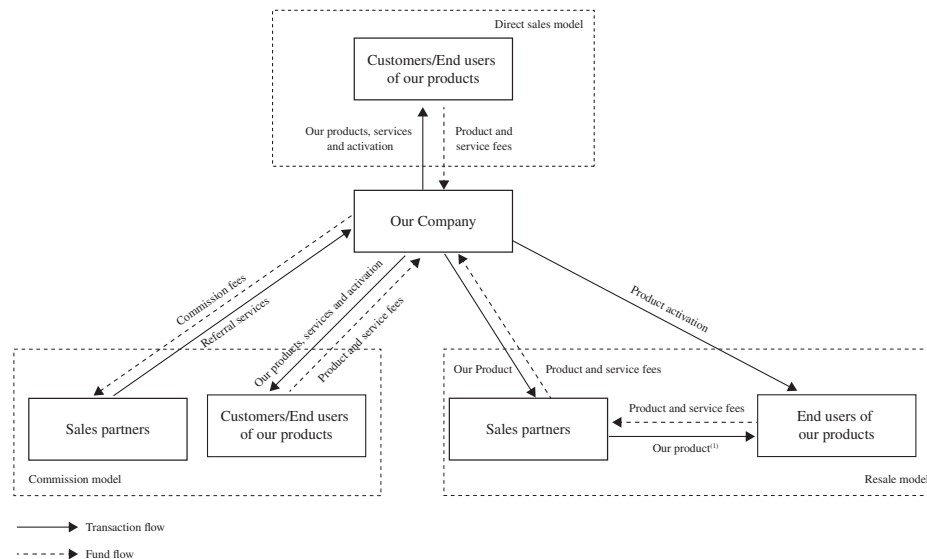
The salient terms of our agreement with our sales partners are set forth below:

- *Term.* Our agreements with sales partners typically have a term of one year, subject to renewal upon mutual consent and performance evaluation.

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- *Obligations and undertakings.* We authorize sales partners to market and sell our products to customers under both the commission model and the resale model.
- *Product liability.* We are not liable for any damages or service disruptions caused by *force majeure*, public utility outages, cybersecurity incidents, unauthorized use, sales partners’ or customers’ own conduct, or anything that is beyond our control or unforeseeable for us. We will not accept any product returns unless such returns are due to defects or deficiencies inherent in our products.
- *Pricing and settlement.* The sales partners shall strictly adhere to our pricing policies. We settle payments or commissions with our sales partners based on their sales performance in accordance with relevant contractual terms.
- *Ongoing support.* We are responsible for supplying our sales partners with necessary marketing material and support.
- *Intellectual property rights.* We own the copyrights in our products or have the right to sell or authorize sales partners to sell our products. The sales partners shall not infringe upon our intellectual property rights or any other rights. The sales partners shall not use, remove, or alter in any manner our trademarks or logos without prior written consent.
- *Confidentiality.* Neither party may disclose or permit others to disclose confidential information to third parties, whether directly or indirectly, without prior written consent. The confidentiality obligations shall remain effective regardless of any amendments, termination, or expiration of the agreement.
- *Termination.* The agreement may be terminated upon expiration of the term or material breach as specified in the agreement. Termination of agreement with sales partners does not affect end users’ right to use our product. The sales partners shall not sell our products after termination.

The following diagram illustrates the transaction and fund flows among us, our sales partners, end customers of our products:



Note:

(1) Under this model, product implementation and delivery are conducted by sales partners.

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Contract Terms with Professional Service Partners

The salient terms of our agreement with our professional service partners are summarized as follows:

- *Term.* The term of our collaboration with the professional service partners aligns with the duration of their respective product delivery engagements.
- *Obligations and undertakings.* We authorize professional service partners to provide implementation and assistance to end customers, and professional service providers are responsible for dealing with issues arising from the implementation processes.
- *Liability.* Professional service partners are responsible for indemnifying us against any damage arising from or in connection with their fault.
- *Payment.* We pay our professional service partners upon achievement of milestones, including execution of agreement, solution design and testing, deployment, project acceptance and lapse of product warranty period. Each payment shall be made within 30 days upon achievement of relevant milestones. Our obligation of making each payment is conditional upon receipt of corresponding payment from customers.
- *Ongoing support.* We provide professional service partners with necessary training relating to our products and the implementation processes for our products.
- *Intellectual property rights.* We exclusively own and are entitled to use all the rights and interests, including but not limited to intellectual property rights, in the work product produced during the course of implementation by our professional service partners. The professional service partners undertake not to infringe upon any intellectual property rights owned by third parties and are obliged to indemnify us or customers against any damage or expense incurred.
- *Confidentiality.* Professional service partners shall not disclose or permit others to disclose our and our customers’ confidential information to third parties, whether directly or indirectly, without prior written consent from us and our customers. The confidentiality obligations shall remain effective regardless of any amendments, termination, or expiration of the agreement.
- *Termination.* The agreement may be terminated upon a failure to cure a breach of agreement after 30 days of notice by the non-breaching party, or upon termination of agreement between us and customers. Professional service partners shall hand over the work completed within three days after termination, and cease to use, return or destroy confidential information.

To the best of our Directors’ knowledge, as of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our sales and professional service partners.

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Customer Success — After-sales Services

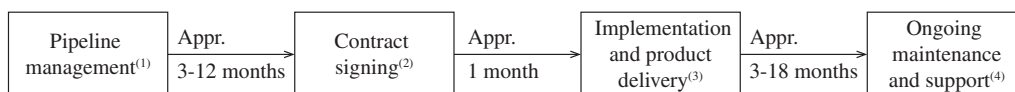
We help customers achieve their business objectives, deliver superior operational performance, and gain competitive advantages in their industries, creating a win-win relationship for both our customers and us. We implement our customer success initiatives through our after-sales maintenance services and user assistance. As of March 31, 2026, we had established a customer success service team of 2,070 members, representing approximately 11.7% of our total workforce. We implement such customer success strategy through the following initiatives:

- *AI-powered maintenance services.* Our maintenance services, integrated with AI tools and platforms, provides continuous, value-driven services and support. Based on customer success methodologies and real-time operational data analysis, we deliver professional solution consulting services, closely aligned with customers’ evolving business processes and performance goals.
- *Customer operations system.* We prioritize the cultivation and accumulation of customers’ digital and intelligent capabilities by introducing the Yonyou BIP Operator Certification Program. This program assists enterprises in developing internal capabilities for digital transformation, empowering them to achieve self-implementation and self-operation.
- *AI-driven customer service.* We have deeply integrated AI technology to develop a highly competitive intelligent customer service system. Our AI-powered virtual assistants not only provide 24/7 high-efficiency responses but also empower customers to use our products more effectively and resolve issues faster through intelligent and automated processes.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any product recall, product return, customer complaint, or incurred any product liability or penalties from regulatory authorities, due to product quality issues that had a material impact on our business operations or financial position.

Business Flow

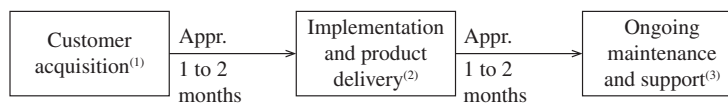
Our business process spans key stages, from new customer acquisition to product delivery. We design and implement tailored delivery and service procedures to meet the unique needs of businesses of various sizes. The following diagrams illustrate the key stages of our business process for large enterprise customers:



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- (1) We identify target customers and formulate business plans. We discover their digital transformation demands and perform feasibility study. We conduct in-depth research into the customers’ goals and challenges and design tailored solutions accordingly. During this stage, we also commence negotiations regarding pricing and prepare bidding documents, if needed.
- (2) We finalize contractual terms with customers, and execute agreements with the customers.
- (3) We carry out product implementation and delivery. The implementation process is executed by our in-house team with the assistance of professional service partners.
- (4) This stage starts once the customers accept product delivery. We provide 7/24, multi-tiered post-delivery maintenance and support services, including AI-powered remote service agents and customer success service team. We regularly conduct follow-up system checks and reviews.

The following diagram illustrate the key stages of our business process for medium-sized enterprise customers:



- (1) We generate customer leads based on customer size, industry and location. Our sales personnel conduct preliminary visits, explore customer demands and present potential solutions.
- (2) We, or our professional service partners, carry out relatively standard product implementation and delivery.
- (3) We provide 7/24, multi-tiered post-delivery maintenance and support services, including AI-powered remote service agents and customer success service team. We regularly conduct follow-up system checks and review.

Our product delivery acceptance and payment procedures generally follow a consistent process across customers of different sizes. After deployment, customers conduct internal review and acceptance before confirming delivery and making subsequent payments. While the overall workflow is broadly similar for MSE, medium-sized and large enterprise customers, the timeline varies depending on each customer’s organizational scale and internal governance requirements. Large enterprise customers typically require more complex business process configuration, deeper integration with existing systems, and more extensive internal validation, review and approval involving multiple departments or business units. As a result, their acceptance and settlement cycle is generally longer than that of MSE and medium-sized customers.

Our MSE customers typically complete product acceptance within one to two weeks. As their purchases are mainly subscription-based and prepaid, payment is generally received before deployment. Medium-sized enterprise customers typically complete acceptance within two to four weeks and, for non-subscription purchases, settle within one month after acceptance. Large enterprise customers typically complete acceptance within one to three months and settle within one to two months thereafter, while top-tier customers typically complete acceptance within two to six months and settle within one to three months after acceptance. The following case study demonstrates the complexity involved in product delivery and settlement processes with top-tier customers:

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Background and challenges. Customer E is an industry-leading, state-owned food trading conglomerate in China with a workforce exceeding 100,000 employees. Customer E engaged us to build a digitalized project management system that integrates its information, capital and logistics resources across business divisions, enabling refined and standardized management with capabilities for advance warning, real-time monitoring and post-event analysis to improve its operational efficiency.

Service processes. The entire service processes were divided into the following phases:

- **Feasibility study.** This phase commenced in November 2022 and lasted four months. Customer E conducted internal feasibility study along with potential vendors. We supported the process through product briefings and reference materials, including case studies and feasibility study frameworks. This phase involved multiple rounds of internal meetings.
- **Vendor selection.** This phase commenced in February 2023 and lasted six months. Customer E invited potential vendors to multiple rounds of solution presentations, evaluations and preliminary pricing assessments, while we further refined implementation plans, project requirements and objectives with Customer E. We entered into contract with Customer E in July 2023.
- **Product implementation and delivery.** In July 2023, we began further assessing Customer E’s complex requirements and identified its need for digital transformation. We further developed and finally confirmed implementation plan with Customer E in October 2023. During the implementation process, we held regular meetings with Customer E to align on implementation progress. Customer E preliminarily confirmed product acceptance in May 2024.
- **Final acceptance.** Customer E confirmed its final acceptance in December 2025, following the lapse of the warranty period.
- **Settlement and payment milestones.** Payment from Customer E was subject to four milestones: contract execution, acceptance of our product design proposal, preliminary acceptance and final acceptance. For each milestone, Customer E completed internal approvals before payment. It entered into contract with us in July 2023 and paid in full five months later, confirmed implementation plan in October 2023 and paid two months later, confirmed preliminary acceptance in May 2024 and paid seven months later, and confirmed final acceptance in December 2025 and paid in the same month.

Our Global Footprint

We have expanded overseas to support enterprise customers with their digital transformation. As of March 31, 2026, we had cumulatively served more than 1,800 overseas customers in more than 40 countries and regions, primarily including Asia-Pacific, Europe and Middle East areas, with 60% being foreign enterprises and 40% Chinese enterprises operating overseas. Our overseas headquarters is located in Hong Kong, and our overseas operations were supported by 14 overseas offices and approximately 374 employees as of March 31, 2026. The main product offered in overseas markets is *YonBIP*. To serve overseas customers, we follow a structured process covering pre-sale support, solution customization and

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implementation, and ongoing support and upgrades. These services are delivered by our local sales teams, in-house consultants and global partners to identify customer needs, design and implement tailored solutions, and provide timely support. Going forward, we intend to further grow our overseas business and expand into more regional markets.

Impact of Geopolitical Risks

Despite our overseas expansions and product deliveries in more than 40 countries and regions, we had not been materially impacted by geopolitical risks during the Track Record Period and up to the Latest Practicable Date. We recorded overseas revenue of RMB204.4 million, RMB218.2 million, RMB303.9 million, RMB34.9 million and RMB76.0 million in 2023, 2024, 2025, and the three months ended March 31, 2025 and 2026, respectively, accounting for a relatively limited portion of our total revenue of 2.2%, 2.5%, 3.4%, 2.7% and 5.5% in the same periods, respectively.

Pricing

We provide our cloud-based services under subscription and license fee models, as well as software products primarily under license fee models. For our cloud-based services, both subscription and license models grant customers the right to use our products, but they differ in several key respects. Under the subscription model, customers pay a recurring fee (typically annually) for time-limited access to our products, which we recognize as revenue over time on a straight-line basis over the subscription period. The license fee represents a right to use specific functional modules of our products purchased by the customer. If a customer subsequently elects to access additional modules or increase the number of authorized users, separate license fees will apply for such incremental usage. License fees are typically higher than subscription fees on a per-contract basis due to their perpetual nature. Subscriptions and license fees models were often adopted in combination, particularly by large enterprise customers or customers opting for hybrid cloud deployments, which is consistent with market practice according to Frost & Sullivan.

For our cloud-based services, our subscription and license fees are primarily determined based on (i) the number of functional modules purchased by the customer, (ii) the number of user accounts associated with the customer, (iii) the volume of usage or frequency of access to certain add-on features, and (iv) the deployment model (e.g., public or private cloud). For our software products, license fees are typically based on the number of users and the functional modules licensed at the time of purchase.

To ensure a seamless customer experience and long-term value realization, we provide product support, consulting, implementation and maintenance services for our cloud-based services and software products. Implementation services support customer onboarding and deployment, and may include requirements analysis, system configuration, data migration, custom development or interface integration, testing, go-live support and end-user training. The scope and complexity vary by customer size and solution type, from rapid configuration for standardized products for MSEs and medium-sized enterprises to multi-phase customized

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projects for large enterprises. Implementation fees are typically billed by milestone and priced based on project complexity, customization scope, estimated personnel and time required, and customer size. Maintenance services provide ongoing post-deployment support to ensure stable product operation, and may include bug fixes, patch management, minor updates and upgrades, system monitoring, technical support, troubleshooting and limited configuration assistance. Maintenance fees are generally charged as a fixed percentage of the original license fee or a flat rate. We price our solutions based on comparable market prices, estimated costs, marketing strategies and profit margins, customization requirements and modules purchased.

Marketing and Branding

We employ both online and offline marketing channels, including digital advertising, product seminars, webinars, industry forums, and joint campaigns with partners. We also invest in thought leadership, publishing white papers and case studies to showcase our innovation and industry influence. In international markets, we localize our marketing approach and leverage strategic partners to extend our marketing outreach.

Our brand is recognized for its technological leadership, broad product portfolio, and strong track record in supporting enterprise digital transformation. We believe that our integrated sales and marketing approach provides us with the agility and scalability to capture growth across multiple customer tiers and geographies. Driven by our effective sales and marketing initiatives, as of March 31, 2026, we had served approximately 78% of Fortune China 500 companies in 2025.

Seasonality

We typically generate higher revenues and collect more receivables near the end of first half year and year end, as we typically complete service delivery at year end, and demand for our products typically increases during the second and fourth calendar quarters when customers evaluate their financial performance against semi-annual or annual budgets. Consequently, we experience seasonal fluctuations, resulting in variability in our operating results and financial position across different periods.

Our Customers

Since our inception, we have accumulated a large and diversified enterprise customer base, spanning across a broad range of industry sectors. Major industries by revenue contribution from large enterprise customers of cloud-based services included process manufacturing, financial services, discrete manufacturing, utilities, and automotive manufacturing. Major industries by revenue contribution from medium-sized enterprise customers of cloud-based services included discrete manufacturing, modern services, consumer goods, process manufacturing, and equipment manufacturing. During the Track Record Period, other than Chinese Mainland, we generated revenue primarily from Hong Kong, Macau, Malaysia and Singapore. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from our top five customers in each year/period during the Track

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Record Period accounted for 4.1%, 3.7%, 3.3% and 3.9% of our total revenue, respectively, and revenue from our top customer in each year/period during the Track Record Period accounted for 1.1%, 1.2%, 0.9% and 1.4% of our total revenue in the same periods, respectively. We typically grant our customers a credit term of up to 90 days.

During the Track Record Period, we sold cloud service products to U.S. customers, none of which were subject to tariff. Our overseas customers operate in a variety of industries, and U.S. tariff policies may apply to customers differently. To the extent that U.S. tariff regimes adversely affect our overseas customers’ operations, leading them to scale back or discontinue their use of our products, our overseas operations may be indirectly impacted. We do not monitor the effect of U.S. tariff policies on our customers, and our sales had not experienced any material business disruptions caused by U.S. tariff policies.

We do not believe that we relied on any particular customer to generate a significant portion of our revenue in each year/period during the Track Record Period. As of the Latest Practicable Date, none of our Directors, their close associates and any of our Shareholders (which to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our top five customers.

OUR SUPPLIERS

Our suppliers primarily include (i) professional service providers that provide among others, implementation, customization testing and customer training services; (ii) independent software vendors, whose products are incorporated into our products and services to strengthen our product functionality, and (iii) cloud infrastructure providers. We maintain a network of more than 1,200 professional service partners, which is essential in strengthening our product delivery capacity. With their support, we are able to undertake a larger volume of product deliveries, as well as more complex deployments for large enterprises and implementation for a broader base of medium-sized customers. We collaborate with over 3,800 independent software vendors (“ISVs”) that provide industry-specific or specialized products, which are seamlessly integrated into our cloud-based services to supplement functionality of our products and services. In 2023, 2024, 2025 and the three months ended March 31, 2026, purchases from our top five suppliers in each year/period during the Track Record Period accounted for 4.2%, 3.3%, 3.5% and 3.7% of our total purchases, respectively; and purchases from our largest supplier in each year/period during the Track Record Period accounted for 0.9%, 0.8%, 1.4% and 2.0% of our total purchases in the same periods, respectively. Our suppliers typically grant us a credit term of within 60 days. As of the Latest Practicable Date, substantially all of our suppliers were based in Chinese Mainland. We evaluate and select our suppliers based on a comprehensive assessment of their service quality, business scale, service capabilities, coverage areas, authorized qualifications, commercial reputation, pricing, and alignment with our business needs. The salient terms of our agreement with our ISV are set forth below:

- *Obligations and undertakings.* ISVs supply us with their products which are then incorporated into our products and services.

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- *Product liability.* Our ISVs warrant that their products are safe, stable, free from defects and malicious codes, and are compliant with applicable standards. Our ISVs undertake that their products will not cause customer returns, incompatibility with customer system or reputational harm to us.
- *Payment and settlement.* Our obligation to pay ISVs is conditional upon customer’ acceptance of products or completion of service. We settle with ISVs within 10 days following the receipt of payment from our customers or the conclusion of last settlement period.
- *Ongoing support.* ISVs shall provide a 24/7 hotline, product maintenance and upgrade, technical support, and assistance with our marketing effort at no additional cost.
- *Intellectual property rights.* ISVs own the intellectual property rights in relation to their products, while we own the intellectual property rights arising from secondary development of the incorporated products. ISVs undertake not to infringe upon any intellectual property rights owned by third parties and are obliged to indemnify us or customers against any damage or expense incurred.
- *Confidentiality.* We own the confidential data provided during the course of dealing with the ISVs. ISVs shall not disclose or use confidential information to third parties, whether directly or indirectly, without prior written consent.
- *Termination.* The agreement may be terminated upon expiration of the term or material breach as specified in the agreement. Unilateral termination shall be effective only with not less than 20 business days’ prior written notice.

Our agreements with cloud infrastructure providers are based on standard terms and templates typically adopted by such providers, which specify key terms including the unit pricing, the scope and functionality of their services provided, as well as the payment arrangement, typically determined on a usage-based basis.

As of the Latest Practicable Date, none of our Directors, their respective close associates and any of our shareholders (which to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our top five suppliers.

During the Track Record Period, we sourced U.S.-origin software from U.S. suppliers in offering our products or services, which were not subject to U.S. tariff regimes. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material business disruptions caused by U.S. tariff policies.

OVERLAPPING CUSTOMERS AND SUPPLIERS

One of our top five customers in 2023, a leading internet group in China, was also one of our top five suppliers in 2023, 2024, 2025 and the three months ended March 31, 2026. A subsidiary of this group, one of the most prominent cloud computing service providers in China, supplies public cloud resources to us and is thus a supplier of ours. Our procurement amounts from this group were RMB37.4 million, RMB33.0 million, RMB66.4 million and RMB15.7 million in 2023, 2024, 2025 and the three months ended March 31, 2026,

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respectively, accounting for 0.8%, 0.7%, 1.4% and 2.0% of our total cost of sales in the respective periods. Another subsidiary of this group engages in software and information technology services. Our sales amounts to this group were RMB75.2 million, RMB36.8 million, RMB16.6 million and RMB1.2 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for less than 1.0% of our total revenue in the same periods, respectively.

In addition, during the Track Record Period, one of our top five customers in 2024 and 2025 was also a supplier to us, providing us with public cloud computing services. Our sales amount, representing our sales of software products, to this customer was RMB17.3 million, RMB106.1 million, RMB81.4 million and RMB19.2 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for 0.2%, 1.2%, 0.9% and 1.4% of our total revenue in the respective periods. Meanwhile, our procurement of public cloud computing services from this supplier were RMB0.5 million, RMB0.3 million, RMB0.1 million and nil in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for less than 0.1% of our total cost of sales in the same periods, respectively.

Furthermore, during the Track Record Period, one of our top five suppliers in 2023, 2024 and 2025 was also a customer of ours, procuring cloud-based services from us. Our procurement of implementation services purchased from this supplier was RMB42.1 million, RMB27.9 million, RMB19.5 million and RMB0.4 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for 0.9%, 0.6%, 0.4% and 0.1% of our total cost of sales in the same periods, respectively. Meanwhile, our sales of cloud-based services to this customer were RMB0.4 million, RMB1.2 million, RMB2.3 million and RMB16.4 thousand in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for less than 0.1% of our total revenue in the same periods, respectively.

During the Track Record Period, one of our top five suppliers in 2023, 2024 and 2025 was also a customer of ours, procuring cloud-based services from us. Our procurement of implementation services from this supplier was RMB40.5 million, RMB37.2 million, RMB37.8 million and RMB1.3 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for 0.8%, 0.8%, 0.8% and 0.2% of our total cost of sales in the same periods, respectively. Meanwhile, our sales of cloud-based services to this customer were RMB3.4 million, RMB0.2 million, RMB3.1 million and RMB39.1 thousand in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for less than 0.1% of our total revenue in the same periods, respectively.

During the Track Record Period, one of our top five suppliers in 2025 was also a customer of ours, procuring cloud-based services from us. Our procurement of implementation services from this supplier was RMB12.7 million, RMB17.2 million, RMB18.3 million and RMB3.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for 0.3%, 0.4%, 0.4% and 0.4% of our total cost of sales in the same periods, respectively. Meanwhile, our sales of cloud-based services to this customer were RMB0.9

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million, RMB0.7 million, RMB2.5 million and RMB0.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for less than 0.1% of our total revenue in the same periods, respectively.

During the Track Record Period, one of our top five suppliers in the three months ended March 31, 2026 was also a customer of ours, procuring cloud-based services from us. Our procurement of public cloud computing services from this supplier was RMB17.3 million, RMB12.8 million, RMB12.8 million and RMB3.5 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for 0.4%, 0.3%, 0.3% and 0.4% of our total cost of sales in the same periods, respectively. Meanwhile, our sales of cloud-based services to this customer were RMB25.3 million, RMB14.5 million, RMB14.3 million and RMB0.5 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, accounting for less than 0.3% of our total revenue in the same periods, respectively.

According to Frost & Sullivan, it is common in our industry for customers and suppliers to overlap, given the diverse, dynamic and sometimes complementary nature of their business interactions. Our Directors confirmed that negotiations of the terms of our sales to and purchases from the customer and the supplier mentioned above as both of our customers and suppliers were conducted on an individual basis and as a result, the sales and purchases were neither connected with nor conditional upon each other. All of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis.

DATA PRIVACY AND SECURITY

Type of Data and Scope of Usage

We collect, store and process three categories of data: (i) registration information of public users not associated with our enterprise customers; (ii) enterprise user data, including personal information of users associated with our enterprise customers; and (iii) business data generated and stored by enterprise customers through our SaaS services. We do not purchase personal information, but may purchase publicly available corporate business or registration data from third-party suppliers for product functions such as supplier qualification verification. Relevant agreements include requirements on data source compliance and breach of contract liability.

For public user data, our processing is limited to registration information provided directly by such users, who cannot access product functions and may only view our product updates or published information. For enterprise-related data, enterprise customers determine the purpose and method of processing personal information and business data, while we act solely as an entrusted processor and process such data strictly in accordance with customer agreements and instructions. Upon termination of collaboration, we promptly return, delete or anonymize relevant data unless otherwise authorized or permitted by law.

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For enterprise customers, our products support public cloud, private cloud and on-premises deployment. For on-premises or private cloud deployment, we do not collect, access or process enterprise customer data. For public cloud deployment, enterprise customers retain full control over their business data as independent data controllers, while we act only as an entrusted processor and process such data within the purposes and methods specified by the customers.

For public user data, we obtain consent or rely on other lawful bases through the privacy policies disclosed on our websites, apps, mini-programs and other online channels. These privacy policies inform users of our personal information processing rules and cover the matters required under Article 17 of the PRC Personal Information Protection Law, including the processor’s identity and contact information, processing purposes and methods, types of personal information processed, retention period, data subject rights and the legal basis for processing. Where consent is required, users must read the privacy policy and actively indicate consent before using the relevant product functions.

For enterprise-related data, we ensure lawful processing through customer agreements and product privacy policies, and process business data and enterprise users’ personal information based on the authorization and instructions of enterprise customers and end-users.

Infrastructure Stability and Data Security

We are committed to protecting security and privacy of our user information. Regarding data usage and storage, we have implemented the following internal control measures:

- *Safety Technical Measures.* For network transmission, we use HTTPS and other protocols to encrypt data in transit, and deploy monitoring tools to detect abnormal traffic and activities. We also use bastion host access control and operational log auditing to restrict and monitor authorized personnel. At the application level, we conduct regular penetration testing and vulnerability scanning. For core systems and systems storing sensitive user information, we encrypt data during transmission and storage. Our Yonyou BIP system has passed the Level 3 assessment and registration for information system security protection.
- *Identity Management and Access Control.* For employee access control, we have adopted the Yonyou Group Personal Information Protection Management Specifications and a data access permission management system, which define access rights for different data levels and apply a least-privilege principle. Authorized personnel may only access the personal information and data operation permissions necessary for their duties. We regularly review and adjust access permissions, log and monitor high-level data access, and prohibit bulk downloads or physical output of sensitive personal information.
- *Risk Monitoring and Data Security Incident Emergency Response.* We have adopted the Yonyou Group Product Security and Emergency Response Management Measures and the YonBIP Data Security Emergency Response Plan, which set out the principles, responsibilities, early warning mechanisms and response procedures

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for cybersecurity incidents and disaster recovery. We conduct regular drills, including annual drills for each data security incident scenario and biennial drills for each data-processing platform system.

- *Personnel Management and Training.* We have adopted employee information security and project delivery security policies, which require regular security training for personnel maintaining and managing our systems. Relevant business departments must participate in personal information security compliance audits and training. We have also appointed a Personal Information Protection Officer with overall responsibility for personal information protection who reports directly to management.

For products with AI-powered features, we enter into online agreements with users specifying how their data is processed and ensure processing remains within the authorized scope. For our Chanjet product series, which uses third-party large models registered and filed in China and RAG to serve customers, we collect only necessary user data during service delivery and do not use user data for model training, including for open source models.

We back up core customer data daily in separate secure systems to reduce the risk of data loss or leakage, and regularly review our backup systems to ensure proper operation and maintenance. We believe our technological infrastructure is stable, reliable, secure, scalable and capable of supporting our business growth. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material cybersecurity or data security incident.

Data Protection

We place great emphasis on protecting the data privacy of enterprise customers and their affiliated individuals. We have established a network security department to manage data protection practices and adopted internal policies governing employee conduct, confidentiality and personal information handling.

Our customer service agreements and privacy policies inform customers of the purpose, scope and method of information collection and use, and we process such information accordingly. We regularly update our privacy policies in line with applicable data protection and privacy laws. We have also adopted security safeguards, including encryption for data transmission and storage, data classification management, strict user data access and usage policies, and internal approval procedures to monitor and control employee access to information. We have formulated data security policies governing internal information transmission, communication mechanisms and access rights for personnel at different levels, and are committed to ensuring that our overseas operations comply with applicable local data security laws and regulations.

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During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data or personal information leakage or loss, infringement of data or personal information, or information security incident, nor had we been subject to or involved in any material investigations on cybersecurity, data and personal information protection by relevant competent regulatory authorities, or had received any material official examination, warning, interview, or similar notice in such respect. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any penalty, litigation or dispute related to data security and personal information protection which, individually or in aggregate, have had or are reasonably likely to have a material adverse effect on us, our financial performance and results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in cross-border transfers of personal or business data. Based on the foregoing, as advised by our PRC Legal Advisors, we had complied with PRC laws and regulations on data security, personal information protection and cybersecurity in all material respects during the Track Record Period and up to the Latest Practicable Date. We had not been subject to claims, investigations or inquiries with respect to data security, personal information protection or cybersecurity by government authorities of any foreign jurisdictions, including those jurisdictions where our products were delivered.

COMPETITION

The markets in which we operate are highly competitive. Our major competitors include players in the markets of enterprise software and services. We believe the principal competitive factors in our industries are functionality and effectiveness of the products and services, user experience, technology and infrastructure capabilities, sales capabilities, industry knowledge, and brand recognition and reputation. In addition, new and enhanced technologies and new market entrants may further increase competition in our industries. We believe that we are well-positioned to compete effectively based on the foregoing factors. See “— Our Competitive Strengths” for details. However, some of our current or potential competitors may be able to develop products and services better accepted by enterprises or may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, regulations or customer requirements. See “Risk Factors — Risks Relating to Our Business and Industry — The market in which we operate is competitive, and if we do not compete effectively, our business, financial condition and results of operations could be materially and adversely affected.” For more information of the competitive landscape of our industries, see “Industry Overview.”

INTELLECTUAL PROPERTY

We regard our proprietary domain names, copyrights, trademarks, trade secrets, and other intellectual property critical to our business operations. As of the Latest Practicable Date, our Company and our Major Subsidiaries had 50 registered patents and held 35 registered software copyrights, 16 domain names and 34 registered trademarks in Chinese Mainland that are material to our business operation. As of the same date, we had over 150 registered trademarks overseas.

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We protect our intellectual property rights through copyright, trademark and other intellectual property laws, as well as confidentiality and licensing arrangements with employees, suppliers and customers. We have established a dedicated intellectual property team to guide and manage IP-related matters. Employees, particularly those involved in R&D, are required to comply with confidentiality and intellectual property ownership provisions, under which intellectual property created during employment or in connection with their duties belongs to us. Our key protection measures include timely registration, filing and application for intellectual property rights, monitoring registration and authorization status and taking timely action against potential conflicts, restricting access to technology development and business secret protection areas, and clearly setting out intellectual property ownership and protection obligations in commercial contracts.

Despite our precautions, third parties may obtain and use intellectual property that we own or license without our consent. During the Track Record Period and up to the Latest Practicable Date, we did not identify any material breaches of our intellectual property rights.

We generally renew our domain name registrations once every year, and as of the Latest Practicable Date, all of our registered domain names remained in effect. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any intellectual property infringement actions brought by third parties that, collectively or individually, had a material impact on our business, operations or prospects.

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Advisors have advised that our Company and our major subsidiaries had obtained all licenses, permits, and certificate necessary to conduct our principal business activities in all material respects from the relevant government authorities in Chinese Mainland, and such licenses, permits and approvals remained in effect as of the Latest Practicable Date. The following table sets forth a list of material licenses, permits, and approvals currently held by us.

License/Permit	Issuing Authority	Holder	Grant date	Expiry date
Value-Added Telecommunications Business License	Beijing Communications Administration	Our Company	August 2025	August 2030
Internet Domain Name Service License	Beijing Communications Administration	Our Company	March 2022	March 2027

We will apply for renewal of our licenses and permits prior to their expiration, and we do not foresee any legal impediment for the renewal of our material licenses and permits.

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EMPLOYEES

As of March 31, 2026, we had 17,747 full-time employees, 17,373 of whom were stationed in Chinese Mainland. The following table sets forth the number of our full-time employees by function as of March 31, 2026:

Function	Number of Employees	% of Total
Research and development.	5,584	31.5
Implementation and operations	5,943	33.5
Customer success service	2,070	11.7
Sales	3,321	18.7
Administration, finance, and others	829	4.6
Total	17,747	100.0

Our success depends on our ability to attract, retain and motivate qualified talent. We have established a centralized recruitment center to align hiring with our strategic business needs and long-term goals, and fill vacancies through campus recruitment, social recruitment and internal talent identification. We primarily rely on campus recruitment for R&D and product delivery roles, and social recruitment for routine replacement roles and critical business positions. As part of our human resources strategy, we provide competitive compensation, performance-based cash bonuses and other incentives. We also adopt a two-tier performance evaluation system covering organizational and individual performance. Organizational performance is assessed based on financial and non-financial indicators, while individual performance is assessed based on financial and non-financial indicators, personal development goals and team management effectiveness.

We provide systematic training and development programs tailored to employees across different roles and levels. New employees receive onboarding training on corporate culture, business operations, company processes and tools. Employees also receive continuous training on business knowledge and professional skills, including software development tools, project management methodologies and quality standards, supported by internal training resources and external professional courses. For managerial employees, we offer leadership training, often with external professional support, to strengthen management capabilities and cultivate future leaders.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering critical matters such as workplace safety, confidentiality obligations, non-competition and grounds for termination. In compliance with PRC regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans. We believe we maintain a good working relationship with our employees and we had not experienced any material labor dispute or any difficulty in recruiting or retaining staff for our operations during the Track Record Period and up to the Latest Practicable Date.

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As of December 31, 2023, 2024, 2025 and March 31, 2026, the number of our employees was 24,949, 21,283, 19,055 and 17,747, respectively. Such workforce adjustment primarily affected employees across R&D, implementation, sales and customer service functions. The adjustments were caused by changes in our business focus, product evolution, and operational efficiency initiatives. With the ongoing advancement of our Yonyou BIP product series, the R&D team has significantly improved efficiency through the extensive adoption of AI technologies, such as intelligent coding assistants that have reduced manual coding efforts and the large-scale implementation of automated testing frameworks. In addition, as we transitioned our product focus from legacy software products to cloud-based services, we made corresponding workforce adjustments to align with the implementation and delivery requirements of our cloud-based product offerings. The standardization of product delivery processes, the development of delivery toolkits for our internal uses, and the expansion of collaborations with professional service partners have enabled tighter control over delivery and implementation budgeting, including related headcount control, while improving overall delivery efficiency. As a result, we have streamlined our direct sales workforce in line with the evolving focus of our product strategy. In 2024, as we phased out a number of legacy product lines and progressed in product upgrades, we optimized sales resource allocation and consolidated regional sales coverage to enhance productivity and cost-efficiency. We have also increasingly adopted digital and AI-powered customer services, and therefore reduced human resources requirement for customer service personnel.

Our PRC Legal Advisors are of the view that we complied with applicable PRC labor laws and regulations in relation to our workforce adjustment in material respects during the Track Record Period and up to the Latest Practicable Date. Our Directors are of the view that such adjustments were made based on the needs of our business development and had no material adverse impact on our operations or financial performance.

Based on the due diligence conducted by the Joint Sponsors, nothing material has come to the Joint Sponsors’ attention that contradicts the Directors’ view disclosed above in relation to the impact of the Company’s workforce adjustment.

PROPERTIES

Owned Properties

As of the Latest Practicable Date, in Chinese Mainland, our Company and our Major Subsidiaries owned the land use rights to 13 parcels of land located in Chinese Mainland, with a total site area of approximately 811,875 square meters. Such parcels of land are used primarily as our Beijing Yonyou Industrial Park as office premises. As advised by our PRC Legal Advisors, we have obtained the land use certificates for such parcel of land and legally owned the land use rights to such parcel of land. As of the Latest Practicable Date, in Chinese Mainland, our Company and our Major Subsidiaries owned 37 properties in Chinese Mainland, with a total GFA of approximately 512,978 square meters used primarily as office and R&D facilities. As advised by our PRC Legal Advisors, we have obtained the ownership certificates for such properties.

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Leased Properties

As of the Latest Practicable Date, our Company and our Major Subsidiaries operated our businesses primarily through 26 leased properties, each with a GFA of over 500 square meters, in Chinese Mainland, with a total GFA of approximately 30,858 square meters. As of the same date, we also operated our businesses through 11 leased properties overseas, with a total GFA of approximately 3,167 square meters. Such properties primarily serve as our office facilities.

As of the Latest Practicable Date, three of the properties leased by our Company and our Major Subsidiaries from third parties with a GFA of over 500 square meters had title defects, because the relevant lessors had not provided us with valid title certificates or relevant authorization documents evidencing the right to lease the property to us. If the relevant lessor has no right to lease the leased property and a third person other than the parties to the relevant lease contracts have legal title to such leased property, such third person may claim that the relevant lease contracts are null and void or have no effect thereto, or even request us to cease our use and move out of such leased property. Our PRC Legal Advisors are of the view that we would not be subject to any administrative penalties with respect to these properties, but our leases may be affected if the lessors of the leased properties do not have the requisite rights to lease the relevant properties. However, where a dispute arises on the said leases, or we suffer a loss as a result of the said leases, we have a right to request a reduction in rent or refuse to pay rent or require the lessor to indemnify such losses under the lease agreements.

As of the Latest Practicable Date, we did not have any single property with a book value accounting for 15% or more of our total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

INSURANCE

We consider our insurance coverage to be adequate and in accordance with the commercial practices in the industries in which we operate. Our assets, employee safety and other applicable items/risks are covered by commercial insurances including property all-risk insurance, employee accident insurance and supplemental medical insurance, and commercial vehicle insurance, among others. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustment to our insurance plans to align with our needs and with industry practice. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business. However, there can be no guarantee that we will not incur losses or suffer claims beyond the limits, or outside the relevant coverage, of our insurance policies. See “Risk Factors — Risks Relating to Our Business and Industry — We have limited insurance coverage, and any claims beyond our insurance coverage may incur substantial costs and diversion of resources.”

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AWARDS AND RECOGNITION

During the Track Record Period, we have received recognition for the quality and popularity of our services and technological advancements. The following table sets forth some significant awards and recognition we have received:

Awarding Year	Award/Certificate	Issuing Organization	Award Entity
2026	No. 1 Market Share in China’s AI-Enabled ERP Market, 2025	International Data Corporation	Our Company
2026	No. 1 Market Share in China’s Enterprise Application SaaS Market, H2 2025	International Data Corporation	Our Company
2026	No. 5 Market Revenue Share in China’s AI Platforms Market, 2025	Gartner	Our Company
2026	No. 6 Market Revenue Share in China’s AI Platforms and Models Market, 2025	Gartner	Our Company
2025	Global Fifth, Asia-Pacific First in Financial Cloud Market Revenue, 2024	Gartner	Our Company
2025	Global Seventh, Asia-Pacific First in Asset Management Cloud Market Revenue, 2024	Gartner	Our Company
2025	No. 1 Market Share in China’s Enterprise Application SaaS Market, 2024	International Data Corporation	Our Company
2024	Global Eighth in ERP SaaS Market Revenue, 2023	Gartner	Our Company
2024	Global Tenth in High-Productivity aPaaS Market Revenue, 2023	Gartner	Our Company
2024	Gartner Magic Quadrant for Cloud HCM Suites for Enterprises with 1,000+ Employees	Gartner	Our Company
2024	No. 1 Market Share in China’s Enterprise Application SaaS Market, 2023	International Data Corporation	Our Company
2024	No. 1 Market Share in China’s aPaaS Market, H1 2023	International Data Corporation	Our Company
2024	Listed in the MIIT Cross-Industry and Cross-Domain Industrial Internet Platforms	MIIT	Our Company

LEGAL PROCEEDINGS AND COMPLIANCE

We may be subject to legal proceedings, investigations and claims arising in the ordinary course of our business from time to time. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any litigation or arbitration proceedings pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, results of operations or financial condition.

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We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in Chinese Mainland, and we may be found non-compliant with applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any systemic non-compliance incident.

Social Insurance and Housing Provident Fund

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. We operate through multiple subsidiaries across different regions and maintain a large employee base. As a result, the administration of employee social insurance and housing provident fund contributions requires coordination with different local authorities and adaptation to varying regulatory practices and employee circumstances. In particular, certain employees preferred their social insurance contributions to be made in locations different from their primary place of employment. In addition, during the Track Record Period, we engaged third-party service providers to pay social insurance and housing provident fund for a small portion of our employees to accommodate their preferences for participating in social insurance and housing provident fund schemes in their respective place of residency.

We estimate that the aggregate shortfall of social insurance and housing provident fund contributions in 2023, 2024, 2025 and the three months ended March 31, 2026 amounted to RMB4.9 million, RMB3.9 million, RMB2.0 million and RMB0.7 million, respectively, accounting for less than 0.1% of our total revenue in each of the period during the Track Record Period. As advised by our PRC Legal Advisors, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% of the outstanding amount for each day of delay. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of the housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

Our PRC Legal Advisors are of the opinion that, assuming no significant changes in current policies, regulations and enforcement or supervisory practices, and absent collective employee complaints, litigation or arbitration, the likelihood that we will be required to pay historical social insurance or housing provident fund contribution shortfalls, or be subject to material administrative fines or penalties for such matters during the Track Record Period, is remote, and such non-compliances will not have a material adverse effect on our business or operations. This opinion is based on the following: (i) as of the Latest Practicable Date, we had not received any notice from relevant authorities requiring payment of shortfalls, nor any material employee complaint or dispute in this respect; (ii) written confirmations from

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competent local authorities or their authorized offices, or credit reports from authorized credit institutions, indicated that no material administrative penalty had been imposed on us for social insurance or housing provident fund contributions during the Track Record Period; (iii) current policies and regulations, including the State Council General Office’s Notice on the Comprehensive Plan for Reducing Social Insurance Contribution Rates, which prohibits centralized collection of historical enterprise contribution shortfalls during the collection system reform; (iv) based on telephone consultations by our PRC Legal Advisors with competent authorities in certain regions where some of our Major Subsidiaries are located, such authorities generally do not proactively conduct audits or require supplementary payments unless prompted by employee complaints; and (v) if we receive any rectification or payment notice, we will promptly comply. Based on the foregoing, we believe the matters described above would not materially and adversely affect our business, financial condition or results of operations.

To prevent any recurrence of similar incidents in future, we have reviewed our practice and adopted or plan to adopt internal control measures to rectify such incidents, including:

- We have designated dedicated personnel to supervise our continuous compliance with the regulations governing social insurance and housing provident fund contributions, and to oversee the rollout of any required corrective or preventive measures in this regard;
- We will conduct ongoing review and monitoring of the reporting procedures and contribution payments in respect of social insurance and housing provident funds. Our in-house legal counsel, together with our PRC Legal Advisors, will also seek advice on relevant PRC laws and regulations, so as to ensure we remain updated on the latest regulatory developments. We undertake to maintain regular and close communication with relevant authorities, to gain an understanding of their specific requirements and the official interpretation of relevant rules, and to make social insurance and housing provident fund contributions in a timely manner in accordance with their guidance.

Going forward, we will continue to implement the above measures and undertake to make timely payments for the deficient amount and overdue charges under our own accounts as soon as requested by relevant authorities.

Xinfushe-Related Matters

During the Track Record Period, Yonyou Xinfushe Cloud Technology Co., Ltd. (“**Yonyou Xinfushe**”) and its subsidiaries (together with Yonyou Xinfushe, “**Xinfushe Companies**”) assisted customers in settling cooperation fees with their business partners, and upon customer request, Xinfushe Companies paid individual income taxes on the relevant fees received by these business partners. Based on certain notification letters from the relevant government authorities, Xinfushe Companies were required by the relevant tax authorities to pay taxes on behalf of business partners for a total amount of RMB9.1 million, and based on the relevant notification letters, such order related to 48 business partners.

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During the Track Record Period, we had begun to gradually adjust the business model of Xinfushe Companies. Under the revised business model, Xinfushe Companies will not provide services related to the payment of individual income taxes on behalf of business partners. The revenue contribution from Xinfushe Companies was relatively insignificant and accounted for less than 5% of our total revenue in each period during the Track Record Period.

Based on the interviews conducted by the PRC Legal Advisors with the competent tax authorities of Nanchang Yonyou Xinfushe Cloud Technology Co., Ltd. (“**Nanchang Xinfushe**”) and Nanyang Yonyou Xinfushe Cloud Technology Co., Ltd. (“**Nanyang Xinfushe**”) in August 2025, the competent authorities confirmed that: (i) under the business model of Xinfushe Companies, the tax authorities believed that Xinfushe Companies do not have the right to decide on the payees and payment amounts of the payees’ income, and Xinfushe Companies are not statutory withholding agents and do not bear the statutory obligation to withhold and remit individual income taxes on behalf of the business partners; (ii) the risk that Nanchang Xinfushe and Nanyang Xinfushe would be subject to administrative penalties due to the aforesaid matters is relatively low; and (iii) after the Announcement of the STA on Matters Concerning Withholding Declaration and Agency Declaration for Platform-Based Practitioners by Internet Platform Enterprises (the “**Announcement**”), which was officially implemented on October 1, 2025, the tax authorities will generally not pursue the collection of past tax withholding records of businesses similar to that of Xinfushe Companies prior to October 1, 2025.

Based on the above, the PRC Legal Advisers are of the view that the aforesaid matters do not constitute violations of PRC laws and regulations.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Sustainable Development (ESG) Governance Structure

We have established and improved a sustainable development (ESG) management system, forming a governance system with clear responsibilities and high efficiency with the Board of Directors, senior management, and executives as the core, to ensure the smooth execution of our sustainable development plan with effective supervision. As of the Latest Practicable Date, our MSCI ESG rating was AA, ranking among the leading companies in the global industry.

Decision-making level:

Board Strategy and
Sustainable Development
Committee

- Research and make recommendations on our long-term development strategy.
- Research and make recommendations on our sustainable development (ESG) strategic goals.
- Check the progress of execution of our sustainable development (ESG) strategy and goals, review the work report of the Executive Council, and provide feedback and opinions.
- Review our annual sustainable development (ESG) report and make recommendations.

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Senior management level:
Sustainable Development
(ESG) Committee.

- Responsible for the specific implementation of our sustainable development (ESG) affairs, reporting to the Board Strategy and Sustainable Development Committee on the implementation of sustainable development (ESG) strategies and decisions, and providing necessary information for research and recommendations on sustainable development (ESG) development.

Executive level:
Sustainable Development
(ESG) Coordination Group.

- Several coordination groups have been established based on the three dimensions of Environmental, Social and Governance to be responsible for the daily work of the company’s sustainable development (ESG), such as coordinating our responsible entities to provide materials for our annual sustainable information disclosure.

Sustainable Development (ESG) Material Issues

We have implemented the principle of stakeholder participation and organized a working group composed of internal and external experts to regularly conduct analysis of sustainable development (ESG) material issues and disclose the comprehensive evaluation content in the annual sustainable development (ESG) report based on our actual sustainable development (ESG) management. In 2025, our material issues reviewed and confirmed by the Board Strategy and Sustainable Development Committee include “Data Security and Privacy Protection,” “Cleantech Opportunities,” “Staff Management,” “Compliance and Business Ethics,” etc. We have established an ESG indicator allocation mechanism to systematically advance the management of sustainable development (ESG) material issues and promote the continuous improvement and enhancement of relevant ESG indicators.

Environmental Responsibility

We continue to explore the role of digital and intelligent technologies in enabling intensive, energy-saving and environmentally friendly production and services. Through clean technology applications, we have developed industry-oriented sustainable development solutions to support customers’ green transformation. We identify customers with sustainability goals and provide targeted solutions for key green transformation customers, including those in high-carbon industries.

We regard green and low-carbon operations as an important part of addressing climate change. We have established an energy-saving team to update energy-saving and consumption-reduction rules, conduct daily inspections and rectify identified issues. We have also formulated the Carbon Peak Implementation Plan of Yonyou Industrial Park, which sets targets for Yonyou Industrial Park (Beijing) to achieve carbon peak for Scope 1 and Scope 2 emissions by 2030 and carbon neutrality by 2060. We aim to increase renewable energy to at least 50% of total electricity consumption by 2025 and 100% by 2030. The plan was developed based on

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national environmental policies, industry decarbonization trends, the park’s energy consumption profile and feasibility analyses of energy-efficiency retrofits, on-site photovoltaic installation and green electricity procurement. We regularly review implementation progress and adjust the plan as appropriate.

In terms of green energy use, in the three months ended March 31, 2026, Yonyou Industrial Park (Beijing) has used 4,562.1 MWh of green electricity, accounting for 45.0% of the total electricity consumption; in 2025, Yonyou Industrial Park (Beijing) has used 20,000 MWh of green electricity, accounting for 51.8% of the total electricity consumption. In terms of water resources, in 2024, all reclaimed water connection locations in the Yonyou Industrial Park (Beijing) have achieved 100% coverage of recycled water. In terms of green commuting, we have replaced all shuttle buses with electric vehicles in 2023, and adjusted the shuttle bus routes in a timely manner according to the occupancy rate to minimize resource waste. We pay attention to improving employees’ environmental awareness, and regularly organize environmental protection activities to help build ecological civilization with practical actions.

We operate our data centers based on green and intelligent principles and have adopted energy management rules to institutionalize energy conservation. These rules set energy consumption targets and allocate workloads across data centers for working days and public holidays, helping maintain operational reliability while improving energy efficiency. We also deploy sustainable technologies, including geothermal heat pumps, thermal-storage air conditioning systems, rainwater harvesting, energy-efficient bricks and solar lighting, to support low-carbon operations. In 2025, geothermal heat-pump and thermal-storage air conditioning systems at our Beijing and Jiangxi industrial parks reduced CO₂ emissions by 853.00 tons. Our Hainan site also adopted solar water-heating systems and exterior shading design to reduce building energy consumption, and received Two-Star Green Building Design Certification.

The following table sets forth our GHG emissions in 2023, 2024, 2025 and the three months ended March 31, 2026:

Item	Unit	2023	2024	2025	Three months ended March 31, 2026
Total GHG emissions	tCO ₂ e	26,053.55	17,706.77	13,584.87	4,580.81
Scope 1 GHG emissions	tCO ₂ e	2,851.91	2,376.08	2,351.04	1,213.85
Scope 2 GHG emissions	tCO ₂ e	23,201.64	15,330.69	11,233.83	3,366.96

Our Scope 1 GHG emissions decreased from 2,851.91 tCO₂e in 2023 to 2,376.08 tCO₂e in 2024, to 2,351.04 tCO₂e in 2025 and further to 1,213.85 tCO₂e in the three months ended March 31, 2026, and our Scope 2 GHG emissions decreased from 23,201.64 tCO₂e in 2023 to 15,330.69 tCO₂e in 2024, to 11,233.83 tCO₂e in 2025, and further to 3,366.96 tCO₂e in the three months ended March 31, 2026, primarily due to our continuous efforts to switch to electricity from renewable energy sources. This is reflected by the increase in our clean energy consumption from 16,484.00 MWh in 2023 to 26,255.00 MWh in 2024, which further increased to 31,758.70 MWh in 2025 and decreased to 10,640.66 MWh in the three months

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ended March 31, 2026, as well as the decrease in comprehensive energy consumption from 6,629.90 tons of standard coals in 2023 to 6,217.48 tons of standard coals in 2024, to 6,085.68 tons of standard coals in 2025, and further to 1,371.98 tons of standard coals in the three months ended March 31, 2026.

The following table sets forth our resource consumption in 2023, 2024, 2025 and the three months ended March 31, 2026:

Item	Unit	2023	2024	2025	Three months ended March 31, 2026
Comprehensive energy consumption	Ton of standard coals	6,629.90	6,217.48	6,085.68	1,371.98
Gasoline	Liter	23,504.31	20,422.05	20,016.71	4,813.55
Natural gas	Cubic meter	1,318,993.00	1,098,925.40	1,087,342.60	561,400.00
Electricity	MWh	40,913.30	39,731.93	38,599.05	5,574.45
Clean energy consumption . . .	MWh	16,484.00	26,255.00	31,758.70	10,640.66
Natural gas	Cubic meter	1,318,993.00	1,098,925.40	1,087,342.60	561,400.00
Green energy	MWh	2,203.00	14,350.00	20,000.00	4,562.10
Water consumption	Ton	397,534.00	406,833.00	372,505.00	81,316.00
Reclaimed water consumption . .	Ton	59,781.00	34,447.00	28,438.00	0.00

The following table shows relevant data from selected industry peers of our Group in 2023, 2024, 2025 and the three months ended March 31, 2026:

Data	Company	Unit	2023	2024	2025	Three months ended March 31, 2026
Scope 1 + Scope 2 GHG emissions	The Group	tCO ₂ e	26,053.55	17,706.77	13,584.87	N/A
	Kingdee International Software Group Company Limited (“Kingdee”)		7,452.59	8,315.95	8,249.61	N/A
	WEIMOB INC. (“Weimob”)		1,933.70	1,595.55	1,310.97	N/A
Comprehensive energy consumption . .	The Group	Ton of standard coals	6,629.90	6,217.48	6,085.68	N/A
	Kingdee		–	1,989.12	2,004.04	N/A
	Weimob		522.8	352.62	277.36	N/A

Based on available environmental data, we had significantly more Scope 1 + Scope 2 GHG emissions and comprehensive energy consumption in 2023, 2024 and 2025 as compared to Kingdee and Weimob, which we consider to be comparable to the scale of our business operations.

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Social Responsibility

We are committed to creating a safe, comfortable and inclusive workplace environment and effectively safeguarding the physical and mental health of employees. We regularly organize a variety of cultural and sports activities to help employees maintain physical and mental health. In 2025 and the three months ended March 31, 2026, our charitable donations exceeded RMB5.2 million and RMB50.0 thousand.

INTERNAL CONTROL AND RISK MANAGEMENT

We are exposed to various risks during our operations. We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness. Our policies and procedures relate to managing our research and development management, sales operations, procurement execution, financial reporting, information disclosure management, and general controls over information technology. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see “Directors and Senior Management — Board Committees — Audit Committee;”
- adopt policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong;
- establish detailed procurement policy, requiring all suppliers to undergo anti-corruption and ESG reviews and prohibit bribery, forced or child labor, and discriminatory practices; and
- establish compliance policies addressing anti-fraud, anti-bribery, anti-corruption, anti-money laundering, economic sanctions matters, and code of conduct for employees, which prohibit behaviors leading to conflicts-of-interest, bribery, misappropriation, embezzlement, or misuse of our assets.

PATH TO PROFITABILITY

Since our inception, we have consistently refined our business strategies and technological roadmap in response to evolving industry dynamics, and have proactively aligned ourselves with emerging trends to stay at the forefront of China’s enterprise software and service industry.

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In recent years, we have seen important changes in the enterprise software and service industry and have adjusted our approaches accordingly. First, we saw the need to transform our products, as traditional software was no longer enough to meet the changing needs of modern businesses. Second, we noticed a growing trend of large enterprises looking to replace foreign ERP solutions with local alternatives. These insights prompted us to accelerate the development and rollout of our cloud-based services. We have tailored our product architecture, delivery models, and sales approaches to address the distinct needs of large, medium-sized, and MSE enterprise customers. This tiered approach has remained central to how we design, commercialize, and invest in our product lines:

- For our large enterprise customer segment, we launched *YonBIP* and adopted a further differentiated approach based on the complexity and scope of customer needs. This segment can be broadly categorized into the following sub-groups:
 - Top-tier customers: Top-tier customers, especially central SOEs and industry-leading private companies, typically have complex business operations and high requirements for implementation and compatibility testing, which increase product delivery difficulty. Their delivery cycle generally ranges from six to 18 months. Since 2023, we have strategically expanded this segment and recorded a notable increase in contract wins. However, the complexity of their requirements has made implementation more time-consuming and resource-intensive, affecting our overall delivery capacity.
 - Other large enterprise customers: Certain large enterprise customers have sizable operations and relatively high implementation requirements, requiring us to allocate internal delivery resources despite less complex business needs. Their delivery cycle ranges from three to 12 months. Other large enterprise customers typically procure single-module services with limited implementation needs and require fewer internal delivery resources, with delivery cycles ranging from two to six months.
- For medium-sized enterprise customers, we focus on standardized cloud-based services to support scalable customer coverage, including *YonSuite*, which is tailored for this segment. Increased product standardization reduces implementation complexity and shortens delivery cycles, which typically range from two to 12 weeks. Although standardized offerings may have lower average contract value than customized solutions, they significantly reduce implementation workload. We have also increasingly relied on external professional service partners for implementation, allowing us to serve more medium-sized customers while reallocating internal resources to strategically important deliveries.

As a result of the above initiatives and customer strategies, we experienced a period of revenue and profitability volatility. We incurred losses during the Track Record Period, primarily attributable to the following factors:

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- *Unrealized benefits of developing and engaging with top-tier customers.* We believe our strategic focus on top-tier customers will strengthen our market leadership and support growth over the long term, but it has created short-term challenges. These customers typically have complex business operations and sophisticated product development and implementation requirements, resulting in longer implementation cycles, delayed revenue recognition and higher implementation costs due to the need for specialized personnel and technical support. In addition, allocating sales and service resources to top-tier customers reduced our capacity to cover and implement projects for other large enterprise customers, contributing to decreases in their customer number and revenue. Despite the short-term pressure on revenue and gross margin, we believe the strategic value of securing flagship customers outweighs the initial impact. As our products matured and implementation efficiency improved, cloud-based service revenue from large enterprise customers increased and contributed to overall revenue growth in 2025. With deeper execution experience and more completed high-complexity projects, we expect to further enhance our product and service capabilities and market credibility.
- *Product maturity.* The maturity of our core products directly affects our revenue and margin performance. Since we began large-scale delivery of our new generation cloud-based services in 2023, we have continued to enhance product functions to meet diverse customer needs. This required significant resources for product development and configuration, increasing R&D and implementation costs and affecting profitability. As our products continue to mature through iterative optimization and broader adoption, we expect delivery efficiency and standardization to improve, supporting more favorable unit economics, revenue growth and scalability.
- *Significant upfront investment in R&D initiatives.* The enterprise software and service industry is characterized by substantial upfront R&D investment. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred research and development costs of RMB2,106.5 million, RMB2,121.8 million, RMB2,285.5 million, RMB559.8 million and RMB579.2 million, respectively, accounting for 22.3%, 24.1%, 25.8%, 42.8% and 41.9% of our total revenue in the same periods, respectively. While these substantial R&D investments serve as the foundation for our product innovation, business growth, and long-term competitiveness, they have not yet resulted in revenue growth comparable to our R&D investments and contributed to our losses during the Track Record Period.
- *Increases in cost of sales and operating expenses.* In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our cost of sales was RMB4,791.1 million, RMB4,760.3 million, RMB4,589.3 million, RMB830.5 million and RMB798.8 million respectively, accounting for 50.7%, 54.0%, 51.8%, 63.5% and 57.8% of our total revenue in the same periods, respectively. The increase in the cost of sales as a percentage of total revenue from 2023 to 2025 was primarily due to (i) the increased delivery complexity and prolonged delivery cycle attributable to the

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sophisticated business and delivery requirements of our top-tier customers and (ii) our ongoing product delivery refinement during the initial promotion of the new-generation cloud-based services to ensure smooth customer experience. Our cost of sales as a percentage of our total revenue decreased in 2025 and in the three months ended March 31, 2026, as compared to the same period in 2025, primarily attributable to enhanced delivery efficiency and product maturity. We also incurred substantial sales and marketing expenses of RMB2,742.9 million, RMB2,621.7 million, RMB2,442.6 million, RMB454.9 million and RMB449.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 29.0%, 29.7%, 27.6%, 34.8% and 32.5% of our total revenue in the same periods, respectively, to expand the market outreach of our products and services.

Despite our losses during the Track Record Period, we believe the short-term margin pressure and performance volatility associated with our strategic initiatives will gradually ease as our product design and implementation capabilities mature. As *YonBIP* and our other differentiated products continue to evolve, and as we further refine our delivery tools and implementation methodologies, we expect implementation efficiency and cost structure to improve. In addition, broader adoption of standardized products such as *YonSuite* among mid-sized customers is expected to support more scalable and cost-effective operations. We believe we can achieve profitability through revenue growth, improved gross profit margin and enhanced operational efficiency.

Driving Revenue Growth

We believe we can achieve revenue growth in the future through the following initiatives.

- *Seizing market potential.* Amid the accelerated adoption of AI technologies, the trend of domestic software substitution, and the global expansion of Chinese enterprises, we are presented with significant market opportunities. According to Frost & Sullivan, the market size of the global enterprise software and services market, by revenue, reached US\$417.5 billion in 2025, and is expected to reach US\$722.5 billion in 2030. The size of China’s enterprise software and services market, by revenue, is expected to increase from RMB222.5 billion in 2025 to RMB391.5 billion in 2030. As a leader in enterprise software and intelligent services and the largest player in China by revenue in 2025, we believe our AI-powered Yonyou BIP and overseas operating experience position us to further expand our business and market share.

We plan to improve product maturity so that our products can address customer needs with less implementation effort, enhance delivery efficiency and accelerate time-to-value. In particular, we have made early investments in top-tier customers with high potential contract values. Although their complex implementation processes have led to longer onboarding timelines, we expect their revenue contribution to scale as our products mature and delivery capabilities improve. Successful delivery for these high-profile customers is also expected to strengthen our market reputation and support customer acquisition among similar enterprises.

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Internationally, our early presence in key overseas markets positions us to further expand our global footprint. We plan to invest in global product adaptation and delivery capabilities, including localized solutions, cross-border implementation infrastructure and regional ecosystem partnerships, to enhance our competitiveness and capture more opportunities in enterprises’ digital and intelligent transformation.

- *Continuous innovation to build AI-driven product capabilities.* The rapid advancement of AI technologies is driving demand for enterprise software upgrades. Building on Yonyou BIP Enterprise AI, which enables AI integration across the Ten Core Operation Domains and AI agent collaboration, we are well-positioned to capture this demand. We plan to further invest in AI capabilities by embedding AI into domain-specific applications, upgrading YonGPT and our AI application frameworks, and expanding AI agent use cases. By delivering AI-powered functions aligned with real-world business scenarios, we aim to increase product adoption, expand usage within existing accounts and unlock new revenue streams across industries.

We have introduced paid value-added AI features and modules into our product offerings, contributing to product monetization. We also support enterprise customers in upgrading their IT systems to enable AI-powered functions, which often require architectural adjustments and system-wide integration. As of December 31, 2025 and March 31, 2026, the contract value of AI-related customer orders exceeded RMB1,671.4 million and RMB1,884.2 million, respectively. These orders primarily related to AI applications or function modules offered within our products, together with service fees for corresponding IT system upgrades. We did not have AI-related customer orders in 2023 or 2024.

- *Expanding customer base.* We plan to expand our customer base across different enterprise segments.
 - Large enterprise customers. A key growth driver among large enterprise customers is their rising demand for AI-enabled enterprise management services. This creates new growth opportunities, as we provide AI-powered services and support customers in upgrading and adapting their IT systems for AI adoption. As our products mature and better address customer needs, we can streamline delivery and reduce required implementation resources. We have also adopted AI-powered internal tools and engaged external professional service partners to further expand delivery capacity. Together, these efforts enable us to undertake more deployments for large enterprise customers and continue expanding our customer base.
 - Medium-sized enterprise customers. We will continue to promote standardized, modular cloud offerings, particularly to address medium-sized enterprise customers’ growing demand for AI-empowered services that improve cost savings and operating efficiency. As product maturity and deployment

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automation improve, and as we engage professional service partners to cover regions beyond the ready reach of our direct sales force, we expect to serve more customers with lower implementation costs and faster onboarding cycles.

- MSE customers. We aim to expand our reach among MSE customers through simplified SaaS offerings, enhanced self-service onboarding experiences, and digital marketing campaigns targeting high-potential industry clusters. We will also leverage sales partners and online distribution platforms to improve penetration and customer acquisition efficiency.
- Overseas markets. We plan to expand our overseas customer coverage by strengthening collaborations with local partners, particularly those with relevant industry expertise and experience working with leading enterprise software providers. We will also enhance the localization of our product offerings to better address region-specific requirements and improve product maturity in overseas markets. Adhering to our overseas expansion strategy, our overseas revenue increased by 39.3% from RMB218.2 million in 2024 to RMB303.9 million in 2025. Our overseas revenue also increased significantly from RMB34.9 million in the three months ended March 31, 2025 to RMB76.0 million in the three months ended March 31, 2026.
- *Deepening relationships with existing customers.* We have maintained a high level of customer retention, reflecting our ongoing efforts to improve product usability and customer experience. The percentage of retained large enterprise customers for our cloud-based services was 75.6%, 74.1%, 75.2% and 80.6% in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, calculated by the number of customers in a given period who also made purchases in the same period of the previous year by the total number of customers in that given period. The percentage of retained medium-sized enterprise customers for our cloud-based services was 86.8%, 82.4%, 80.5% and 82.8% in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

Looking ahead, we plan to deepen our relationships with existing customers by driving upsales within current accounts. For example, certain large enterprise customers with relatively low revenue contribution typically start with basic modules. As their usage matures and business needs expand, we see opportunities to up-sell additional function modules and industry-specific solutions. For medium-sized enterprise customers, we provide services that support their ongoing operations, and as these customers expand their business operations, they tend to broaden adoption of additional function modules.

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Improving Gross Profit Margin

Our future profitability depends on our ability to improve our gross profit margin. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our gross profit margin was 49.3%, 46.0%, 48.2%, 36.5% and 42.2%, respectively. We expect to increase our gross profit margin profile by implementing the following measures to drive delivery efficiency:

- *Transformation of the delivery methods.* Our historical gross profit margin decline was primarily due to the delivery complexity of top-tier customers, particularly during the initial rollout of our advanced cloud-based services. Their customized and large-scale deployments strained our in-house implementation capacity, increasing service costs and margin pressure. As our cloud-based offerings mature and delivery capabilities improve, our gross profit margin decline has gradually slowed, driven by improved implementation efficiency. Looking ahead, we plan to optimize our delivery model and reduce implementation costs by enhancing product standardization to reduce customization needs and shorten delivery cycles, deploying automated delivery tools and training our internal delivery team, and expanding cooperation with qualified third-party professional service partners to improve delivery flexibility and scalability while controlling internal resource costs. We believe these initiatives will support gross margin improvement and strengthen business scalability as our customer base expands.
- *Enhancing standardized product offering.* We have improved gross profit margin for medium-sized enterprise customers by increasing product standardization. Streamlined, modular and configurable cloud-based services have reduced implementation time and delivery complexity, improving cost efficiency and margin profile. Going forward, we will further enhance our standardized product portfolio by expanding core functions, adding industry-specific features, and offering preconfigured process templates, out-of-the-box modules and scenario-driven components for key verticals. We also plan to optimize product architecture to support low-code configuration and flexible deployment, thereby improving scalability and profitability while addressing broader customer needs.
- *Deepening ecosystem collaboration.* We expect to leverage ecosystem partners, especially professional service partners, to improve our gross margin profile. By engaging them for more delivery and maintenance support, we can reduce internal operational burden and allocate more resources to product development and innovation. As our product portfolio becomes more standardized, professional service partners can help deliver high quality services at scale. This partner-enabled model supports business expansion, optimizes resource allocation and drives sustainable gross margin improvement.

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Enhancing Economic Benefits of Operating Expenses

During the Track Record Period, we incurred substantial operating expenses to support our business growth. As our business scales, our operating expenses, defined as the sum of research and development costs, sales and marketing expenses and administrative expenses, as a percentage of our total revenue, increased from 63.1% in 2023 to 67.7% in 2024, and then decreased to 65.6% in 2025. It also decreased from 101.8% in the three months ended March 31, 2025 to 99.2% in the three months ended March 31, 2026. In the future, we will continue optimizing our research and development as well as sales and administrative functions to support our long-term business growth, and we expect that our operating expenses, as a percentage of our total revenue, to continue to decrease as our business expands.

- *Research and development costs.* During the Track Record Period, we maintained R&D investment to support core product iteration and technology advancement, including AI. Our research and development costs were RMB2,106.5 million, RMB2,121.8 million, RMB2,285.5 million, RMB559.8 million and RMB579.2 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 22.3%, 24.1%, 25.8%, 42.8% and 41.9% of total revenue. As we shift from software product development to cloud-based service enhancement and our products mature, our R&D team size and compensation structure have become more stable, and we do not expect significant near-term changes. We have improved, and will continue to improve, R&D efficiency through AI-enabled development tools, including intelligent coding assistants and automated testing frameworks. Staff costs as a percentage of research and development costs decreased from 68.7% in 2023 to 56.2% in 2024, to 49.7% in 2025, and further decreased from 50.9% in the three months ended March 31, 2025 to 42.7% in the three months ended March 31, 2026, while professional service fees decreased from 2.6% in 2023 to 1.6% in 2024 and 0.8% in 2025, and decreased from 0.7% in the three months ended March 31, 2025 to 0.5% in the three months ended March 31, 2026, as our need to outsource non-core R&D work declined. Going forward, we intend to pursue R&D initiatives more prudently and efficiently by leveraging existing technologies and core components, adopting AI tools for coding, testing and document processing, and improving personnel efficiency through refined team structures, higher productivity and cross-functional collaboration. As a result, we expect R&D expenses as a percentage of revenue to gradually decline.
- *Sales and marketing expenses.* Our sales and marketing expenses were RMB2,742.9 million, RMB2,621.7 million, RMB2,442.6 million, RMB454.9 million and RMB449.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 29.0%, 29.7%, 27.6%, 34.8% and 32.5% of revenue and showing a declining trend. As our product capabilities improve, we expect sales efficiency to increase through cross-domain adoption by existing customers and faster up-selling of higher-value products, enabling revenue growth with limited incremental sales and marketing expenses. We plan to further improve sales and marketing efficiency by strengthening brand awareness, expanding our

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sales partner network and adopting a region-based sales strategy. Our partner network has helped extend coverage to more regional markets, medium-sized companies and MSEs, while reducing staff costs as a percentage of sales and marketing expenses from 73.5% in 2023 to 70.6% in 2024 and 69.7% in 2025, and remained relatively stable at 79.2% in the three months ended March 31, 2025 and 79.3% in the three months ended March 31, 2026. Going forward, we will assign industry-specific sales teams across geographic regions to improve customer targeting, shorten conversion cycles and deploy sales resources more efficiently. Overseas, we plan to work with local partners to leverage their customer networks and market expertise and to reduce customer acquisition costs. As a result, we expect sales and marketing expenses to remain stable in absolute terms and decrease as a percentage of revenue.

- *Administrative expenses.* In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our administrative expenses were RMB1,113.4 million, RMB1,225.9 million, RMB1,083.3 million, RMB315.8 million and RMB343.5 million, respectively, representing 11.8%, 13.9%, 12.2%, 24.2% and 24.8% of total revenue. Going forward, we plan to further control administrative expenses by optimizing office space usage, consolidating office leases and eliminating underutilized locations. We are also advancing process automation and intelligent internal operations through standardized workflows, AI-powered automation and data-driven management tools. In addition, we plan to expand our shared services platform to more administrative functions, including finance and human resources, to centralize processing and reduce duplicated workflows. We expect these initiatives to improve management and administrative efficiency and support business scaling without significant additional administrative expenses.

Based on the above, our Directors are of the view that our business is sustainable and will be able to generate sufficient working capital for our business going forward. Based on the due diligence conducted by the Joint Sponsors, nothing material has come to the Joint Sponsors’ attention that contradicts the Directors’ view disclosed above in relation to the sustainability of the Company’s business and the sufficiency of working capital for the Company’s business going forward.

IMPACT OF COVID-19 PANDEMIC

Our business and results of operations had not been materially affected by the COVID-19 pandemic during the Track Record Period and up to the Latest Practicable Date. Given the nature of our sales and delivery processes, mobility restrictions during the COVID-19 pandemic had certain impact on contract execution and product delivery. In response, we conducted certain sales process online, implemented remote delivery solutions, and facilitated remote customer acceptance to mitigate such disruptions. As a result, our daily operations remained stable during the Track Record Period and up to the Latest Practicable Date. As the COVID-19 pandemic has since subsided, we do not anticipate any further adverse impact on our business or financial performance.